



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of GMR Airport International BV

We have audited the accompanying interim condensed financial statements of GMR Airport International BV ("the Company"), which comprise the interim condensed Balance Sheet as at December 31, 2018, the interim condensed Statement of Profit and Loss including the statement of Other Comprehensive Income, interim condensed Cash Flow Statement and the Interim condensed statement of Changes in Equity for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the interim condensed Financial Statements

The Company's Board of Directors is responsible for the preparation of these interim condensed financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Board of Directors is also responsible for 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility on the interim condensed financial statements

Our responsibility is to express an opinion on these interim condensed financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, 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 interim condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the interim condensed financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such



controls. 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 interim condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying interim condensed financial statements give a true and fair view in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Other matters

1. The Company has also prepared separate set of special purpose financial statement for the nine months period ended December 31, 2018 in accordance with recognition and measurement principles of Accounting Standard 25-'Interim Financial Reporting' specified under section 133 of the Companies Act, read with the Companies (Accounting Standards) Amendment Rules, 2016 and other recognized accounting practices and policies in India.
2. The accompanying interim condensed financial statements have been prepared, and this report thereon issued, solely for the purpose of for the purpose of preparation of Special purpose financial statement of consolidated provisional IND-AS financial statement of GMR Infrastructure Limited ('GIL') for the period ended December 30, 2018 and for the purpose of submission to the Board of Directors of Company, Board of Directors of GIL and their auditors in review of such consolidated provisional IND-AS financial statements. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not qualified in respect of the above matters.

for C G R & Co.

Chartered Accountants

ICAI Firm Registration Number: 015078s



Chetan G.R.

Proprietor

Membership No: 234729



Place: Bangalore

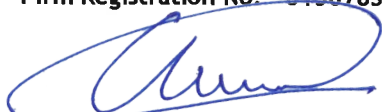
Date : April 23,2019

GMR Airports International B.V.
Balance sheet as at December 31, 2018 - Ind AS

	Notes	Ind AS Dec 31, 2018 Amount in USD	Ind AS Dec 31, 2018 Amount in Rs
ASSETS			
Non-current assets			
Financial Assets			
Investment in Joint venture	2	236,743,825	16,518,800,389
Current assets			
Financial assets			
Cash & Cash Equivalents	3	234,721	16,377,688
Trade Receivables	3	6,562	457,864
Loans	3	4,850,000	338,408,750
Other current assets	4	30,376	2,119,485
		5,121,659	357,363,787
TOTAL ASSETS		241,865,484	16,876,164,177
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5	1,145	79,892
Other Equity	6	(3,098,740)	(216,214,553)
Total equity		(3,097,595)	(216,134,660)
Share application money pending allotment			
Non-current liabilities			
Financial liabilities			
Borrowings	8	227,350,000	15,863,346,250
Trade payables			
Current liabilities			
Financial Liabilities			
Borrowings	9	4,056,083	283,013,191
Other financial liabilities	10	13,544,973	945,100,491
Provisions	10	12,023	838,905
		244,963,079	17,092,298,837
TOTAL EQUITY AND LIABILITIES		241,865,484	16,876,164,177

Summary of significant accounting policies

For C G R & CO.
Chartered Accountants
Firm Registration No. - 015078S



Chetan G R
Proprietor
Membership Number - 234729

Place:

Date:



For and behalf of Board of Directors
GMR Airports International B.V.



Director

GMR Airports International B.V.
Statement of profit and loss for the year ended December 31, 2018

		Ind AS Dec 31, 2018 Amount in USD	Ind AS Dec 31, 2018 Amount in Rs
I Income			
Other Income	10	16,575	1,132,570
II Expenses			
Finance Costs	11	4,057,257	277,232,362
Other expenses	12	53,408	3,649,391
Total Expenses		4,110,665	280,881,752
Profit/(loss) before exceptional items and tax from continuing operations		(4,094,090)	(279,749,183)
Exceptional items		-	-
Profit/(loss) before and tax from continuing operations		(4,094,090)	(279,749,183)
(1) Current tax		-	-
(2) Adjustment of tax relating to earlier periods		-	-
Income tax expense		-	-
Profit/(loss) for the year from continuing operations		(4,094,090)	(279,749,183)
Loss for the year		(4,094,090)	(279,749,183)
Income tax effect		-	-
Exchange differences on translation of foreign operations		11	(5,915,150)
Income tax effect		11	(5,915,150)
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(4,094,090)	(285,664,333)
Attributable to:			
Equity holders of the parent		-	-
Non-controlling interests		-	-
Earnings per share for continuing operations			
Basic, profit from continuing operations attributable to equity holders of the parent			-285,664.33
Diluted, profit from continuing operations attributable to equity holders of the parent			-285,664.33


