

## Independent Auditor's Report

To the Members of GMR Business Process and Services Private Limited  
Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of **M/s. GMR Business Process and Services Private Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, 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 and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2019;
- b. In case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c. In case of cash flows statement, of the cash flows for the year ended on that date.
- d. In case of Statement of changes in equity, changes in equity for the year end

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **Responsibility of Management for the Financial Statements**

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

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

## **Auditor's Responsibility 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 SAs 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.

## **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we are of the opinion that the said order is not applicable to the company.

1. Further to our comments in the annexure, as required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

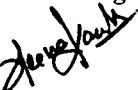


- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 1<sup>st</sup> April 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has does not have any pending litigations on its financial position in its financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Guru & Jana,**

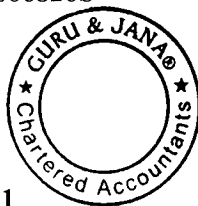
Chartered Accountants

Firm Registration No: 006826S

  
Heena Kauser AP

Partner

Membership No: 219971



Place: Bangalore

Date: 18/04/19

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## **“Annexure A” to the Independent Auditors Report**

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

We have audited the internal financial controls over financial reporting of M/s **GMR Business Process and Services Private Limited (“the Company”)** as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

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

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





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## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

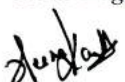
## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Guru & Jana,**

Chartered Accountants

Firm Registration No: 006826S

  
**Heena Kauser AP**

Partner

Membership No: 219971



Place: Bangalore

Date: 18/04/19

Balance Sheet As at March 31, 2019

(Amount in Rupees)

	Notes	As at 31-Mar-19	As at 31-Mar-18
<b>Assets</b>			
<b>Non- current assets</b>			
Property, plant and equipment	3	62,54,515	4,71,865
Intangible assets	3	9,658	4,19,962
Intangible Assets under Development	4	306,29,319	298,81,872
Financial assets			
Investments	5	1107,45,032	1205,23,668
Loans	6	9,58,403	-
Non-current tax assets (net)		15,01,556	9,381
		<b>1500,98,483</b>	<b>1513,06,748</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	7	3,16,390	1,44,078
Loans	6	135,09,495	163,17,319
Other current assets	8	7,41,487	6,570
		<b>145,67,372</b>	<b>164,67,967</b>
<b>Total assets</b>		<b>1646,65,855</b>	<b>1677,74,715</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	9	1,00,000	1,00,000
Other equity	10	(1193,15,175)	(898,76,353)
<b>Total equity</b>		<b>(1192,15,175)</b>	<b>(897,76,353)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	11	1895,00,000	-
		<b>1895,00,000</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	11	-	1895,00,000
Trade payables	12	779,77,858	576,44,344
Other financial liabilities	13	124,82,823	59,98,766
Other current liabilities	14	39,20,349	44,07,958
		<b>943,81,030</b>	<b>2575,51,068</b>
<b>Total liabilities</b>		<b>2838,81,030</b>	<b>2575,51,068</b>
<b>Total equity and liabilities</b>		<b>1646,65,855</b>	<b>1677,74,715</b>

Corporate information about the Company 1  
Summary of significant accounting policies 2  
The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For Guru & Jana**

Chartered Accountants

ICAI Firm Registration No. 0608265

*Heena Kauser*

Heena Kauser

Partner

Membership No: 219971

Place : Bangalore

Date : 18/04/19



For and on behalf of the board of directors of

**GMR Business Process and Services Private Limited**

*Thandaveswaran N.A*

Thandaveswaran N.A

Director

DIN: 7815847

Place : Hyderabad

Date : 18/04/19

*Suresh Bagrodia*

Suresh Bagrodia

Director

DIN: 05201062

Place : Hyderabad

Date : 18/04/19



Statement of Profit and loss for the year ended March 31, 2019

(Amount in Rupees)

