

**Auditor's Report on Quarterly and Year to Date Ind AS Financial Results of GMR Airport Mauritius Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors of  
GMR Airport Mauritius Limited

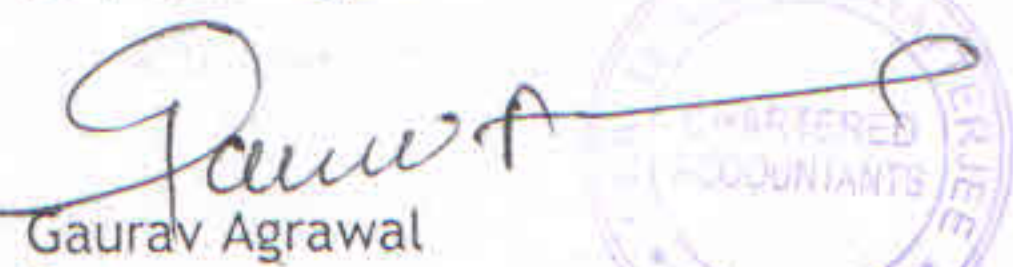
1. We have audited the accompanying statement of Ind AS financial results of GMR Airport Mauritius Limited ('the Company') for the quarter ended December 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The quarterly Ind AS financial results are the derived figures between the audited figures in respect of the year ended December 31, 2018 and the published year-to-date figures up to September 30, 2018, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The Ind AS financial results for the quarter and year ended December 31, 2018 have been prepared on the basis of the Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual Ind AS financial statements as at and for the quarter ended December 31, 2018, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'), which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Ind AS financial results based on our review of the Ind AS financial results for the nine-month period ended December 31, 2018 which were prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual Ind AS financial statements as at and for the quarter ended December 31, 2018 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly and year to date Ind AS financial results:



- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular')., in this regard; and
  - ii. give a true and fair view of the net loss and other financial information for the quarter and the quarter ended December 31, 2018.
4. Further, read with paragraph 1 above, we report that the figures for the quarter ended December 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to September 30, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
5. This report is furnished solely to enable GMR Infrastructure Limited (GIL) to prepare consolidated financial results for the quarter and year ended March 31, 2019 for submission to the Board of Directors of GIL in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular') and their auditors in their audit of such consolidated financial results.

Accordingly, this report is not for the use or benefit of any other party nor is it to be copied, made available to or otherwise disclosed to any other party and, we do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Chatterjee & Chatterjee  
Chartered Accountants  
ICAI firm registration number: 001109C

  
Gaurav Agrawal  
Partner

Membership number: 403788


Place: New Delhi  
Date:

GMR Airports (Mauritius) Limited  
Balance Sheet as at 31 December 2018

| Particulars                         | Notes | 31-Dec-2018 (\$) | 31-Dec-2018 (Rs) | 31-Mar-2018(Rs) |
|-------------------------------------|-------|------------------|------------------|-----------------|
| <b>Assets</b>                       |       |                  |                  |                 |
| <b>Current assets</b>               |       |                  |                  |                 |
| Financial Assets                    |       |                  |                  |                 |
| Cash and cash equivalents           | 3     | 10,322           | 720,218          | 34,195,754      |
| Loans                               | 4     | 460,000          | 32,096,500       | 135,579         |
| Other current assets                | 5     | 1,176            | 82,055           | 392,040         |
|                                     |       | 471,498          | 32,898,773       | 34,723,373      |
| <b>Total Assets</b>                 |       | 471,498          | 32,898,773       | 34,723,373      |
| <b>Equity and liabilities</b>       |       |                  |                  |                 |
| <b>Equity</b>                       |       |                  |                  |                 |
| Equity Share Capital                | 6     | 150,001          | 10,466,320       | 9,801,065       |
| Other Equity                        | 7     | 314,397          | 21,937,051       | 23,634,000      |
|                                     |       | 464,398          | 32,403,370       | 33,435,065      |
| <b>Liabilities</b>                  |       |                  |                  |                 |
| <b>Current liabilities</b>          |       |                  |                  |                 |
| Financial Liabilities               |       |                  |                  |                 |
| Other financial liabilities         | 8     | 7,100            | 495,403          | 1,288,309       |
|                                     |       | 7,100            | 495,403          | 1,288,309       |
| <b>Total Equity and liabilities</b> |       | 471,498          | 32,898,773       | 34,723,373      |


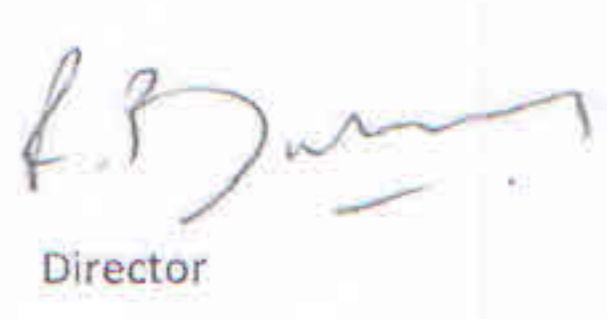
The accompanying notes are integral part of the financial statements.