Summary of significant accounting policies

2.1

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

For C G R & CO.
Chartered Accountants
Firm Registration No. - 0150785

For and behalf of Board of Directors
GMR Airports International B.V.



Chetan G R
Proprietor
Membership Number - 234729
Place:
Date:




Director

GMR Airports International B.V.

Cash flow statement for the year ended 31 Dec 2018

Particulars	As on Dec 31,2018 (Rs)
Cash flow from/ (used in) operating activities	
Profit before tax from continuing operations	-279,749,183
	<u>-279,749,183</u>
9% Debenture interest paid	-277,152,151
Non-cash adjustment to reconcile profit before tax to net cash flows	
Operating profit before working capital changes	-556,901,334
Movements in working capital :	
Increase/ (Decrease) in trade payables, other liabilities and provisions	945,100,491
Increase/ (Decrease) in borrowings, other liabilities and provisions	15,863,346,250
Increase/ (Decrease) in trade payables, other liabilities and provisions	283,013,191
Decrease / (increase) in other assets	-338,408,750
Decrease / (increase) in other current assets	-2,119,485
Increase / (Decrease) in debtors	-457,864
Increase in creditors	
Increase/ (Decrease) in other Financials Liabilities	838,905
Cash generated from / (used in) operations	16,194,411,404
Tax paid	
Effect of exchange differences	
Net cash flow from/ (used in) operating activities (A)	16,194,411,404
Cash flows from investing activities	
Investment in shares	-16,518,800,389
Effect of exchange differences	
Net cash flow from/ (used in) investing activities (B)	-16,518,800,389
Cash flows from financing activities	
Proceeds from issuance of share capital	
Issue of 9% Debentures	277,152,151
Issue of equity share capital	-678
Proceeds from security premium	69,449,780
Net cash flow from/ (used in) in financing activities (C)	346,682,990
Net increase/(decrease) in cash and cash equivalents (A + B + C)	22,294,005
Effect of exchange differences	-5,916,316
Cash and cash equivalents at the beginning of the year	
Cash and cash equivalents at the end of the year	16,377,688
Components of cash and cash equivalents	
Cash on hand and with banks	
- on deposit account	16,377,688
- unpaid dividend accounts*	
- unpaid matured debentures	
Total cash and cash equivalents	16,377,688

Summary of significant accounting policies
Control

2.1

For C G R & CO.
Chartered Accountants
Firm Registration No. - 0150785For and behalf of Board of Directors
GMR Airports International B.V.Chetan G R
Proprietor
Membership Number - 234729
Place:
Date:

A handwritten signature in blue ink, appearing to be "S. R. S.", written over a horizontal line.

Director

GMR Airports International B.V.

Statement of changes in equity as at Dec 31, 2018 - Ind AS

(Rs.)

	Issued capital	Attributable to the equity holders of the parent		Total	Total equity
		Retained earnings	Foreign Currency Translation		
28th May 2018	-	-	-	-	-
Profit / Addition (Disposal) for the period	79,892	(279,749,183)		(279,669,290)	(279,669,290)
Due to Exchange Flucation			(5,915,150)	(5,915,150)	(5,915,150)
At 31 Dec 2018	79,892	(279,749,183)	(5,915,150)	(285,584,441)	(285,584,441)

For C G R & CO.

Chartered Accountants

Firm Registration No. - 0150785

For and on behalf of Board of Directors

GMR Airports International B.V.