	Notes	Year Ended 31-Mar-19	Year ended 31-Mar-18
<b>Continuing Operations</b>			
<b>Income</b>			
Other income	15	49,96,039	15,18,317
<b>Total income</b>		<b>49,96,039</b>	<b>15,18,317</b>
<b>Expenses</b>			
Depreciation and amortization	16	33,24,083	14,71,555
Other expenses	18	107,73,306	7,24,059
Finance cost	17	203,37,472	196,73,500
<b>Total expenses</b>		<b>344,34,861</b>	<b>218,69,114</b>
<b>Profit / (loss) before exceptional items and tax from continuing operations (A-B)</b>		<b>(294,38,822)</b>	<b>(203,50,797)</b>
<b>Profit / (loss) before tax from continuing operations</b>		<b>(294,38,822)</b>	<b>(203,50,797)</b>
<b>Tax expenses of continuing operations</b>		<b>-</b>	<b>-</b>
Current tax		-	-
<b>(Loss) / profit for the year</b>		<b>(294,38,822)</b>	<b>(203,50,797)</b>
<b>Total comprehensive income for the year</b>		<b>(294,38,822)</b>	<b>(203,50,797)</b>
	20	(2,943.88)	(2,035.08)
Earnings per equity share (Rs.) from continuing operations			
Basic, computed on the basis of profit from continuing operations attributable to equity holders of the parent (per equity share of Rs.10 each)			
Earnings per equity share (Rs.) from continuing operations	20	(2,943.88)	(2,035.08)
Diluted, computed on the basis of profit attributable to equity holders of the parent (per equity share of Rs.10 each)			
Corporate information about the Company	1		
Summary of significant accounting policies	2		

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

As per our report of even date

**For Guru & Jana**

Chartered Accountants

Firm registration number: 006826S

*Heena Kauser*

Heena Kauser  
Partner

Membership No: 219971

Place : Bangalore

Date : 18/04/19



For and on behalf of the board of directors

**GMR Business Process and Services Private Limited**

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Director  
DIN: 05201062

Place : Hyderabad

Date : 18/04/19





GMR Business Process and Services Private Limited  
Cash flow statement for the year ended March 31, 2019

	(Amount in Rupees)	
	Period ended 31-Mar-19	Year ended 31-Mar-18
Cash flow from operating activities	(294,38,822)	(203,50,797)
Profit before tax		
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	33,24,083	14,71,555
Fair value change in financial instruments	97,78,636	6,36,009
Finance costs	203,37,472	196,73,500
Working capital adjustments:		
(Increase)/ decrease in trade receivables		
(Increase)/ decrease in short term loans & advances	28,07,824	(39,02,576)
(Increase)/ decrease in inventories		
(Increase)/ decrease in long term loans and advances	(9,58,403)	-
(Increase)/ decrease in other financial and non-financial assets	(7,34,917)	-
Increase/ (decrease) in trade payables and other financial liabilities	268,17,571	23,03,528
Increase/ (decrease) in provisions	-	-
Increase/ (decrease) in other current liabilities	(4,87,609)	263,95,018
	314,45,835	262,26,237
Income tax paid (net of refund)	(14,92,175)	
<b>Net cash flows from/ (used in) operating activities (A)</b>	<b>299,53,660</b>	<b>262,26,237</b>
Investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(94,43,875)	(65,29,737)
Proceeds from sale of property, plant and equipment		
<b>Net cash flows from/ (used in) investing activities (B)</b>	<b>(94,43,875)</b>	<b>(65,29,737)</b>
Financing activities		
Interest paid (gross)	(203,37,472)	(196,73,500)
<b>Net cash flows from/ (used in) financing activities (C)</b>	<b>(203,37,472)</b>	<b>(196,73,500)</b>
Net increase/ (decrease) in cash and cash equivalents	1,72,312	23,000
Cash and cash equivalents at the beginning of the period	1,44,078	1,21,078
<b>Cash and cash equivalents at the end of the period</b>	<b>3,16,390</b>	<b>1,44,078</b>
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with scheduled banks:		
In current accounts	3,16,390	1,44,078
<b>Total cash and cash equivalents (note 7)</b>	<b>3,16,390</b>	<b>1,44,078</b>

Summary of significant accounting policies


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

As per our report of even date

For Guru & Jana

Chartered Accountants

Firm registration number: 006826S

  
Heena Kauser

Partner

Membership No: 219971

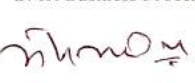
Place : Bangalore

Date : 18/04/19



For and on behalf of the board of directors

GMR Business Process and Services Private Limited


  
Thandaveswaran N.A.

Director

DIN: 7815847

Place : Hyderabad

Date : 18/04/19

  
Suresh Bagrodia

Director

DIN: 05201062

Place : Hyderabad

Date : 18/04/19





**GMR Business Process and Services Private Limited**  
**Statement of changes in equity for the year ended March 31, 2019**

Particulars	(Amount in Rupees)	
	Attributable to the equity holders	Total Equity
	Equity Share Capital	Retained earnings
<b>For the period ended March 31, 2019</b>		
As at April 01, 2018	1,00,000	(898,76,353)
Profit/(loss) for the year	-	(294,38,822)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	(1193,15,175)
Movement during the year	-	-
<b>As at March 31, 2019</b>	<b>1,00,000</b>	<b>(1193,15,175)</b>
<b>For the period ended March 31, 2018</b>		
As at April 01, 2017	1,00,000	(695,25,556)
Profit/(loss) for the year	-	(203,50,797)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	(898,76,353)
Movement during the year	-	-
<b>As at March 31, 2018</b>	<b>1,00,000</b>	<b>(898,76,353)</b>

Summary of significant accounting policies 2

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

As per our report of even date

**For Guru & Jana**

Chartered Accountants

Firm registration number: 006826S

*Heena Kauser*

**Heena Kauser**

Partner

Membership No: 219971



Place : Bangalore

Date : 18/04/19

For and on behalf of the board of directors

**GMR Business Process and Services Private Limited**

*Thandaveswaran N.A*

**Thandaveswaran N.A**

Director

DIN: 7815847

Place : Hyderabad

Date : 18/04/19

*Suresh Bagrodia*

**Suresh Bagrodia**

Director

DIN: 05201062

Place : Hyderabad

Date : 18/04/19



**1 Corporate Information**

GMR Business Process and Services Private Limited( "GBPS" or "the Company") is a private limited company domiciled in India and is incorporated under the provisions of the companies act applicable in India. The company is a wholly owned subsidiary of GMR Corporate Affairs Private Limited. The objectives of the company is to render Comprehensive Business Process Outsourcing(BPO) solutions and services such as Electronic and Automatic data processing

**2 Significant accounting policies**

**A Basis of preparation**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

The financial statements are presented in Indian Rupees (INR).

**B 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 it is:

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

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

**b Property, Plant and Equipments**

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity, and
- (b) the cost of the item can be measured reliably.

Fixed Assets are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the expenditure that is directly attributable to the acquisition of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

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.

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.

**c) Depreciation on Property, Plant and Equipment**

Depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of acquisition.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation charges for impaired assets is adjusted in future periods in such a manner that revised carrying amount of the asset is allocated over its remaining useful life.





d) **Impairment of non-financial assets**

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment properties, intangible assets and investments in associates and joint ventures 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:

- (i) in case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in 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 consolidated 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. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

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 been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

e) **Provisions, Contingent liabilities, Contingent assets, and Commitments**

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

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

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

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

f) **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 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 associates and joint ventures are measured at cost less impairment.

**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.

**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.

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.





**Impairment of financial assets**

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

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.

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.

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

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

**g) Cash and cash equivalents**

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

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



**h) Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

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

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

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

**i) Revenue Recognition**

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.

**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 (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Other interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable."

**Dividends**

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

**j) Taxes**

Tax expense comprises current and deferred tax.

**Current Income Tax**





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

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

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

#### Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

#### k) Corporate Social Responsibility ("CSR") expenditure

The Company charges its CSR expenditure, if any, during the year to the statement of profit and loss





### 3 Property, plant and equipment



4 Capital work in progress

	(Amount in Rupees)	
	Capital Work in Progress	Total
As at 31st March 2018	298,81,872	298,81,872
- Additions (subsequent expenditure)	7,47,447	7,47,447
- Capitalised during the year	-	-
As at 31st March, 2019	306,29,319	306,29,319

Financials Asset

5 Investment

	(Amount in Rupees)	
	31-Mar-19	31-Mar-18
Investment in Venture Capital Fund		
(Purchased 15,90,022 units of IPDF of Srei Alternative Investment Managers Limited valued at NAV Rs.69.65/- per Unit)	1107,45,032	1205,23,668
As at 31st March, 2019	1107,45,032	1205,23,668
Aggregate value of investment -Unquoted	1107,45,032	1205,23,668

Investment at fair value through Profit and Loss account. The company has identified impairment in the investment amounting to Rs. 97,78,636 (PY: 6,36,009), the impairment is recognised in the Profit and loss account as Fair value loss on the financial instrument.

6 Loans

	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<i>Unsecured, considered good</i>				
Loans to related parties	-	-	131,07,682	140,75,226
Balance Statutory with Authority	-	-	4,01,813	22,42,093
Security deposit - Others*	9,58,403	-	-	-
Total	9,58,403	-	135,09,495	163,17,319

7 Cash and cash equivalents

	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<i>Balances with banks:</i>				
- On current accounts	-	-	3,16,390	1,44,078
(A)	-	-	3,16,390	1,44,078
Total	-	-	3,16,390	1,44,078

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	(Amount in Rupees)	
	31-Mar-19	31-Mar-18
<i>Balances with banks:</i>		
- in current accounts	3,16,390	1,44,078
	3,16,390	1,44,078

8 Other current assets

	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Unbilled Revenue	-	-	3,01,267	-
Deferred lease expense	-	-	2,38,765	-
Advance to Suppliers	-	-	1,33,744	-
Prepaid expenses	-	-	62,613	6,570
Other Advances	-	-	5,098	-
	-	-	7,41,487	6,570



9 Share Capital

(Amount in Rupees)

	31-Mar-19	31-Mar-18
<b>Authorised shares</b>		
10,00,000 (March 31, 2018: 10,00,000) equity shares of Rs. 10 each	100,00,000	100,00,000
<b>Issued, subscribed and fully paid-up shares</b>		
10,000 (March 31, 2018: 10,000) equity shares of Rs. 10 each	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>

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

	31-Mar-19		31-Mar-18	
	No of Shares in Units	(Amount in Rupees)	No of Shares in Units	(Amount in Rupees)
<b>Equity shares</b>				
At the beginning of the year	10,000	1,00,000	10,000	1,00,000
Issued during the year				
Outstanding at the end of the year	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

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

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

(Amount in Rupees)

	31-Mar-19	31-Mar-18
<b>GMR Corporate Affairs Private Limited, the holding company</b>		
10,000 (March 2018: 10,000) Equity Shares of Rs. 10 each fully paid up	1,00,000	1,00,000

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

Name of shareholder	31-Mar-19		31-Mar-18	
	No of Shares in Units	% holding	No of Shares in Units	% holding
<b>Equity shares of Rs.10 each fully paid up</b>				
GMR Corporate Affairs Private Limited, the holding company	10,000	100.00%	10,000	100.00%

Note : 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 beneficial ownership of shares, however 2 shares has been held by Dhruvi Securities Private limited and GMR Aero Structures Limited each share.

10 Other equity

(Amount in Rupees)

	31-Mar-19	31-Mar-18
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	(898,76,353.00)	(695,25,556)
Profit/(loss) for the year	(294,38,822.00)	(203,50,797)
Net surplus in the statement of profit and loss	<b>(1193,15,175)</b>	<b>(898,76,353)</b>
<b>Total other equity</b>	<b>(1193,15,175)</b>	<b>(898,76,353)</b>

Financial Liabilities

11 Borrowings

(Amount in Rupees)

	Non Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>Unsecured</b>				
From Related Party*	1895,00,000	-	-	1895,00,000
	<b>1895,00,000</b>	<b>-</b>	<b>-</b>	<b>1895,00,000</b>

\*Loan from related party carries an interest rate of 12.25% of an amount of 18.95Cr (PY: 18.95Cr)  
The same has to be repaid with in 3 Years from the date of 23rd Aug 2018





## 12 Trade payables

	(Amount in Rupees)			
	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Related parties	-	-	779,77,858	576,44,344
Other than Related Parties	-	-	-	-
	-	-	779,77,858	576,44,344

## 13 Other financial liabilities

	(Amount in Rupees)	
	31-Mar-19	31-Mar-18
Non-trade payables	124,82,823	59,98,766
	124,82,823	59,98,766

## 14 Other liabilities

	(Amount in Rupees)	
	31-Mar-19	31-Mar-18
Provision for expenses	26,72,441	19,80,643
Other statutory dues	12,07,364	24,27,315
Retention Money	40,544	-
	39,20,349	44,07,958

## 15 Other income

	31-Mar-19	31-Mar-18
Services Rendered	40,98,514	15,18,317
Rental Income	8,97,525	-
	49,96,039	15,18,317

## 16 Depreciation and amortization expense

	(Amount in Rupees)	
	31-Mar-19	31-Mar-18
Depreciation of PPE	29,13,779	4,92,007
Amortization of intangible assets	4,10,304	9,79,548
	33,24,083	14,71,555

## 17 Finance cost

	(Amount in Rupees)	
	31-Mar-19	31-Mar-18
Interest cost	203,36,882	196,73,500
Bank charges	590	-
	203,37,472	196,73,500

## 18 Other expenses

	(Amount in Rupees)	
	31-Mar-19	31-Mar-18
Fair value loss on financial instruments	97,78,636	6,36,009
Rent	8,97,525	-
Payment to auditors (refer details below)	75,000	70,412
Rates and taxes	15,758	9,055
Office Expenses	4,386	-
Miscellaneous expenses	2,001	8,583
	107,73,306	7,24,059

## Payment to auditors

As auditor:		
Audit fee	50,000	70,412
Tax Audit Fee	25,000	-
	75,000	70,412



(Amount in Rupees)

17 Revenue from operations

	31-Mar-19	31-Mar-18
<b>Revenue from operations</b>		
Sale of products/ finished goods		
Sale of services	-	-
Other operating revenue	-	-
	-	-

15 Other income

	31-Mar-19	31-Mar-18
<b>Interest income on</b>		
Bank deposits		
Interest on LT Investments		
Services Rendered	40,98,514	15,18,317
Rental Income	8,97,525	-
	<b>49,96,039</b>	<b>15,18,317</b>

16 Depreciation and amortization expense

(Amount in Rupees)

	31-Mar-19	31-Mar-18
Depreciation of PPE	29,13,779	4,92,007
Depreciation of Investment Properties	-	-
Amortization of intangible assets	4,10,304	9,79,548
	<b>33,24,083</b>	<b>14,71,555</b>

17 Finance cost

(Amount in Rupees)

	31-Mar-19	31-Mar-18
Interest cost	203,36,882	196,73,500
Bank charges	590	-
	<b>203,37,472</b>	<b>196,73,500</b>

18 Other expenses

(Amount in Rupees)

	31-Mar-19	31-Mar-18
Fair value loss on financial instruments	97,78,636	6,36,009
Rent	8,97,525	-
Payment to auditors (refer details below)	75,000	70,412
Rates and taxes	15,758	9,055
Office Expenses	4,386	-
Diminution in value of quoted securities		
Miscellaneous expenses	2,001	8,583
	<b>107,73,306</b>	<b>7,24,059</b>

Payment to auditors

As auditor:

Audit fee	50,000	70,412
Tax Audit Fee	25,000	-
	<b>75,000</b>	<b>70,412</b>



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

(Amount in Rupees)

	31-Mar-19	31-Mar-18
<b>Tax expenses</b>		
Current tax	-	-
Deferred tax	-	-
<b>Total taxes</b>	-	-

The tax expense can be reconciled for the period to the accounting profit as follows:

(Amount in Rupees)

	31-Mar-19	31-Mar-18
Profit Before Tax	(294,38,822)	(203,50,797)
Applicable tax rate	25.75%	25.75%
Computed tax expense	(75,80,497)	(52,40,330)

At the effective income tax rate

Total tax expense reported in the statement of profit and loss

-	-
-	-

\*\*Deferred tax asset has not been recognized on brought forward losses as there is no probability/convincing or other evidence that sufficient taxable profits will be available against which DTA will be adjusted.

20 Earnings per share ['EPS']

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

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

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

	31-Mar-19	31-Mar-18
Profit after tax attributable to shareholders of the parent (Amount in Rupees)		
Continuing operations (Amount in Rupees)	(294,38,822)	(203,50,797)
Discontinued operations (Amount in Rupees)	-	-
<b>Profit attributable to equity shareholders of the parent for basic/diluted earnings per share (Amount in Rupees)</b>	<b>(294,38,822)</b>	<b>(203,50,797)</b>
Weighted average number of equity shares of Rs.10 each outstanding during the period used in calculating basic and diluted earnings per share (No of Shares in units)	10,000	10,000
Earnings per share for continuing operations -Basic (Rs. in units)	(2,943.88)	(2,035.08)
Earnings per share for continuing operations -Diluted (Rs. in units)	(2,943.88)	(2,035.08)





## 21 Related Party Disclosure

### a List of Related Party with whom transactions has taken place

Disclosures in respect of related parties as defined in Ind AS24, with whom transactions have taken place during the year are given below:

#### List of Related Parties

Name of the Company	Nature of Relationship
GMR Infrastructure Limited (GIL)	Holding Company's Holding Company
GMR Hyderabad International Airport Ltd (GHIAL)	Fellow Subsidiary
Raxa Security Services Limited (RAXA)	Fellow Subsidiary
GMR Airports Limited	Fellow Subsidiary
Dhruvi Securities Pvt Limited	Fellow Subsidiary

#### Details relating to Key Management Personnel

Mr. Venkata Ramana Tangirala (Resigned w.e.f - 03/10/2018)
Mr. Tandavesshwaran Nelayi Ananth Krishna
Mr. Aniruddha Ganguly
Mr. Ashish Jain (Joined w.e.f - 14/8/2018)
Mr. Suresh Bagrodia (Joined w.e.f - 14/8/2018)
Mr. George Thomas Fanthome (Joined w.e.f - 16/8/2018)

Sl.No.	Particulars	2018-19	2017-18
(A)	Transactions during the year		
1	Security Charges		
	- Raxa Security Services Limited	3,443,404	2,775,676
2	Interest on group company loans		
	- GMR Infrastructure Limited	23,093,003	23,213,750
3	Rent Office and Furniture, Transit house, Repairs and Maintenance		
	- GMR Hyderabad International Airport Limited	28,889,658	1,418,606
4	Electricity, IT & Communication Charges		
	- GMR Hyderabad International Airport Limited	4,632,242	613,800
5	Office Maintenance & Water Charges		
	- GMR Hyderabad International Airport Limited	517,162	443,601
6	Re-imbursement of Expenses by		
	- GMR Infrastructure Limited	4,098,514	1,518,317
7	Training Faculty Fee		
	- GMR Airports Limited	115,500	-
8	Rent Received		
	- GMR Airports Limited	897,525	-
(B)	Outstanding balances at the Period Ended		
1	Issued Capital		
	- GMR Corporate Affairs Private Limited	100,000	100,000
2	Loan from Group Companies		
	- GMR Infrastructure Limited	189,500,000	189,500,000
3	Creditors/Payable		
	- GMR Infrastructure Limited	75,766,830	54,201,312
	- GMR Hyderabad International Airport Limited	-	2,736,617
	- Raxa Security Services Limited	2,661,178	706,416
4	Debtors/Receivable		
	- GMR Infrastructure Limited	13,107,682	13,416,324
	- Dhruvi Securities Limited	-	658,902

### c. Transactions with Group Companies assorted into P&L

Sl.No.	Counter Party Group Company	Nature of Transaction	2018-19	2017-18
1	GMR Infrastructure Limited	Reimbursement of Expenses	4,098,514	1,518,317
2	GMR Infrastructure Limited	Finance Cost	23,093,003	23,213,750
			27,191,517	24,732,067



## 22 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

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

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

### B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have fluctuating interest rate borrowings, thus company does not have any interest rate risk.

### C. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to foreign currency payable or receivable balances and hence it does not have any foreign currency risk.

### D. Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

### E. Liquidity risk

Maturity profile of the Group's financial liabilities based on contractual undiscounted payments as on 31st March 2019

(Amount in Rupees)

Particulars	Within 1 year	1 to 5 years	> 5 years	Total
<b>Year ended March 31, 2019</b>				
Borrowings		1895,00,000		1895,00,000
Trade and other payables	779,77,858			779,77,858
Other financial liabilities	124,82,823			124,82,823
<b>Total</b>	<b>904,60,681</b>	<b>1895,00,000</b>	<b>-</b>	<b>2799,60,681</b>
<b>Year ended March 31, 2018</b>				
Borrowings	1895,00,000			1895,00,000
Trade and other payables	576,44,344			576,44,344
Other financial liabilities	59,98,766			59,98,766
<b>Total</b>	<b>2531,43,110</b>	<b>-</b>	<b>-</b>	<b>2531,43,110</b>





## 23 Fair Value Measurements

The carrying value of financial instruments by categories is as follows:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Fair value through statement of profit or loss (FVTPL)	Fair value through other comprehensive income (FVTOCI)	Amortised cost	Fair value through statement of profit or loss (FVTPL)	Fair value through other comprehensive income (FVTOCI)	Amortised cost
<b>Financial assets</b>						
Unquoted investments (other than investments in subsidiaries, associates and joint ventures)	1605,92,222	-	-	1605,92,222	-	-
Loans	-	-	144,67,898	-	-	163,17,319
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	3,16,390	-	-	1,44,078
Bank balance other than cash and cash equivalent	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
<b>Total</b>	<b>1605,92,222</b>	<b>-</b>	<b>147,84,288</b>	<b>1605,92,222</b>	<b>-</b>	<b>164,61,397</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1895,00,000	-	-	1895,00,000
Trade payables	-	-	779,77,858	-	-	576,44,344
Other financial liabilities	-	-	124,82,823	-	-	59,98,766
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2799,60,681</b>	<b>-</b>	<b>-</b>	<b>2531,43,110</b>