For Chatterjee & Chatterjee  
Chartered Accountants  
ICAI Firm Registration no: 001109C

  
Gaurav Agrawal  
Partner  
Membership no. 403788  
Place: New Delhi  
Date:



For and on behalf of the Board of directors  
GMR Airport (Mauritius) Limited

 Director  
 Director

GMR Airports (Mauritius) Limited  
Statement of Profit and Loss for the period ended 31 December 2018

| Particulars  | Notes | 31-Dec-2018(\$) | 31-Dec-2018(Rs) | 31-Mar-2018(Rs) |
|--|-------|-----------------|-----------------|-----------------|
| Other Income   |       | -               | -               | -               |
| Total Income   |       | -               | -               | -               |
| Expenses   |       |                 |                 |                 |
| Finance cost   | 9     | 134             | 9,304           | 498,083         |
| Other expenses   | 10    | 47,176          | 3,275,430       | 2,241,255       |
| Total Expenses   |       | 47,310          | 3,284,733       | 2,739,338       |
| Profit/(loss) before exceptional items and tax   |       | (47,310)        | (3,284,733)     | (2,739,338)     |
| Exceptional item   |       | -               | -               | -               |
| Profit / (Loss) before tax   |       | (47,310)        | (3,284,733)     | (2,739,338)     |
| Tax expenses   |       |                 |                 |                 |
| Current tax  |       | -               | -               | -               |
| Deferred tax   |       | -               | -               | -               |
| Profit/(loss) for the period from continuing operations                                    |       | (47,310)        | (3,284,733)     | (2,739,338)     |
| Profit/(loss) from discontinued operations   |       | -               | -               | -               |
| Profit/(loss) for the period   |       | (47,310)        | (3,284,733)     | (2,739,338)     |
| OTHER COMPREHENSIVE INCOME   |       |                 |                 |                 |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods:     |       |                 |                 |                 |
| Exchange differences on translation of foreign operations                                  |       | -               | 1,587,784       | (109,119)       |
| Income tax effect  |       | -               | -               | -               |
|  |       |                 | 1,587,784       | (109,119)       |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods  |       | -               | 1,587,784       | (109,119)       |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: |       |                 |                 |                 |
| Other comprehensive income for the year, net of tax  |       | -               | 1,587,784       | (109,119)       |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX  |       | (47,310)        | (1,696,949)     | (2,848,457)     |
| Earnings per equity share.   |       |                 |                 |                 |
| Basic  |       |                 | (11.31)         | (18.99)         |
| Diluted  |       |                 | (11.31)         | (18.99)         |


The accompanying notes are integral part of the financial statements.


For Chatterjee & Chatterjee  
Chartered Accountants  
ICAI Firm Registration no: 001109C

  
Gautav Agrawal  
Partner  
Membership no. 403788  
Place: New Delhi  
Date:



For and on behalf of the Board of directors  
GMR Airport (Mauritius) Limited

  
Director

  
Director

## GMR Airports (Mauritius) Ltd

## Statement of Cash Flows for the period ended December 31,

| Particulars  | 31-Dec-18     | 31-Mar-18    |
|--|---------------|--------------|
| Cash flow from operating activities                              |               |              |
| Loss before tax from continuing operations                       | (3,284,733)   | (2,739,338)  |
| Profit before tax from discontinuing operations                  | -             | -            |
| Loss before tax  | (3,284,733)   | (2,739,338)  |
| Adjustment for non-cash items:                                   |               |              |
| Interest expense   | -             | -            |
| Impairment of financial asset                                    | 2,048,185     | -            |
| Adjustment to reconcile profit before tax to net cash flows      | -             | -            |
| Operating loss before working capital changes                    | (1,236,548)   | (2,739,338)  |
| Movements in working capital:                                    |               |              |
| Increase/(decrease) in other current liabilities                 | (792,906)     | -            |
| Decrease / (increase) in other current assets                    | -             | -            |
| Decrease / (increase) in other current assets                    | 309,985       | -            |
| Decrease / (Increase) in loans and advances                      | -             | -            |
| Cash used in operations  | (1,719,470)   | (2,739,338)  |
| Direct taxes paid (net of refunds)                               | -             | -            |
| Net cash flow from operating activities (A)                      | (1,719,470)   | (2,739,338)  |
| Cash flows from Investing activities                             |               |              |
| Payment of financial liabilities                                 | -             | (94,083,003) |
| Increase in Loans and advances                                   | 31,960,921    | -            |
| Impairment of financial asset                                    | 2,048,185     | -            |
| Decrease in financial Assets                                     | -             | (1,952)      |
| (Increase) other non current assets                              | -             | 93,996,848   |
| Purchase of fixed assets, including CWIP and capital advances    | -             | 0            |
| Net cash flow used in investing activities (B)                   | 34,009,106.00 | 88,107.22    |
| Cash flows from financing activities                             |               |              |
| Foreign exchange movement in financing activities (net)          | -             | (39,001)     |
| Proceeds from issuance of share capital                          | -             | 0            |
| Net cash flow from financing activities (C)                      | -             | (39,002)     |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | (35,728,576)  | (2,866,447)  |
| Effect of exchange differences                                   | 2,253,039     | (109,119)    |
| Cash and cash equivalents at the beginning of the year           | 34,195,754    | 37,171,322   |
| Cash and cash equivalents at the end of the year                 | 720,218       | 34,195,754   |
| Components of cash and cash equivalents                          |               |              |
| Cash on hand   | -             | -            |
| Cheques/ drafts on hand  | -             | -            |
| With banks- on current account                                   | 720,218       | 34,195,754   |
| Total cash and cash equivalents                                  | 720,218       | 34,195,754   |

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

For Chatterjee & Chatterjee  
Chartered Accountants  
ICAI Firm Registration no: 001109C

Gautav Agrawal  
Partner  
Membership no. 403788  
Place: New Delhi  
Date:



For and behalf of Board of Directors  
GMR Airports (Mauritius) Ltd

Director

Director

# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

## 1. Corporate Information

GMR Airport(Mauritius)Limited ("the Company") is a private company limited by shares, incorporated in Mauritius on 18th January 2013, holds a category 1 Global Business Licences under Financial Services Act 2007 and is regulated by the Financial Services commission. The company's registered office is 6th floor, Tower A, 1 Cybercity, Ebene, Republic of Mauritius.

The principle activity of the company is that of investment holding

## 2. Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2015 for the purpose of transition to Ind AS, unless otherwise indicated.

### 2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 1, 2016. The standalone financial statements of the Company, have been prepared and presented in accordance with Ind AS.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

#### (a) Functional and Presentation Currency

The company's functional currency is United States Dollar (USD). All financial information presented in USD has been rounded to the nearest dollar. For presentation purposes, the financials are being converted to Indian Rupees (INR) using average exchange rate for Profit & Loss account and closing exchange rate for Balance sheet items.

#### (b) Foreign Currency Transactions

The decision has been taken by management of the Company to maintain the reporting currency as USD in the financial statements since most of the business transactions are dealt in USD.

Transactions in currencies other than USD are translated to USD at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in currencies other than USD are translated to USD at the exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities, which are measured at historical cost, denominated in currencies other than USD, are translated to USD at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value,



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

denominated in currencies other than USD, are translated to USD at the exchange rates ruling at the dates the values were determined.

## Summary of significant accounting policies

### a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets or inventory for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### b. Fair value measurement of financial instruments

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

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

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

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

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

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

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

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

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

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

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

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

## c. Revenue recognition Under Ind AS 115 for companies where there is no contract with Customer

The Company applied Ind AS 115 for the first time from April 1, 2018. Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

In current financial year, Company does not have any revenue arising from contract with customers and thus there is no impact on the financial statements of the company on account this new revenue recognition standard.



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

## Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

## Dividends

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

## d. Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2015.

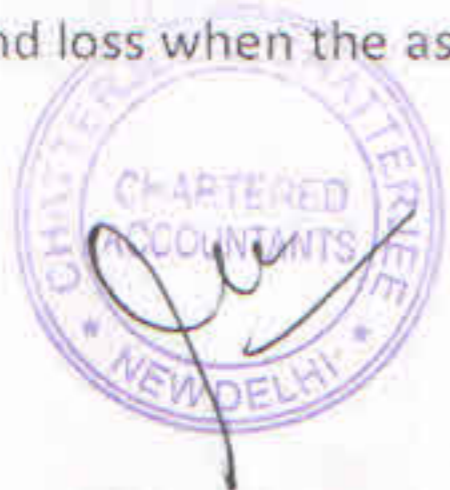
Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

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

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



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

## e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

## f. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

## g. Impairment of non-financial assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss

## h. Provisions and contingent liabilities

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

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

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

## i. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

### (a) Financial assets

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

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## Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

## De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

## (b) Financial liabilities and equity instruments

### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

### Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### a. Financial guarantee contracts

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

#### b. De-recognition

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

### Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and



# GMR Airports (Mauritius) Limited

Notes to IND AS consolidated financial statements for the year ended December 31, 2018

there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## j. Cash and cash equivalents

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

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

## k. Foreign currencies

In preparing the financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-"First time adoption of Indian Accounting Standard" are recognised directly in equity or added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

For Chatterjee & Chatterjee

Chartered Accountants

ICAI Firm Registration no: 001109C

  
Gaurav Agrawal

Partner

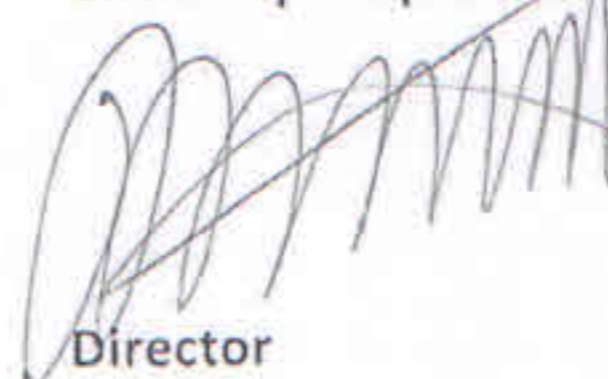
Membership no. 403788

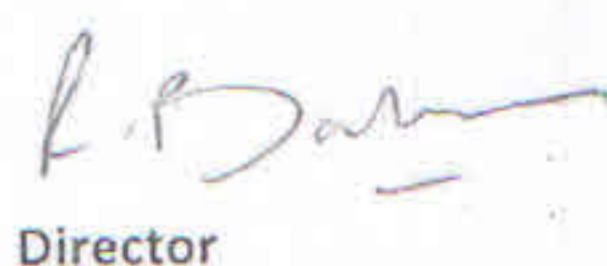
Place: New Delhi

Date:

For and behalf of Board of Directors

GMR Airport (Mauritius) Limited

  
Director

  
Director

GMR Airports (Mauritius) Limited  
Statement of change in equity as on 31 December 2018

| Particulars   | (Amount in Rupees)                               |   |              |
|---|--|---|--------------|
|   | Attributable to the equity holders of the parent |   | Total Equity |
|   | Equity share capital                             | Reserves and surplus<br>Retained earnings<br>Foreign currency translation reserve |              |
| As at 1 April 2018                                  | 9,801,065  | 61,742,517  | 33,435,065   |
| Profit for the period                               |  | (3,284,733)   | (3,284,733)  |
| Exchange difference on foreign currency convertible | 665,255  |   | 2,253,039    |
| At 31 Dec 2018                                      | 10,466,320                                       | 58,457,783  | 32,403,370   |
| As at 1 April 2017                                  | 9,840,066  | 64,481,855  | 36,322,526   |
| Profit for the period                               |  | (2,739,338)   | (2,739,338)  |
| Exchange difference on foreign currency convertible |  |   | (148,122)    |
| At 31 Mar 2018                                      | 9,840,066  | 61,742,517  | 33,435,066   |


The accompanying notes are integral part of the financial statements.

For Chatterjee & Chatterjee  
Chartered Accountants  
ICAI Firm Registration no: 001109C

  
Gaurav Agrawal  
Partner  
Membership no. 403788  
Place: New Delhi  
Date:



For and on behalf of the Board of directors  
GMR Airport (Mauritius) Limited

 Director  
 Director

GMR Airports (Mauritius) Limited  
Notes forming part of the financial statements.

3 Cash and cash equivalents

Balances with bank in current accounts  
Total cash and cash equivalents

| (Amount in USD)  | (Amount in Rs.)  | (Amount in Rs.) |
|------------------|------------------|-----------------|
| Current          |                  |                 |
| 31 December 2018 | 31 December 2018 | 31 March 2018   |
| 10,322           | 720,218          | 34,195,754      |
| 10,322           | 720,218          | 34,195,754      |

4 Loans

Loans - GMR Infrastructure (Overseas) Limited  
Prepaid expenses  
Total loans

| Current          |                  |               |
|------------------|------------------|---------------|
| 31 December 2018 | 31 December 2018 | 31 March 2018 |
| 460,000          | 32,096,500       | 135,579       |
| 460,000          | 32,096,500       | 135,579       |