Chetan G R

Proprietor

Membership Number - 234729

Place:

Date:


Director



GMR Airports International B.V.
Notes to financial statements as at December 31, 2018

2	Investments	Ind AS Dec 31, 2018 Amount in USD	Ind AS Dec 31, 2018 Amount in Rs
	Investment in equity shares unquoted		
	Investment GMR Megawide Cebu Airport Corpn.	236,302,181	16,487,984,679
	Investment Mactan Travel Retail Group Corp.	221,230	15,436,323
	Investment SSP Mactan Cebu Corpn.	220,414	15,379,387
		236,743,825	16,518,800,389
3	Cash and cash equivalents	Ind AS Dec 31, 2018 Amount in USD	Ind AS Dec 31, 2018 Amount in Rs
	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	234,721	16,377,688
		234,721	16,377,688
3	Trade Receivables	Ind AS Dec 31, 2018 Amount in USD	Ind AS Dec 31, 2018 Amount in Rs
	SSP-Mactan Cebu Corporation	6,562	457,864
		6,562	457,864
4	Loans	Ind AS Dec 31, 2018 Amount in USD	Ind AS Dec 31, 2018 Amount in Rs
	Loan to group company unsecured considered good		
	Advance GMR Holdings Overseas (Singapore) Pte Ltd	485,000	33,840,875
	Advance GMR Infrastructure (Singapore) Pte Ltd	4,365,000	304,567,875
		4,850,000	338,408,750
5	Other current assets	Ind AS Dec 31, 2018 Amount in USD	Ind AS Dec 31, 2018 Amount in Rs
	Prepayments	30,376	2,119,485
		30,376	2,119,485



6 Share capital

Issued equity capital	Dec-18		Dec 31, 2018	
	Number		Amount in USD	Amount in Rs
	1,000	1,000	1,145	79,892
	1,000	1,000	1,145	79,892

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

	Dec-18	Dec-18	Dec 31, 2018	
	0	Number	Amount in USD	Amount in Rs
Equity Shares Fully paid up	1,000	1,000	1,000	79,892
At the beginning of the period				
Issued during the year	1,000	1,000	1,000	79,892
Effect of exchange fluctuation	-			
Outstanding at the end of the period	1,000	1,000	1,000	79,892

(b) Terms/ rights attached to equity shares

The Company has only class equity shares having a par value of EUR 1 per share.

Each holder of equity shares is entitled to one vote per share. assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	Dec 31, 2018	Dec 31, 2018
	in USD	in Rs.
GMR Airports Limited, the holding company		
1000 equity shares of USD 1 each		
Fully paid up	1,000	79,892
	1,000	79,892

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

Fully Paid up Equity shares	Dec 31, 2018	Dec 31, 2018
Name of the shareholder	No. of shares	% of shares
GMR Airports Limited	1,000	100.00%

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



GMR Airports International B.V.
Notes to financial statements as at June 30, 2018

7	Other equity	Ind AS Dec 31, 2018 Amount in USD	Ind AS Dec 31, 2018 Amount in Rs
	Foreign Currency Translation Gain/(Loss)		
	Opening Balance		
	During the year	11	-5,915,150
		11	(5,915,150)
	Surplus in the statement of profit and loss		
	Opening Balance		
	(Loss)/Profit for the year	(4,094,090)	(279,749,183)
	Net deficit in the statement of profit and loss as at 30th June, 2018	(4,094,090)	(279,749,183)
	Securities premium equity	995,339	69,449,780
		(3,098,740)	(216,214,553)
	Non-current Liabilities:		
8	Borrowings		
	Optionally Convertible Debenture GMR Airports Ltd	227,350,000	15,863,346,250
		227,350,000	15,863,346,250
	Current Liabilities:		
9	Borrowings		
	9% IRR OCD Payable GMR Airports Ltd	4,056,083	283,013,191
		4,056,083	283,013,191
10	Other Financials Liabilities		
	GMR Infrastructure (Singapore) Pte Ltd	13,500,000	941,962,500
	Other Creditors	44,973	3,137,991
		13,544,973	945,100,491
10	Provisions		
	Provision for audit charges	12,023	838,905
		12,023	838,905



GMR Airports International B.V.