## 24 Fair Value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	Carrying amount	As at March 31, 2019			Carrying amount	As at March 31, 2018		
		Level 1	Fair Value Level 2	Level 3		Level 1	Fair Value Level 2	Level 3
<b>Financial assets</b>								
Investments (other than investments in subsidiaries, associates and joint ventures)	1605,92,222	-	-	-	1605,92,222	-	-	-
(Purchased 1,590,022 units of IPDF of Srei Alternative Investment Managers Limited valued at NAV Rs. 69.65/- per unit)	-	-	1107,45,032	-	-	-	1205,23,668	-
Loans	144,67,898	-	-	144,67,898	163,17,319	-	-	163,17,319
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	3,16,390	-	-	3,16,390	1,44,078	-	-	1,44,078
Bank balance other than cash and cash equivalents	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1753,76,510</b>	<b>-</b>	<b>1107,45,032</b>	<b>147,84,288</b>	<b>1770,53,619</b>	<b>-</b>	<b>1205,23,668</b>	<b>164,61,397</b>
<b>Financial liabilities</b>								
Borrowings	1895,00,000	-	-	1895,00,000	1895,00,000	-	-	1895,00,000
Trade payables	779,77,858	-	-	779,77,858	576,44,344	-	-	576,44,344
Other financial liabilities	124,82,823	-	-	124,82,823	59,98,766	-	-	59,98,766
<b>Total</b>	<b>2799,60,681</b>	<b>-</b>	<b>-</b>	<b>2799,60,681</b>	<b>2531,43,110</b>	<b>-</b>	<b>-</b>	<b>2531,43,110</b>



## 25 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

		(Amount in Rupees)	
		31-Mar-19	31-Mar-18
Borrowings		1895,00,000	1895,00,000
Net debt	(i)	1895,00,000	1895,00,000
Share Capital		1,00,000	1,00,000
Other Equity		(1193,15,175)	(898,76,353)
Total capital	(ii)	(1192,15,175)	(897,76,353)
Capital and net debt	(iii= i+ii)	702,84,825	997,23,647
Gearing ratio (%)	(i/iii)	269.62%	190.03%

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

No changes were made in the objectives, policies or processes for managing capital during the period.

## 26 Segment reporting

The Chief Operating Decision Maker reviews the operations of the Company primarily as a business of procurement of land, which is considered to be the only reportable segment by the management. Hence, there are no additional disclosures to be provided under IND AS 108 'Operating Segments'.

## 27 Capital commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs NIL (Mar' 18 – Rs. NIL).

## 28 Pending litigations

The Company does not have any pending litigations which would impact its financial position.

## 29 Foreseeable losses

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

## 30 Standards/ Amendments issued but not yet effective

The standards 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 when they become effective.

### A. Ind AS 116 Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is currently evaluating the requirements of Ind AS 116 and its impact on financial statements.

### B) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

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

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standards:





#### Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12, 'Income taxes'

The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.

This amendment clarifies how the recognition and measurement requirements of Ind AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. The amendment applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

#### Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments.

This amendment enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract'.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

#### Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19, Employee Benefits.

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
- separately recognise any changes in the asset ceiling through other comprehensive income.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

#### Annual Improvements to Ind AS

• Ind AS 23, 'Borrowing Cost' - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

• Ind AS 103, 'Business Combination' - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

• Ind AS 111, 'Joint arrangements' - clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

• Ind AS 12, 'Income Taxes' - clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.



**31 Previous year figures**

Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

**32 MSME Dues**

There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31, 2018. This information, as required to be disclosed under the Micro Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the company.

As per our report of even date

**For Guru & Jana**  
Chartered Accountants  
Firm registration number: 006826S

  
**Heena Kauser**  
Partner  
Membership No: 219971

Place : Bangalore  
Date : 18/04/19



For and on behalf of the board of directors  
**GMR Business Process and Services Private Limited**

  
**Thandaveswaran N.A**  
Director  
DIN: 7815847

Place : Hyderabad  
Date : 18/04/19

  
**Suresh Bagrodia**  
Director  
DIN: 05201062

Place : Hyderabad  
Date : 18/04/19