5 Other current assets

Advance to GMR Infrastructure (overseas) limited  
Advance to GADL Mauritius Limited  
Prepayments  
Total other current assets

| Current          |                  |               |
|------------------|------------------|---------------|
| 31 December 2018 | 31 December 2018 | 31 March 2018 |
| -                | -                | 392,040       |
| 1,176            | 82,055           | -             |
| 1,176            | 82,055           | 392,040       |

6 Share capital

Equity shares, face value of \$1 each  
As at 1st April 2018  
Increase/(decrease)during the year  
Change due to fluctuation in foreign exchange rate  
As at 31 Dec 2018  
As at 30 Sep 2018

| 31 Dec 18     |               |               | 30 Mar 18     |               |
|---------------|---------------|---------------|---------------|---------------|
| Equity Shares |               |               | Equity Shares |               |
| No's          | Amount in USD | Amount in Rs. |               | Amount in Rs. |
| 150,001       | 150,001       | 9,801,065     |               | 9,840,066     |
| -             | -             | -             |               | -             |
| -             | -             | 665,255       |               | 39,001        |
| 150,001       | 150,001       | 10,466,320    |               | 9,801,065     |
| 150,001       | 150,001       | 10,466,320    |               | 9,801,065     |

7 Other Equity

| Particulars  | 31-Dec-2018 (\$) | 31-Dec-2018 (Rs)  | 31 March 2018     |
|--|------------------|-------------------|-------------------|
| Surplus in the statement of profit and loss            |                  |                   |                   |
| Balance as per last financial statements               | 361,707          | 61,742,517        | 64,481,854        |
| Add: Net profit for the year                           | (47,310)         | (3,284,733)       | (2,739,338)       |
| <b>Net surplus in the statement of profit and loss</b> | <b>314,397</b>   | <b>58,457,783</b> | <b>61,742,517</b> |
| Equity component of financial instruments              |                  |                   |                   |
| Other items of Comprehensive Income                    |                  |                   |                   |
| Exchange Fluctuation Reserve -Opening                  |                  | (38,108,517)      | (37,999,398)      |
| For the period   |                  | 1,587,784         | (109,119)         |
| Closing  |                  | (36,520,733)      | (38,108,517)      |
| <b>Total other equity</b>                              | <b>314,397</b>   | <b>21,937,051</b> | <b>23,634,000</b> |

8 Other financial liabilities

Other financial liabilities at amortized cost  
Accruals  
Interest payable on loan from group company  
Total other financial liabilities

| 31 December 2018 | 31 December 2018 | 31 March 2017 |
|------------------|------------------|---------------|
| 7,100            | 495,403          | -             |
| -                | -                | 880,876       |
| 7,100            | 495,403          | 880,876       |



**GMR Airports (Mauritius) Limited**  
**Notes forming part of the financial statements.**

**9 Finance cost**  
Interest  
Bank charges  
**Total finance cost**

| Amount in USD    | (Amount in Rs.)  | (Amount in Rs.) |
|------------------|------------------|-----------------|
| 31 December 2018 | 31 December 2018 | 31 March 2018   |
| -                | -                | 407,726         |
| 134              | 9,304            | 90,357          |
| <b>134</b>       | <b>9,304</b>     | <b>498,083</b>  |

**10 Other expenses**  
Secretarial and Administration Fees  
Rates and taxes  
Professional & Consultancy  
Directors' fees  
Payment to auditor  
Impairment of financial assest  
**Total other expenses**

| 31 December 2018 | 31 December 2018 | 31 March 2018    |
|------------------|------------------|------------------|
| 9,110            | 632,507          | 1,092,966        |
| -                | -                | 134,525          |
| 2,236            | 155,245          | 358,820          |
| 3,800            | 263,834          | 260,960          |
| 2,530            | 175,658          | 393,984          |
| 29,500           | 2,048,185        | -                |
| <b>47,176</b>    | <b>3,275,430</b> | <b>2,241,255</b> |

**\*Payment to Auditors (Included in other expenses above)**

**As auditor:**

Audit fee

Limited Review Fee

In other capacity:

Other services (certification fees)

Reimbursement of expenses

Other services

Certification & Other Charges

| 31 December 2018 | 31 December 2018 | 31 March 2018  |
|------------------|------------------|----------------|
| 2,530            | 175,658          | 393,984        |
| -                | -                | -              |
| -                | -                | -              |
| -                | -                | -              |
| <b>2,530</b>     | <b>175,658</b>   | <b>393,984</b> |