Notes to financial statements for the period 28 May 2018- 31 Mar, 2019

	Ind AS 28 May, 2018 - Dec 31, 2018 Amount in USD	Ind AS 1y, 2018 - Dec 31, 2018 Amount in Rs
11 Other Income		
Management fee Income	5,739	392,146
Exchange gain	10,836	740,424
	16,575	1,132,570
12 Finance Costs		
Bank Charges	1,174	80,211
9%IRR OCD Expenses	4,056,083	277,152,151
	4,057,257	277,232,362
13 Other Expenses		
Audit fee	12,023	821,532
Courier charges	71	4,885
Incorporation Expenses	8,593	587,156
Legal and Corporative Expenses	25,742	1,758,945
Director Fees	4,115	281,177
Management Fees	2,864	195,697
Total of Other Expenses	53,408	3,649,391



GMR AIRPORTS INTERNATIONAL B.V, Amsterdam, The Netherlands
Notes to Financial Statements for the year ended 31 December 2018
(All the amounts are in Indian rupees except as otherwise stated)

Notes to the financial statements

General

The Company is a private company with limited liability incorporated on 28 May 2018 and existing under the laws of The Netherlands with registration number 71745904. The principal objectives of the Company is to provide airport operator, technical and engineering services. The statutory seat of the Company is in Amsterdam and the principal executive office of the Company is located at Strawinskylaan 1143, 1077 XX Amsterdam, The Netherlands. The ultimate shareholder of the Company is GMR Airports Limited incorporated and domiciled in India.

Reporting currency

The policy of the directors is to make use of the provisions of Article 362 paragraph 7 of Title 9 of Book 2 of the Dutch Civil Code to present the financial statements of the Company in a currency other than Euro's. In line with the international character of the group of which the Company forms a part, the financial statements of the Company are presented in US Dollars.

Significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. The principles of valuation are based on the historical cost convention. Assets and liabilities are valued at face value, unless indicated otherwise.

Participations

The investment in the participations is stated at cost price.

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Management has assessed this situation and has a reasonable expectation that the Company has adequate resources to continue its activities in the foreseeable future.

Use of estimates

Inherent to the application of many of the accounting policies used in preparing the financial statements is the need for the management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may ultimately differ from those estimates and assumptions used. Any such differences will affect the financial statements for future accounting periods. The estimates and underlying assumptions are reviewed on an ongoing basis.



GMR AIRPORTS INTERNATIONAL B.V, Amsterdam, The Netherlands
Notes to Financial Statements for the year ended 31 December 2018
(All the amounts are in Indian rupees except as otherwise stated)

Foreign currencies

Assets and liabilities denominated in foreign currencies have been translated into US Dollars at the rates of exchange ruling at the balance sheet date. Operating transactions denominated in foreign currencies are translated into US Dollars at rates of exchange ruling on or around the date of the transactions. Foreign exchange gains and losses arising as a result of the application of the above accounting policies are disclosed separately in the profit and loss account.

USD 1 was at balance sheet date equal to:

31.12.2018

EUR 0,87336

Current assets and liabilities

An asset is a resource controlled by the company as a result of past events and from which future economic benefits are expected to flow to the company.

A company shall classify an asset as current when it expects to realise the asset or intends to sell or consume it in its normal operating cycle, it holds the asset primarily for the purpose of trading, it expects to realise the asset within twelve months after the reporting period.

A liability is a present obligation of the company arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. Current assets and liabilities are stated at nominal value net of provisions, if applicable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, at bank, call deposits and other short term highly liquid investments that are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

Tax on income

Taxation is determined in accordance with Dutch guidelines and directives for corporate income taxes, which take into account tax exempted items and non-deductible amounts. Tax benefits arising from available losses are only recognized in the event that such losses can be compensated against the previous year's taxable profits or to the extent deemed realized by management, against future taxable profits.



GMR AIRPORTS INTERNATIONAL B.V, Amsterdam, The Netherlands
Notes to Financial Statements for the year ended 31 December 2018
(All the amounts are in Indian rupees except as otherwise stated)

As per our report of even date

For C G R & Co.

Chartered Accountants
Firm Reg. No. – 015078S



Chetan G R
Proprietor
Membership No. - 234729



For On Behalf of Board

GMR AIRPORTS INTERNATIONAL B.V



Director

Place:

Date: