

**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2018**

**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
**COMPANY INFORMATION**

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2.

		Date of appointment
<b>DIRECTORS</b>	:	
	Nousrath Begum Bhugeloo	18 December 2007
	Devananda Naraidoo	20 March 2013
	Rishikesh Batoosam	
	<i>(Alternate to Nousrath Begum Bhugeloo)</i>	20 May 2016
	TUMMALAPALLI, Srinivasa Subrahmanya	
	Veerabhadra Lakshminarayana	23 September 2016
	Rishikesh Batoosam	
	<i>(Alternate to Devananda Naraidoo)</i>	06 December 2016
	Diwan Prakash Kumar	
	<i>(Alternate to TUMMALAPALLI, Srinivasa</i>	
	<i>Subrahmanya Veerabhadra Lakshminarayana)</i>	08 May 2017
<b>ADMINISTRATOR AND SECRETARY</b>	:	
	Abax Corporate Services Ltd	
	6th Floor, Tower A	
	1 CyberCity	
	Ebène	
	REPUBLIC OF MAURITIUS	
<b>REGISTERED OFFICE</b>	:	
	Abax Corporate Services Ltd	
	6th Floor, Tower A	
	1 CyberCity	
	Ebène	
	REPUBLIC OF MAURITIUS	
<b>AUDITOR</b>	:	
	RSM Mauritius	
	Chartered Accountants	
	109, Moka Business Centre	
	Mount Ory Road, Bon Air	
	Moka	
	REPUBLIC OF MAURITIUS	

The directors are pleased to present their commentary together with the audited financial statements of GMR Infrastructure (Mauritius) Limited ("the Company") for the year ended 31 March 2018.

#### **SCHEME OF AMALGAMATION**

As per board minutes dated 20<sup>th</sup> March 2018 and for the purpose of complying with Reserve Bank of India regulation, GMR Infrastructure (Mauritius) Limited and GMR Infrastructure Airports (Mauritius) Ltd (unquoted companies incorporated in Mauritius and referred to as the "Amalgamating companies") have agreed to merge and amalgamate its business with that of GMR Infrastructure Airports (Mauritius) Ltd (referred to as the "Amalgamated company"). All shares of the Amalgamating companies shall be cancelled without payment or other consideration. A Certificate of Amalgamation was issued by the Registrar of Companies on 30<sup>th</sup> March 2018.

Assets, liabilities and retained deficit of USD 50,832,911, USD 50,804,000 and USD 21,089 respectively were transferred from the Amalgamating companies to the Amalgamated company on 30<sup>th</sup> March 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is investment holding and provision of advisory, support and technical services relating to projects of the GMR Group and trading of commodities such as coal and steel in the international market at a mark-up.

#### **RESULTS AND DIVIDENDS**

The Company's profit for the year ended 31 March 2018 is USD 53,210,030 (2017: USD 1,885,281).

The directors do not recommend the payment of dividends for the year under review (2017: USD Nil)

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards, as modified by the exemption provided by the Mauritius Companies Act 2001, have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITOR**

The auditor, RSM Mauritius, have indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

By Order of the Board

SECRETARY

RISHAL TANEE  
FOR  
ABAX CORPORATE SERVICES LTD

04 MAY 2018

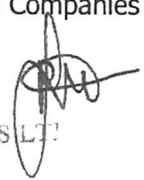


**SECRETARY'S CERTIFICATE  
GMR INFRASTRUCTURE (MAURITIUS) LIMITED**

**UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001**

We confirm, as secretary of the Company, that based on records and information made available to us by the Directors and sole Shareholder of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 March 2018, all such returns as are required of the Company under the Mauritian Companies Act 2001.

RISHAL TANEE  
FOR  
ABAX CORPORATE SERVICES LTD



**ABAX CORPORATE SERVICES LTD**  
COMPANY SECRETARY

**04 MAY 2018**

**Independent Auditor's Report  
To the Shareholder of GMR Infrastructure (Mauritius) Limited****5**

This report is made solely to the shareholder of GMR Infrastructure (Mauritius) Limited (the "Company"), in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report, or for the opinion we have formed.

**Opinion**

We have audited the financial statements of GMR Infrastructure (Mauritius) Limited set out on pages 8 to 35, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The Company has claimed for exemption from consolidation under the fourteenth schedule of the Mauritius Companies Act 2001. In our opinion, the financial statements present fairly, in all material respects, the financial position of GMR Infrastructure (Mauritius) Limited as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Mauritius Companies Act 2001.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with these requirements and to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Directors and Those Charged with Governance for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent Auditor's Report  
To the Shareholder of GMR Infrastructure (Mauritius) Ltd**

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**Responsibilities of the Directors and Those Charged with Governance for the Financial Statements (continued)**

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Mauritius Companies Act 2001. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Else, we have nothing to report in this regard.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

**Independent Auditor's Report  
To the Shareholder of GMR Infrastructure (Mauritius) Ltd**

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**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Report on Other Legal and Regulatory Requirements*

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor;
- We have obtained all information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



**RSM**  
**Chartered Accountants**  
**Moka, Mauritius**



**Ravi Kowlessur, FCCA**  
**Licensed by FRC**

Date: 04 May 2018

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

Established since 1982 as Margéot & Associates.

RSM (Mauritius) is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2018**

8.

	Note	2018 USD	2017 USD
<b>REVENUE</b>			
Business support income	4(a)	-	1,200,000
		-	1,200,000
<b>OTHER OPERATING INCOME</b>			
Exchange gain (net)		171,356	155
Gain on fair valuation of financial assets at fair value through profit or loss	8	1,312,591	668,420
Other income		-	30,240
Gain on disposal of financial assets at fair value through profit or loss	8	7,978	2,837
Gain on disposal of investment in subsidiaries	7	72,814,700	
		74,306,625	701,652
<b>EXPENSES</b>			
Other professional fees		(6,915)	-
Secretarial and administration fees		(78,317)	(55,450)
Audit fees		(6,230)	(6,098)
Accountancy fees		(9,200)	(14,500)
Directors' fees		(4,667)	(4,000)
Licence and registration fees		(2,801)	(2,063)
Tax fees		(1,500)	(1,500)
Rental expense		(5,789)	(5,766)
Legal fees		(7,317)	-
Business support fees	4(b)	-	(979,007)
Custody fees		(72,009)	(67,768)
Impairment of deposit on shares	10	(17,721,986)	-
<b>Total expenses</b>		(17,916,731)	(1,136,152)
<b>OPERATING PROFIT</b>		56,389,894	765,500
Finance income	5	174,859	6,532,153
Finance cost	6	(3,354,723)	(5,412,372)
<b>PROFIT BEFORE INCOME TAX</b>		53,210,030	1,885,281
Income tax expense	16	-	-
<b>PROFIT FOR THE YEAR</b>		53,210,030	1,885,281
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		53,210,030	1,885,281

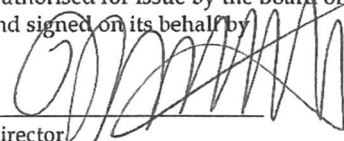
The notes on pages 12 to 35 form an integral part of these financial statements.

**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

9.

	Notes	2018 USD	2017 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	7	120,814,700	82,001,933
Financial assets at fair value through profit or loss	8	29,224,373	31,303,804
Loan to related parties	17(a)	-	14,208,254
Other non-current financial assets	9	1,265	1,265
<b>Total non-current assets</b>		<b>150,040,338</b>	<b>127,515,256</b>
<b>Current assets</b>			
Deposit on shares	10	292,748,506	215,671,971
Amount due from affiliates	17(c), (e)	-	1,562,936
Loans to related parties	17(a)	27,476,000	58,965,443
Other current assets	11	42,700	44,656
Cash and cash equivalents	12	86,290	17,838,817
<b>Total current assets</b>		<b>320,353,496</b>	<b>294,083,823</b>
<b>Total assets</b>		<b>470,393,834</b>	<b>421,599,079</b>
<b>EQUITY AND LIABILITIES</b>			
Stated capital	13	320,550,001	320,550,001
Retained earnings/(accumulated losses)		21,732,242	(31,456,702)
<b>Total equity</b>		<b>342,282,243</b>	<b>289,093,299</b>
<b>Non-current liabilities</b>			
Loans payable	14	43,182,570	61,375,730
<b>Current liabilities</b>			
Loans payable	14	83,858,173	70,893,062
Accounts payable	15	1,070,848	236,988
<b>Total current liabilities</b>		<b>84,929,021</b>	<b>71,130,050</b>
<b>Total liabilities</b>		<b>128,111,591</b>	<b>132,505,780</b>
<b>Total equity and liabilities</b>		<b>470,393,834</b>	<b>421,599,079</b>

Authorised for issue by the Board of directors on **04 MAY 2018**  
and signed on its behalf by

  
Director

  
Director

The notes on pages 12 to 35 form an integral part of these financial statements.

GMR INFRASTRUCTURE (MAURITIUS) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018

10.

	Stated capital USD	Retained earnings/ (accumulated losses) USD	Total equity USD
At 01 April 2016	320,550,001	(33,341,983)	287,208,018
Loss for the year	-	1,885,281	1,885,281
At 31 March 2017	320,550,001	(31,456,702)	289,093,299
Profit for the year	-	53,210,030	53,210,030
Reserve on amalgamation	-	(21,086)	(21,086)
At 31 March 2018	320,550,001	21,732,242	342,282,243
	=====	=====	=====

The notes on pages 12 to 35 form an integral part of these financial statements.

**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**11.**

	2018 USD	2017 USD
<i>Cash flows from operating activities</i>		
Profit before income tax	53,210,030	1,885,281
<i>Adjustment for:</i>		
Assets transferred under amalgamation	(16,694)	-
Liabilities assigned under amalgamation	804,000	-
Impairment of deposit on shares	17,721,986	-
Unrealised foreign exchange gain	(4,394)	-
Finance income	(174,859)	(6,532,153)
Finance cost	3,352,766	5,403,295
Gain on fair valuation of financial assets at fair value through profit or loss	(1,312,591)	(668,420)
Gain on disposal of financial assets at fair value through profit or loss	(7,978)	(2,837)
Gain on disposal of investments in subsidiaries	(72,814,700)	-
<b>Operating profit from operations before working capital changes</b>	<b>757,566</b>	<b>85,166</b>
Decrease in amounts due from affiliates	-	745,227
Decrease in other current assets	1,875	129,534,807
Increase in accounts payable	29,860	400,830
<b>Net cash generated from operating activities</b>	<b>789,301</b>	<b>130,766,030</b>
<i>Cash flows from investing activities</i>		
Acquisition of investment in subsidiaries	(70,000,100)	-
Disposal proceeds from sale of investment in subsidiaries	104,002,033	-
Disposal proceeds from sale of financial assets at fair value through profit or loss	3,400,000	75,000
Disposal proceeds on sale of deposit on shares	3,786,956	-
Interest received	415	7,023,140
Amount due from affiliates received	1,562,936	31,803
Increase in deposit on shares	(98,585,477)	(47,330,116)
Interest received on loans to related parties	1,508,222	2,761,535
Loans repaid to related parties	18,838,800	3,838,192
<b>Net cash used in investing activities</b>	<b>(35,486,215)</b>	<b>(33,600,446)</b>
<i>Cash flows from financing activities</i>		
Proceeds from borrowings	28,120,927	88,170,000
Repayment of borrowings	(780,000)	(164,933,243)
Interest and finance charges paid	(2,343,889)	(4,846,571)
Repayment of other liabilities	-	(877,927)
Amount due to parent repaid	-	(997,500)
Amount due to affiliate repaid	(8,052,652)	-
<b>Net cash flow from financing activities</b>	<b>16,944,386</b>	<b>(83,485,241)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(17,752,528)</b>	<b>13,680,343</b>
Cash and cash equivalents at beginning of the year	17,838,817	4,158,474
<b>Cash and cash equivalents at end of the year</b>	<b>86,289</b>	<b>17,838,817</b>

The notes on pages 12 to 35 form an integral part of these financial statements.



**1. GENERAL INFORMATION**

GMR Infrastructure (Mauritius) Limited (the "Company") is a private limited company incorporated on 18 December 2007, holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company's registered office is C/o Abax Corporate Services Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène, Republic of Mauritius.

The principal activity of the Company is investment holding and provision of advisory, support and technical services relating to projects of the GMR Group and trading of commodities such as coal and steel in the international market at a mark-up.

**2. SCHEME OF AMALGAMATION**

As per board minutes dated 20th March 2018 and for the purpose of complying with Reserve Bank of India regulation, GMR Infrastructure (Mauritius) Limited and GMR Infrastructure Airports (Mauritius) Ltd (unquoted companies incorporated in Mauritius and referred to as the "Amalgamating companies") have agreed to merge and amalgamate their businesses (referred to as the "Amalgamated company"). All shares of the Amalgamating companies shall be cancelled without payment or other consideration. A Certificate of Amalgamation was issued by the Registrar of Companies on 30th March 2018.

Assets, liabilities and retained deficit of USD 50,832,911, USD 804,000 and USD 21,089 respectively were transferred from the Amalgamating companies to the Amalgamated company on 30th March 2018.

The details of the assets and liabilities are as follows:

<u>Assets</u>		<u>Liabilities</u>	
Investment in subsidiary	50,814,600	Amount due to affiliates	800,000
Other receivables	1,617	Accruals	4,000
Cash and cash equivalents	16,694		
	-----		-----
	50,832,911		804,000
	=====		=====

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

**Basis of presentation**

The financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The Company has claimed exemption from preparing group financial statements as per the fourteenth schedule, paragraph 12 of the Mauritius Companies Act 2001 when it is the subsidiary of any Company. The financial statements have been prepared under the historical cost convention except for financial assets at fair value through profit or loss which are measured at fair value.

The preparation of financial statements in conformity with IFRS and Mauritius Companies Act 2001 requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described below:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Significant accounting judgements, estimates and assumptions**

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Determination of functional currency*

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described above, the directors have considered those factors therein and have determined that the functional currency of the company is the USD.

**Changes in accounting policy and disclosures**

(i) *New and amended standards and interpretations adopted by the Company*

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2017.

The nature and the impact of each new standard or amendment relevant to the Company are described below:

IAS 7 Disclosure Initiative – Amendments to IAS 7 (effective for accounting periods beginning on or after 01 January 2017)

The amendments to IAS 7, 'Statement of Cash Flows', are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains and losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Early application is permitted. The amendments are intended to provide information to help investors better understand changes in a company's debt.

The Company's liabilities arising from financing activities consist of borrowings (note 24) and other financial liabilities (note YY). A reconciliation between the opening and closing balances of these items is provided in note 26. Consistent with the transition provisions of the amendments, the Company has not disclosed comparative information for the prior period. Apart from the additional disclosure mentioned above, the application of these amendments had no impact on the Company's financial position or performance.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (effective for accounting periods beginning on or after 01 January 2017)

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policy and disclosures (Continued)

(i) *New and amended standards and interpretations adopted by the Company*

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (effective for accounting periods beginning on or after 01 January 2017) (Continued)

The amendments are intended to remove existing divergence in practice in recognising deferred tax assets for unrealised losses.

IFRS 12 Disclosure of interest in other entities - Clarification of the scope of the disclosure requirements in IFRS 12 (effective for accounting periods beginning on or after 01 January 2017)

IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests. The amendments apply retrospectively.

The application of these amendments had no effect on the Company's financial statements as none of the Company's interests in these entities are classified or included in a disposal group that is classified, as held for sale.

The application of these amendments had no effect on the Company's financial statements as the Company has no interests in subsidiaries, associates or joint ventures.

IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 01 January 2018)

IFRS 9, 'Financial instruments', addresses the classification, measurement and derecognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014 and replaces the guidance in IAS 39 that introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Company has performed an impact assessment of the relevant aspects of IFRS 9 applicable to the Company.

This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2018 when the Company will adopt IFRS 9.

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

The main change for financial liabilities relates to financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in the entity's own credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) *New and amended standards and interpretations adopted by the Company*

IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 01 January 2018) (Continued)

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime.

ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

Based on an analysis of the Company's financial assets and liabilities as at 31 December 2017 on the basis of the facts and circumstances that exist as at that date, the directors of the Company have assessed the impact of IFRS 9 to the financial statements as follows:

Classification and measurement

The Company does not expect a significant impact on its SOFP or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

Based on its assessment, the Company does not believe that the new classification requirements will have a material impact on its accounting for loans to related parties and other current assets.

Loans as well as trade receivables carried at amortised cost are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, these financial assets will continue to be subsequently measured at amortised cost under IFRS 9.

All other financial assets will continue to be measured on the same bases as is currently adopted under IAS 39.

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities.

Impairment

IFRS 9 requires the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis.

The Company expects to apply the simplified approach and record lifetime expected losses on all trade receivables. As regards to debt securities and debentures, the directors of the Company consider that they have low credit risk given their strong external credit rating and hence expect to recognise 12-month expected credit losses for these items. In relation to the loans to related parties, the directors have assessed that there has been a significant increase in the credit risk of the loans to related parties. Accordingly, the directors expect to recognise lifetime credit losses for these loans.

The directors have not yet finalized the impairment methodologies that it will apply under IFRS 9.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (ii) New and amended standards and interpretations in issue but not yet adopted by the Company.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration (effective for accounting periods beginning on or after 1 January 2018)

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. Earlier application is permitted.

IFRIC 23 – Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019)

The interpretation clarifies the accounting for uncertainties in income taxes. It addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers whether tax treatments should be considered collectively, assumptions for taxation authorities' examinations, the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and the effect of changes in facts and circumstances. Full retrospective application is permitted.

**Foreign currency translation**

- (i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in USD, which is the Company's functional and presentation currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

- (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Current and deferred income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### Investment in subsidiaries

A subsidiary is an entity (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit or loss and other comprehensive income. On disposal of the investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

### Consolidated financial statements

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually owned subsidiary of any company and holding a Category 1 Global Business Licence not to present consolidated financial statements which contain financial information of the Company as an individual company and do not contain consolidated financial information as the parent of the group. The financial statements are for the Company only and do not consolidate the results of its subsidiary. The Company is a wholly owned subsidiary of GMR Infrastructure Limited, a company listed on the Stock Exchange of India who prepares consolidated financial statements in accordance with Indian GAAP. These consolidated financial statements are obtainable at No.25/1, Skip House, Museum Road, Bangalore - 560 025.

### Financial instruments

Financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Financial instruments (Continued)**

Financial instruments carried on the statement of financial position include financial assets at fair value through profit or loss, other non-current financial assets, amount due from affiliates, loans to related parties, other current assets (excluding prepayments), cash and cash equivalents, loans payable and accounts payable. The particular recognition methods adopted are disclosed below:

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Upon initial recognition, attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables comprise of other non-current financial assets, amount due from affiliates, loans to related parties, amount due from parent, cash and cash equivalents and other current assets (excluding prepayments).

*Other non-current financial assets, amount due from affiliates, loans to related parties and other current assets*

Other non-current financial assets, amount due from affiliates, loans to related parties, amount due from parent and other current assets are amounts due from related parties and third parties for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Other non-current financial asset, amount due from affiliates, loans to related parties, amount due from parent and other current assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank.

*Loans payable*

Loans payable are recognised initially at fair value, net of transaction costs incurred. Loans payable are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans payable using the effective interest method. Loans payable are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Financial instruments (continued)**

*Accounts payable*

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from related parties and service providers. Accruals are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**Impairment of financial assets**

*Assets carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss and other comprehensive income.

**Derecognition of financial assets and liabilities**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

**Stated capital**

Ordinary shares are classified as equity.

**Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below:

Dividend income is recognised when the shareholder's right to receive payment is established.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Interest income is recognised using the effective interest method.

Business support income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4(a) BUSINESS SUPPORT INCOME

Pursuant to the Agreement ("Agreement") dated 04 June 2013 entered into between the Company and GMR Airport (Global) Limited ("GMR Global"), GMR Global has requested the Company to liaise with the lenders to seek relaxation of certain conditions relating to the debt. In consideration of the services to be provided, GMR Global shall pay the Company a fee of USD Nil (2017: USD 1,414,545) within 7 days from the effective date of the Agreement and a fee not exceeding USD Nil (2017: USD 300,000) per quarter as from March 2013 (Note 16(c)). If the said fee exceed USD 300,000 per quarter, the fees is then mutually agreed between GMR Global and the Company.

During the year under review, business support income of USD Nil (2017: USD 1,200,000) has been recognized.

4(b) BUSINESS SUPPORT FEE

The Company had availed a term loan facility from Axis Bank Limited ("the bank") for USD 144 Million. Pursuant to the Business Support Services Agreement ("Agreement") dated 24 December 2012, the Company has requested GMR Infrastructure Limited ("GIL") to liaise with the bank to negotiate the terms and negotiations of the loan facility. In consideration of the services to be provided, the Company shall pay GIL a fee of USD 1,000,000 within 5 days from the effective days from the Agreement and a service of USD 200,000 per quarter as from March 2013 (Note 16(d)). The Company shall also reimburse GIL for all out of pocket expenses reasonably incurred in the performance of the said services. Any additional services requested by the Company from GIL shall be at such fee as mutually agreed between GIL and the Company.

During the year under review, a business support fees of USD Nil (2017: USD 979,007) has been charged by GIL to the Company.

5. FINANCE INCOME

	2018 USD	2017 USD
Interest income on fixed deposit	334	2,062,175
Interest receivable on loan receivable (Note 17(a)(i),(ii),(vi))	174,525	4,469,978
	<u>174,859</u>	<u>6,532,153</u>
	=====	=====

**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
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**6. FINANCE COST**

	2018 USD	2017 USD
Interest on loan payable (Note 17(b)(i),(ii),(v))	3,351,196	5,141,295
Upfront fee	-	262,000
Bank Charges	1,957	9,077
Other interest paid	1,570	-
	<u>3,354,723</u>	<u>5,412,372</u>

**7. INVESTMENTS IN SUBSIDIARIES**

	2018 USD	2017 USD
<i>Unquoted investments at cost:</i>		
At beginning of the year	82,001,933	82,001,933
Acquired during the year	70,000,100	-
Amalgamated during the year	50,814,600	-
Disposed during the year	(82,001,933)	-
	<u>120,814,700</u>	<u>82,001,933</u>

The Company held investments in the following companies:

Name of subsidiaries	% Holding	Country of incorporation	Class of shares	Nature of business	2018 USD	2017 USD
GMR Infrastructure (Cyprus) Limited	100% (2016: 100%)	Cyprus	Ordinary	Investment holding	-	10,622,231
GMR Infrastructure Overseas Limited	100% (2016: 100%)	Malta	Ordinary	Investment holding	-	4,702
GMR Infrastructure (Singapore) Pte. Limited	99.99% (2016: 99.99%)	Republic of Singapore	Ordinary	Investment holding	120,814,700	48,000,000
GMR Male International Airport Private Limited	77% (2016: 77%)	Republic of Maldives	Ordinary	Investment holding	-	23,100,000
Indo Tausch Trading DMCC	100% (2016: Nil)	United Arab Emirates	Ordinary	Trading of commodities	-	275,000
<b>At end of the year</b>					<u>120,814,700</u>	<u>82,001,933</u>

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

During the year under review, the following investments were disposed:

Name of subsidiaries	Carry amount USD	Disposed USD	Gain/Loss on disposal USD
GMR Infrastructure (Cyprus) Limited	10,622,231	10,622,231	-
GMR Infrastructure Overseas Limited	4,702	4,702	-
GMR Infrastructure (Singapore) Pte. Limited	48,000,000	120,544,700	72,814,700
GMR Male International Airport Private Limited	23,100,000	23,100,000	-
Indo Tausch Trading DMCC	273,000	273,000	-
Total	81,999,933	154,544,633	72,814,700

An impairment review carried out at 31 March 2016 revealed that the investment in GMR Infrastructure (UK) Limited has been fully impaired due to capital deficit and sustained losses in the investee's financial statements as at that date. The directors have assessed that the recoverable amounts of all the other investments approximate their carrying values at the reporting date.

Pursuant to the board minutes dated 20<sup>th</sup> March 2018, GMR Infrastructure (Mauritius) Limited has amalgamated with GMR Infrastructure Airport Mauritius Limited and the investment in GMR Infrastructure (Singapore) Pte Limited held by GMR Infrastructure Airport Mauritius Limited of USD 120,814,700 has been amalgamated into the Company.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 USD	2017 USD
At start of the year	31,303,804	30,707,547
Fair value adjustment at end of the year	1,312,591	668,420
Disposed during the year	(3,392,022)	(72,163)
At end of the year	29,224,373	31,303,804

Name of funds	Fair value 2018 USD	2017 USD
Capital Emerging Markets Bond Fund	10,951,062	9,997,500
Illya Multi-Sector Strategy Fund	7,335,617	10,666,127
Star Emerging Asia Fixed Income Fund	10,937,694	10,640,177
	29,224,373	31,303,804

The valuation of the above funds has been estimated based on the portfolio valuation statement as at 31 March 2018 as provided by Mirabaud (Middle East) Limited. The directors have relied on the statement to estimate the value of the above investments and are of opinion that the reported balance at 31 March 2018 of USD 29,224,373 (2017: USD 31,303,804) fairly reflects the market value of these investments.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

During the year under review, the Company has disposed of 31,386 units (2017: 2,837 units) in Ilya Multi-sector strategy fund for disposal proceeds of USD 3,400,000 (2017: USD 75,000) and the resulting gain on disposal of USD 7,978 (2017: USD 2,837) has been recorded under gain on disposal of financial asset through profit or loss in the statement of comprehensive income.

9. OTHER NON-CURRENT FINANCIAL ASSETS

	2018 USD	2017 USD
Rental deposit	1,265	1,265
	=====	=====

10. DEPOSIT ON SHARES

	2018 USD	2017 USD
Advance against equity to be allotted, to the Company, by		
GMR Infrastructure (UK) Limited	-	17,254,797
GMR Infrastructure (Cyprus) Limited	-	3,720,956
GMR Infrastructure (Singapore) Pte. Limited	31,865,019	108,030,218
GMR Infrastructure Overseas Limited (Malta)	-	66,000
GMR Infrastructure (Overseas) Limited	260,846,487	86,600,000
GMR Energy Projects (Mauritius) Limited	37,000	-
	292,748,506	215,671,971
	=====	=====

Pursuant to the resolution dated 29 June 2017, it has been decided to assign the deposit on shares held in GMR Infrastructure (Cyprus) Limited to GMR Infrastructure (Overseas) Limited for a consideration of USD 3,720,956.

During the year ended 31 March 2018, pursuant to resolution dated 13 September 2017, it has been decided to fully impair the deposit on shares in GMR Infrastructure (UK) Limited amounting to USD 17,721,986.

Pursuant to the resolution dated 24 July 2017, the Company has assigned its deposit on shares in GMR Infrastructure Overseas Limited (Malta) of USD 66,000 to GMR Infrastructure (Overseas) Limited.

11. OTHER CURRENT ASSETS

	2018 USD	2017 USD
Prepayments	700	2,575
Interest receivable on fixed deposit held at bank	-	81
Loan to third party	42,000	42,000
	42,700	44,656
	=====	=====

The loan to third party is unsecured, interest free and shall be repayable on demand.

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**12. CASH AND CASH EQUIVALENTS**

	2018 USD	2017 USD
<i>Cash at bank</i>		
Current accounts	86,289	13,588,832
Deposit accounts	-	250,000
Cash in transit	-	3,999,985
	-----	-----
	86,289	17,838,817
	=====	=====

**13. STATED CAPITAL**

	Number of shares		2018 USD	2017 USD
	2018	2017		
<i>Issued and fully paid up</i>				
At beginning and end of the year	320,550,001	320,550,001	320,550,001	320,550,001
	=====	=====	=====	=====

The par value of each ordinary share is **USD 1**.

The holder of an ordinary share in the Company shall confer on the holder:

- (a) the right to one vote on a poll at a meeting of the Company on any resolution;
- (b) the right to an equal share in dividends authorised by the Board;
- (c) the right to an equal share in the distribution of the surplus assets of the Company.

**14. LOANS PAYABLE**

	2018 USD	2017 USD
Loan from affiliates	-	33,536,055
Loan from subsidiaries	83,858,173	61,515,498
Loan from parent	43,182,570	37,217,239
	-----	-----
<b>Total loans payable</b>	<b>127,040,743</b>	<b>132,268,792</b>
	=====	=====
	2018 USD	2017 USD
<b>Non-current</b>		
Loan from affiliates	-	33,536,055
Loan from parent	43,182,570	27,839,675
	-----	-----
	43,182,570	61,375,730
	-----	-----
<b>Current</b>		
Loan from subsidiaries	83,858,173	61,515,498
Loan from parent	-	9,377,564
	-----	-----
	83,858,173	70,893,062
	-----	-----
<b>Total loans payable</b>	<b>127,040,743</b>	<b>132,268,792</b>
	=====	=====

**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. LOANS PAYABLE (CONTINUED)**

	2018 USD	2017 USD
<b><u>(b) Loan from affiliates</u></b>		
At end of the year (Notes 17(b) (iv),(v))	-	33,536,055
	=====	=====
	2018 USD	2017 USD
<b><u>(c) Loan from subsidiary</u></b>		
At end of the year (Notes 17(b) (ii)(iii))	83,858,173	61,515,498
	=====	=====
	2018 USD	2017 USD
<b><u>(d) Loan from parent</u></b>		
At end of the year (Notes 17(b) (i))	43,182,570	37,217,239
	=====	=====

**15. ACCOUNTS PAYABLE**

	2018 USD	2017 USD
Amount due from parent (Note 17(d))	200,000	200,000
Amount due from subsidiary (Note 17(e))	800,000	-
Accruals	66,848	36,988
Other payables	4,000	-
	-----	-----
At end of the year	1,070,848	236,988
	=====	=====

**16. INCOME TAX**

The Company is subject to income tax in Mauritius on its net income at 15% (2016: 15%). However, the Company is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% (2016: 80%) of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of 3% (2016: 3%). Gains or profits from the sale of units of securities by a company holding a Category 1 Global Business License under the Financial Services Act 2007 are exempt in Mauritius.

The foregoing is based on current interpretation and practice and is subject to any future changes in the Mauritian tax laws. At 31 March 2018, the Company had accumulated tax losses of USD 17,756,063 (2017: USD 25,537,831).

The tax losses are available for set off against taxable profits of the Company as follows:

Up to the year ending:

	2018 USD	2017 USD
31 December 2021	1,389,049	-
31 December 2020	2,778,737	2,778,737
31 December 2019	4,901,717	4,901,717
31 December 2018	8,683,560	8,683,560
31 December 2017	-	10,898,780
Utilised tax losses	-	(1,724,963)
	-----	-----
	17,753,063	25,537,831
	=====	=====

**GMR INFRASTRUCTURE (MAURITIUS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. INCOME TAX (CONTINUED)**

A reconciliation between the accounting profit/(loss) and the actual income tax expense is presented below:

	2018 USD	2017 USD
Profit/(loss) before taxation	53,210,030	1,885,281
	=====	=====
Applicable income tax at tax rate of 15%	7,981,504	282,792
Impact of:		
Exempt income	(11,120,290)	(100,688)
Income not subject to tax	-	(4,536)
Expenses not deductible for tax purposes	5,277,208	10,165
Expenses incurred in the production of exempt income	16,531	-
Foreign tax credit	(2,154,953)	-
Utilised tax losses	-	(187,733)
	-----	-----
Income tax charge	-	-
	=====	=====

**Deferred income tax**

A deferred income tax asset of **USD 532,682** (2017: USD 766,134) has not been recognised in respect of tax losses carried forward as the directors consider that it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

**17. RELATED PARTY TRANSACTIONS**

During the year under review, the Company entered into the following transaction with related parties. The nature, volume of the transactions and the balances are as follows:

<u>(a) Loans receivable</u>	2018 USD	2017 USD
(i) <i>GMR Coal Resources Pte. Limited – Affiliate</i>		
At beginning of the year	13,136,166	15,005,650
Interest receivable during the year (Note 5)	37,597	130,516
Interest received during the year	(673,763)	-
Repaid during the year	(12,500,000)	(2,000,000)
	-----	-----
At end of the year	-	13,136,166
	=====	=====

Details of the above loans are given below:

- (i) Loan amounting to **USD Nil** (2017: USD 8,162,444) which carries interest at the rate of 1% per annum. The loan is unsecured and has been repaid during the year under review.
- (ii) Loan amounting to **USD Nil** (2017: USD 4,962,363) which carries interest at 1% per annum. The loan is unsecured and has been repaid during the year under review.
- (iii) Loan amounting to **USD Nil** (2017: USD 11,359) which carries interest at Libor+0.25% per annum. The loan is unsecured and has been repaid the year under review.

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17. RELATED PARTY TRANSACTIONS

*(a) Loans receivable (continued)*

	2018 USD	2017 USD
<i>(ii) GMR Infrastructure (Overseas) Limited - Affiliate</i>		
At beginning of the year	6,045,810	600,000
Addition during the year	-	26,545,000
Repaid during the year	(5,470,000)	(21,675,000)
Interest receivable during the year (Note 5)	70,933	575,810
Interest received during the year	(646,743)	-
	-----	-----
At end of the year	-	6,045,810
	=====	=====

The loan receivable from GMR Infrastructure (Overseas) Limited is unsecured, interest rate at 6% per annum and has been paid during the year under review.

	2018 USD	2017 USD
<i>(iii) GMR Energy (Mauritius) Limited - Affiliate</i>		
At start of the year	-	27,630,000
Repaid during the year	-	(154,000)
Assigned during the year	-	(27,476,000)
	-----	-----
At end of year	-	-
	=====	=====

During the year ended 31 March 2017, the loan receivable from GMR Energy (Mauritius) Limited was assigned to GMR Energy Project (Mauritius) Limited.

	2018 USD	2017 USD
<i>(iv) GMR Energy Project (Mauritius) Limited - Affiliate</i>		
At start of the year	27,476,000	-
Addition during the year	-	27,476,000
	-----	-----
At end of year	27,476,000	27,476,000
	=====	=====

The loan receivable from affiliate is unsecured, interest free and is repayable on 31 March 2019.

	2018 USD	2017 USD
<i>(v) GMR Male International Airport Private Limited - Affiliate</i>		
At start of the year	-	36,329,401
Advanced during the year	-	10,853,066
Interest receivable during the year (Note 5)	-	3,641,931
Interest repaid during the year	-	(7,023,140)
Repaid during the year	-	(43,801,258)
	-----	-----
At end of year	-	-
	=====	=====

The loan receivable from affiliate is unsecured and bears interest at 14% per annum and has been repaid during the year ended 31 March 2017.



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**17. RELATED PARTY TRANSACTIONS (Continued)**

**(a) Loans receivable (continued)**

<i>(vi) GMR Energy Netherlands B.V - Affiliate</i>	2018 USD	2017 USD
Advanced during the year	26,515,721	26,394,000
Interest receivable during the year (Note 5)	65,995	121,721
Assigned during the year	(25,525,200)	-
Repaid during the year	(868,800)	-
Interest received during the year	(187,716)	-
	-----	-----
At end of year	-	26,515,721
	=====	=====

The loan receivable from affiliate is unsecured and bears interest at 1% per annum and has been repaid during the year under review.

	2018 USD	2017 USD
<b><u>(b) Loans payable</u></b>		
<i>(i) GMR Infrastructure Limited - Parent</i>		
At start of the year	37,217,239	28,613,644
Advanced during the year	27,520,927	27,170,000
Interest payable during the year (Note 6)	3,286,723	2,189,338
Interest paid during the year	(2,342,319)	(502,500)
Repaid during the year	(22,500,000)	(20,253,243)
	-----	-----
At end of the year (Note 14)	43,182,570	37,217,239
	=====	=====

Details of the above loans are given below:

- (i) Loan amounting to USD Nil (2017: USD 9,377,564) which carries interest at the rate of 6% per annum. The loan is unsecured and has been repaid during the year under review.
- (ii) Loan amounting to USD 24,893,162 (2017: USD 25,839,018) which carries interest at 6% per annum. The loan is unsecured and is repayable on 18 October 2019.
- (iii) Loan amounting to USD 14,203,271 (2017: USD 25,839,018) which carries interest at 6% per annum. The loan is unsecured and is repayable on 18 October 2019.
- (iv) Loan amounting to USD Nil (2017: USD 2,000,658) which carries interest at 6% per annum. The loan is unsecured and has been paid during the year ended review.
- (v) Loan amounting to USD 4,086,137 (2017: USD Nil) which carries interest at 6% per annum. The loan is unsecured and is repayable on 21 November 2020.

	2018 USD	2017 USD
<i>(ii) GMR Infrastructure (Singapore) Pte Ltd - Subsidiary</i>		
At start of the year	515,498	504,213
Addition during the year	1,000,000	-
Interest payable during the year (Note 6)	22,675	11,285
	-----	-----
At end of the year (Note 14)	1,538,173	515,498
	=====	=====

17. RELATED PARTY TRANSACTIONS (Continued)

(b) Loans payable (Continued)

(iii) GMR Infrastructure (Singapore) Pte Ltd – Subsidiary (Continued)

Details of the above loans are given below:

(i) Loan amounting to USD 514,236 (2017: USD 515,498) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 31 August 2019.

(ii) Loan amounting to USD 1,023,937 (2017: USD Nil) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 02 January 2020.

	2018 USD	2017 USD
(iii) GMR Male International Airport Private Limited- Subsidiary		
At start of the year	61,000,000	-
Repaid during the year	(780,000)	-
Advanced during the year	22,100,000	61,000,000
	<hr/>	<hr/>
At end of the year (Note 14)	82,320,000	61,000,000
	<hr/>	<hr/>

The loan payable to GMR Male International Airport Private Limited is unsecured, interest free and repayable on 14<sup>th</sup> December 2018.

	2018 USD	2017 USD
(iv) GMR Airport (Global) Limited - Affiliates		
At start of the year	-	1,207,680
Set off during the year	-	(1,207,680)
	<hr/>	<hr/>
At end of the year (Note 14)	-	-
	<hr/>	<hr/>

The loan payable is unsecured, carries interest at the rate of 1.2% per annum and has been set off during the year ended 31 March 2017.

	2018 USD	2017 USD
(v) GADL (International) Limited - Affiliate		
At beginning of the year	33,536,055	34,045,508
Interest expense during the year (Note 6)	41,798	170,547
Repaid during the year	-	(680,000)
Assigned during the year	(33,577,853)	
	<hr/>	<hr/>
At end of the year (Note 14)	-	33,536,055
	<hr/>	<hr/>

The loan payable is unsecured, carries interest at the rate of 0.5% per annum and has been assigned to GMR Infrastructure (Overseas) Limited during the year under review.

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17. RELATED PARTY TRANSACTIONS (CONTINUED)

	2018 USD	2017 USD
<u>(c) Amount due from affiliates – GMR Airport Global Limited</u>		
At beginning of the year	1,562,936	1,570,616
Expenses incurred during the year	-	1,200,000
Set off during the year	-	(1,207,680)
Received during the year	(1,562,936)	-
	-----	-----
At end of the year	-	1,562,936
	=====	=====

The amount due from affiliates is towards business support services rendered and has been received during the year ended 31 March 2018.

	2018 USD	2017 USD
<u>(d) Amount due to/(from) parent – GMR Infrastructure Limited</u>		
At start of the year	200,000	797,500
Expenses incurred during the year	-	400,000
Repaid during the year	-	(997,500)
	-----	-----
At end of the year (Note 15)	200,000	200,000
	=====	=====

The amount due to parent is towards business support services received and is payable as at 31 March 2018.

	2018 USD	2017 USD
<u>(e) Amount due from affiliates – GMR Infrastructure (Overseas) Limited</u>		
At start of the year	-	31,803
Repaid during the year	-	(31,803)
Loan receivable assigned during the year	(25,525,200)	-
Loan payable assigned during the year	33,577,853	-
Paid during the year	(33,577,853)	-
Received during the year	25,525,200	-
Amalgamated during the year	800,000	-
	-----	-----
At end of the year	800,000	-
	=====	=====

The amount due to affiliate is unsecured, interest free and repayable on demand

	2018 USD	2017 USD
<u>(f) Key management services</u>		
Expenses including directors' fees incurred by the Company	62,092	81,216
	=====	=====
Outstanding balance	60,617	30,921
	=====	=====

The compensation to key management personnel is provided on commercial terms and conditions.

## 18. FINANCIAL RISK MANAGEMENT

### *Financial risk factors*

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed below:

#### (a) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) *Currency risk*

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has assets and liabilities denominated in Great Britain Pound Sterling ("GBP") and EURO ("EUR"). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to GBP and EUR may change in a manner, which has a material effect on the reported value of the Company's assets and liabilities which are denominated in GBP and EUR.

### *Currency profile*

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2018		2017	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Financial assets				
GBP	227	-	1,165	-
EUR	582	-	-	-
USD	56,829,118	128,111,590	123,921,435	132,505,780
	=====	=====	=====	=====
	56,829,927	128,111,590	123,922,600	132,505,780
	=====	=====	=====	=====

Investment in subsidiaries amounting to USD 120,814,700 (2017: USD 82,001,933), deposit on shares amounting to USD 292,748,506 (2017: USD 215,671,971) and prepayments amounting to USD 700 (2017: USD 2,575), have been excluded in the above table.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

*Sensitivity analysis*

The following table indicates the approximate change in the Company's post-tax profit and equity in response to reasonable possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date, with all other variables held constant.

	Increase/(decrease) in Foreign exchange rates	Effect on post tax profit (loss)/ gain		Effect on equity (loss)/ gain	
		2017 USD	2016 USD	2017 USD	2016 USD
Depreciation of GBP	+5%	11	58	11	58
Appreciation of GBP	-5%	(11)	(58)	(11)	(58)
Depreciation of EUR	+5%	29	-	29	-
Appreciation of EUR	-5%	(29)	-	(29)	-

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company holds significant interest bearing financial assets and liabilities such as cash and cash equivalents, loans to related parties and loans payable on which interest may fluctuate in amount, due to changes in market interest rates.

The Company's interest rate risk arises from interest received on cash and cash equivalents, loans to related parties and interest paid or payable on loans payable. Based on the assumption that the interest rate had been 0.5% higher or lower on the applicable interest rate, post-tax profits and equity would have been USD 15,881 higher or lower (2017: USD 6,034).

(iii) Price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. With respect to credit risk arising from financial assets which comprise of other current assets, loans to related parties and cash and cash equivalents, the Company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Other current assets comprise of loan to third party. Cash and cash equivalents are maintained with reputable banks, interest receivable and fixed deposit are held with reputable banks. The Company has assessed the loan to third party and there is deemed to be no significant risk. Loans to related parties are mainly with related parties where there is no significant credit risk.

(c) Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves to meet its obligations as they fall due and through financing from related parties.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk(continued)

The maturity profile of the financial instruments is summarised as follows:

	Due within 1 year USD	More than 1 year USD	Total USD
<b>2018</b>			
Loans payable	83,858,173	43,182,570	127,040,743
Accounts payable	1,070,848	-	1,070,848
	<u>84,929,021</u>	<u>43,182,570</u>	<u>128,111,591</u>
	=====	=====	=====
<b>2017</b>			
Loans payable	122,891,228	9,377,564	132,268,972
Accounts payable	236,988	-	236,988
	<u>123,128,216</u>	<u>9,377,564</u>	<u>132,505,780</u>
	=====	=====	=====

(d) Fair values

The carrying amounts of other non-current financial assets, loans to related parties, other current assets (excluding prepayments), amount due from parent, cash and cash equivalents, loan payable, derivative financial liability approximate their fair values.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table analyses within the fair value hierarchy the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value, measured at 31 March 2017, is observable:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2018</b>				
Financial assets at fair value through profit and loss	<u>-</u>	<u>29,224,373</u>	<u>-</u>	<u>29,224,373</u>
	=====	=====	=====	=====
<b>2017</b>				
Financial assets at fair value through profit and loss	<u>-</u>	<u>31,303,804</u>	<u>-</u>	<u>31,303,804</u>
	=====	=====	=====	=====

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management considers issued and paid up ordinary shares to be comprising the capital of the Company.

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

(f) Financial instruments by category

	Financial assets at fair value through profit or loss USD	Loans and receivables USD	Total USD
<b>2018</b>			
Other non-current financial assets	-	1,265	1,265
Financial assets at fair value through profit and loss	29,224,373	-	29,224,373
Other current assets	-	42,000	42,000
Loans to related parties	-	27,476,000	27,476,000
Cash and cash equivalents	-	86,290	86,290
Total	29,224,373	27,605,555	56,829,928
	=====	=====	=====
<b>2017</b>	USD	USD	USD
Other non-current financial assets	-	1,265	1,265
Financial assets at fair value through profit and loss	31,303,804	-	31,303,804
Other current assets	-	42,081	42,081
Amount due from subsidiaries	-	1,562,936	1,562,936
Loans to related parties	-	73,173,698	73,173,698
Cash and cash equivalents	-	17,838,817	17,838,817
Total	31,303,804	92,618,797	123,922,601
	=====	=====	=====
		Other financial liabilities at amortised cost	
		2018	2017
		USD	USD
<b>Financial liabilities</b>			
Loans payable		127,040,743	132,268,972
Accounts payables		1,070,848	236,988
Total		128,111,591	132,505,780
		=====	=====

19. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	01 April 2017 USD	Cash changes Financing cash flows USD	31 March 2018 USD
Loan payable	132,268,792	(5,228,050)	127,040,742
Accounts payable	236,988	833,860	1,070,848

20. PARENT AND ULTIMATE PARENT

The directors consider GMR Infrastructure Limited, a public limited company listed on the Stock Exchange in India and GMR Enterprises Private Limited as the Company's parent and ultimate parent respectively.