Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT
To The Members of GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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 including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N. 117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 24, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts 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 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, 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 criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N. 117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 24, 2019

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of property, plant and equipment once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In respect of immovable properties of buildings constructed on leasehold land and disclosed as property, plant and equipment in the financial statements, the lease agreement (for land) is in the name of the Company, where the Company is the lessee.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year falling within the purview of the Sections 73 to 76 of the Companies Act, 2013. There are no unclaimed deposits.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)
APVAT Act, 2005	Value Added Tax	Commercial Taxes Department, AP	FY 2010-11 to FY 2013-14	24.54	22.66
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Hyderabad	FY 2011-12 to FY 2014-15	224.30@	@
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Hyderabad	FY 2015-16	5.49	5.49

@ The disallowance of the amount does not have any tax impact. The assessing officer has reduced the loss of the respective assessment years based on the income tax returns filed by the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary, or associate Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N. 117366W/W-100018)

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 24, 2019

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866

Balance Sheet as at March 31, 2019
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,349.85	13,034.20
Capital work-in-progress	3A	113.30	63.47
Intangible assets	4	41.94	52.06
Intangible assets under development	4A	3.35	2.40
Financial Assets			
Other Financial Assets	5C	0.48	1.73
Deferred tax assets (net)	6	-	-
Non-current tax assets (net)	10	570.34	365.74
Other non current assets	9A	20.90	41.41
		16,100.16	**13,561.01**
Current assets			
Inventories	7	1,654.04	1,841.41
Financial assets			
Investments	5A	1,207.10	3,281.93
Trade receivables	5B	752.03	456.28
Cash and cash equivalents	8	572.47	813.13
Other Financial Assets	5D	155.49	227.41
Other current assets	9B	371.13	201.20
		4,712.26	6,821.36
TOTAL ASSETS		**20,812.42**	**20,382.37**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	15,599.87	12,660.89
Other equity	12	(13,489.97)	(13,865.44)
Total Equity		**2,109.90**	**(1,204.55)**
Non-current liabilities			
Financial liabilities			
Borrowings	13A	15,692.69	11,810.19
Other financial liabilities	13C	10.62	6.12
Provisions	14A	36.26	41.62
		15,739.57	**11,857.93**
Current liabilities			
Financial liabilities			
Trade payables:	13B		
(i) total outstanding dues of micro enterprises and small enterprises		12.14	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,750.07	2,164.25
Other financial liabilities	13D	840.34	7,203.87
Provisions	14B	57.39	55.90
Other current liabilities	15	303.01	304.97
		2,962.95	**9,728.99**
TOTAL EQUITY AND LIABILITIES		**20,812.42**	**20,382.37**
Corporate Information & Significant accounting policies	**1 & 2**		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

Sumit Trivedi
Partner

Place: Hyderabad
Date: April 24, 2019

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

Venu Madhav Tenjarla
Chief Financial Officer

C.Bharathi
Company Secretary
Membership No. :FCS 9406

GMR Hospitality and Retail Limited
Hyderabad

Place: Hyderabad
Date: April 24, 2019

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Statement of profit and loss for the year ended March 31, 2019
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
1 **Income**			
Revenue from operations	16	23,420.33	18,783.30
Other income	17	428.17	266.90
Total Income		**23,848.50**	**19,050.20**
2 **Expenses**			
Food and Beverages consumed	18	676.10	632.62
Purchases of Stock In Trade		5,967.27	4,783.68
Changes in Inventories-Stock In Trade	19	182.28	(71.43)
Employee benefits expense	20	2,317.19	1,900.04
Other expenses	21	10,847.63	8,001.00
Depreciation and amortization expense	22	1,336.14	1,288.69
Finance costs	23	2,134.65	2,030.99
Total Expenses		**23,461.26**	**18,565.59**
3 **Profit before tax (1 - 2)**		**387.24**	**484.61**
4 **Tax expenses**	24		
a) Current income tax		-	-
b) Deferred tax (credit)		(2.36)	-
Total Tax expenses		**(2.36)**	**-**
5 **Profit for the year (3 - 4)**		**389.60**	**484.61**
6 **Other comprehensive income**	25		
i. Items that will not be reclassified to profit or loss:			
Re-measurement (losses)/gains on defined benefit plans		9.09	(1.05)
Tax relating to items that will not be reclassified to profit or loss		2.36	-
Total other comprehensive income / (loss)		**6.73**	**(1.05)**
7 **Total comprehensive income (5 + 6)**		**396.33**	**483.56**
Earnings per equity share of par value of Rs.10 each	26		
Basic and diluted (Rs. per share)		**0.30**	**0.38**
Corporate Information & Significant accounting policies	1&2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

Sumit Trivedi
Partner

Place: Hyderabad
Date: April 24, 2019

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

Venu Madhav Tenjarla
Chief Financial Officer

C.Bharathi
Company Secretary
Membership No. :FCS 9406

GMR Hospitality and Retail Limited
Hyderabad

Place: Hyderabad
Date: April 24, 2019

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Statement of Cash flows for the year ended March 31, 2019
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from Operating Activities		
Profit before tax	387.24	484.61
Non-cash adjustment to reconcile profit before tax		
Depreciation and amortisation expense	1,336.14	1,288.69
Finance cost	1,828.06	1,734.00
Finance costs (fair value change in financial instruments)	306.59	296.99
Profit on sale of current investments	(263.03)	(149.69)
Gain on fair valuation of current investments	(2.09)	(7.87)
Interest income	-	(0.88)
Provisions no longer required written back	-	(7.36)
(Profit)/Loss on sale/write off of fixed assets (net)	160.61	133.95
Unrealised foreign exchange Loss	5.05	8.19
Operating Profit before Working Capital Changes	3,758.57	3,780.63
Adjustments for changes in working capital :		
(Decrease)/Increase in Trade payables	(397.64)	259.85
Increase in provisions	5.22	15.76
(Decrease)/Increase in Other financial liabilities and other liabilities	(2.71)	137.75
(Increase) in Trade receivables	(295.75)	(178.10)
Decrease/(Increase) in Inventories	187.37	(82.17)
(Increase) in Other Assets	(171.03)	(40.87)
Decrease/(Increase) in Other financial assets	68.86	(54.43)
Cash generated from operations	3,152.89	3,838.42
Direct taxes paid/refund (net)	(204.60)	68.31
Net cash flow from Operating Activities (A)	2,948.29	3,906.73
Cash flows from Investing Activities		
Purchase of property, plant and equipments, including capital work-in-progress and capital advances	(3,384.41)	(245.07)
Proceeds from sale of property, plant and equipment	1.23	1.02
Interest received	-	1.18
Redemption/maturity of fixed deposits (not forming part of cash and cash equivalents)	-	74.81
Purchase of investments	(19,668.05)	(16,620.00)
Proceeds from sale of investments	22,008.00	13,949.76
Net cash flow (used in) Investing Activities (B)	(1,043.23)	(2,838.30)
Cash flows from Financing Activities		
Repayment of long-term borrowings	(312.50)	(187.50)
Finance cost paid	(1,828.06)	(1,727.68)
Net cash flow (used in) financing activities (C)	(2,140.56)	(1,915.18)
Net (decrease) in cash and cash equivalents (A + B + C)	(235.50)	(846.75)
Cash and cash equivalents at the beginning of the year	813.13	1,664.36
Effect of exchange differences on cash and cash equivalents held in foreign currency	(5.16)	(4.48)
Cash and cash equivalents at the end of the year (See note below)	572.47	813.13
Components of cash and cash equivalents		
Cash on hand	63.13	44.71
Cash in transit	18.18	26.30
Balance with banks		
- On current accounts	199.89	237.62
- Exchange earner's foreign currency	291.27	504.50
Total	572.47	813.13

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

GMR Hospitality and Retail Limited
Hyderabad

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Statement of Cash flows for the year ended March 31, 2019
(All amounts are in Rs. lakhs, unless otherwise stated)
Reconciliation of liabilities from financing activities:

Particulars	As at March 31,2018	Proceeds	Repayment	Other Adjustments*	Fair Value Changes	As at March 31, 2019
Long-term Borrowings (including current maturities of long term borrowings)	18,978.78	-	(312.50)	(2,918.12)	306.59	16,054.75
Total	**18,978.78**	-	**(312.50)**	**(2,918.12)**	**306.59**	**16,054.75**

* Other adjustments includes interest free loan converted to equity share capital amounting to Rs. 2,938.98 lakhs during the current year.

The accompanying notes are an integral part of Financial Statements

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: April 24, 2019

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited (fomerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

Venu Madhav Tenjarla
Chief Financial Officer

C.Bharathi
Company Secretary
Membership No. :FCS 9406

Place: Hyderabad
Date: April 24, 2019

GMR Hospitality and Retail Limited Hyderabad

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866

Statement of Changes in Equity for the year ended March 31, 2019
(All amounts are in Rs. lakhs, unless otherwise stated)

A. Equity Share Capital

Equity Shares of Rs.10 Each, Fully paid up	No.	Rs. Lakhs
As at April 1, 2017	**109,658,916**	**10,965.89**
Issued during the year	16,950,000	1,695.00
As at March 31, 2018	**126,608,916**	**12,660.89**
Issued during the year	29,389,794	2,938.98
As at March 31, 2019	**155,998,710**	**15,599.87**

B. Other Equity

	Equity component of parent company loan* (A)	Capital Reserve (B) (Refer Note 1.1)	Retained Earnings (C)	Total D=(A+B+C)
As at April 1, 2017	831.72	548.10	(15,728.82)	(14,349.00)
Profit for the year	-	-	484.61	484.61
Remeasurement of net defined benefit plan	-	-	(1.05)	(1.05)
As At March 31, 2018	831.72	548.10	(15,245.26)	(13,865.44)
Profit for the year	-	-	389.60	389.60
Remeasurement of net defined benefit plan	-	-	6.73	6.73
Less: Adjustment during the year	(20.86)	-	-	(20.86)
As At March 31, 2019	810.86	548.10	(14,848.93)	(13,489.97)

*Equity component of interest free loan is shown net of deferred tax liability.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: April 24, 2019

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

Venu Madhav Tenjarla
Chief Financial Officer

C.Bharathi
Company Secretary
Membership No. :FCS 9406

GMR Hospitality and Retail Limited Hyderabad

Place: Hyderabad
Date: April 24, 2019

(All amounts are in Rs. lakhs, unless otherwise stated)

1. Corporate information

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited) ("GHRL or the Company") was incorporated on September 08, 2008 as a wholly owned subsidiary of GMR Hyderabad International Airport Limited. The main objective of the Company is to carry on the business of running hotels, resorts, restaurants, lodging house, swimming pools, night clubs, exhibition halls, entertainment centers, amusement parks, wine, beer shops and departmental stores, discotheques, clubs, skating halls, boating and padding pools, gymnasiums and race courses. To establish and run shops, business centres and shopping complexes including duty free shops and customs free trade zone, either directly or through agencies to cater to the requirements of National and International passengers and tourists.
Pursuant to the approval of the Board of Directors dated May 02, 2017, the Company has changed its name from GMR Hotels and Resorts Limited to GMR Hospitality and Retail Limited subsequent to which the Memorandum of Association and Articles of Association of the Company have been amended and the same were filed with the Registrar of Companies on May 16, 2017.
The financial statements of the Company for the year ended March 31, 2019 were adopted by the Board of Directors and authorized for issue on April 24, 2019.

1.1 Scheme of arrangement (Merger)

Pursuant to the scheme of arrangement ("the Scheme") between Hyderabad Duty Free Retail Limited ("HDFRL") and GHRL and their respective shareholders, the Duty Free business undertaking along with related assets and liabilities was amalgamated into the Company. The National Company Law Tribunal ("NCLT") passed an order approving the said scheme but had changed the Appointed Date to April 01, 2016 instead of April 01, 2015 that was specified in the Scheme. The above scheme was thereafter filed with the Registrar of Companies on April 27, 2017. The Company gave effect to the scheme with effect from April 01, 2016 as specified in the order of the NCLT.

Upon the Scheme coming into effect, all the assets and liabilities appearing in the books of accounts of HDFRL were transferred to and vested in the Transferee Company, at their respective book values.

As per the share exchange ratio approved by the NCLT, the Company allotted 1 (one) fully paid-up equity share of Rs.10 each for every 1 (one) fully paid-up equity share of Rs.10 each held by the shareholders in HDFRL as at the appointed date i.e. April 01, 2016 aggregating to Rs.169,500,000.

In accordance with this scheme as approved by NCLT Hyderabad Bench, the difference between the purchase consideration and net assets has been treated as capital reserve.

	Amount
Net Assets (A)	2,243.10
Purchase Consideration (B)	1,695.00
Capital Reserve (A) - (B)	548.10

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2. Significant accounting policies

2.1 Basis of preparation and presentation:

(a) Statement of Compliance:

The Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(b) Basis of measurement:

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of reporting period. (as explained in accounting policy regarding financial instruments).

2.2 Summary of significant accounting policies

a) Use of estimates

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- 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 expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

c) Foreign currencies

The Financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

d) Fair value measurement

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

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

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All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

(e) Revenue recognition

Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the Financial Statements.

Revenue is recognised to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the government. An entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

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

- Sale of goods:
  Revenue from the sale of goods is recognised at the point in time when control is transferred to customers.

- Income from services and sale of products :
  Revenue from hotel operations comprises income by way of hotel room rent, sale of food, beverages and allied services relating to hotel and is recognised net of taxes and discounts as and when the services are provided and products are sold.

  The Company recognizes revenue on accrual basis as per the terms of the agreement and on the basis of services rendered.

- Space rentals:
  Space rentals have been recognised as per the terms of the contract with the customers.

- Dividend income:
  Revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

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- Interest income:
  Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

(f) Taxes

Current income tax:
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 in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and 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 provision where appropriate.

Deferred tax:
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet

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when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realized.

(g) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital Work in Progress are items of Property, Plant and Equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Years
Buildings on leasehold land	30
Leasehold improvements	15
Roads #	10
Plant and equipment	15
Electrical installations and equipment	10
Furniture and fittings	8-10
Office equipment	5
Computers and data processing units	3 – 6
Motor vehicles	8

The management has estimated, supported by technical evaluation and experience, the useful life of internal roads as 10 years.

The management has estimated, supported by independent assessment of professionals, the useful lives of the following class of assets.

The useful lives of certain plant and equipment are estimated as 8 years with respect to Kitchen equipments. This life is lower than those indicated in Schedule II of the Companies Act, 2013.

The Company, based on assessment made by technical expert and Management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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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.

Leasehold improvements are amortized over shorter of estimated useful lives or lease period.

Individual assets costing less than Rs.5,000 are fully depreciated in the year of purchase.

(h) Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortized on a straight – line basis over their useful life not exceeding six years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognized.

(i) Leases

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

For arrangements entered into prior to April 01, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

Company as a lessee
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases whenever the terms of lease transfer substantially all of the risks and rewards of ownership to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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(j) 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(l) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

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

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(m) Provisions, contingent liabilities and commitments

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

Contingent liability is disclosed in the case of:
• A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
• A present obligation arising from past events, when no reliable estimate is possible
• A possible obligation arising from past events, unless the probability of outflow of resources is remote

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 reporting date.

(n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

The Company operates a defined benefit gratuity plan (partly funded) in India, which requires contribution to be made to a separately administrated fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through

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OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

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

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

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

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

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

The Company treats accumulated leave as short-term employee benefit. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

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

Subsequent measurement of financial instrument:
For the purpose of subsequent measurement, financial instruments of the Company are classified into categories as explained below. The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements.

For purposes of subsequent measurement, financial assets are classified in four categories:
a. Debt instruments at amortized cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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Debt instruments at amortized cost:
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

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

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

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

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

De-recognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flows from the asset, and
    i. The Company has transferred substantially all the risks and rewards of the asset, or
    ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure on any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

Financial liabilities

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

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

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

Financial liabilities at fair value through profit and loss

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

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

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

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De-recognition:
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Subsequent Measurement
For the purpose of subsequent measurement, financial instruments of the Company are classified into categories as explained below. The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

Reclassification of financial assets
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(p)Cash and cash equivalents

Cash and cash equivalents 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.

(q)Contingent liabilities

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 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.

Contingent assets are disclosed when the economic benefits are probable.

(r) Earnings per share

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

For the purpose of calculating Diluted Earnings per Share, the net profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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(s) New standards and interpretations not yet adopted

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. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

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.

Ind AS 116 is effective for the Group in the first quarter of fiscal year 2019 using either one of two methods:

(a) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or

(b) retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

(t) 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:

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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.

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.

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GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Notes to the financial statement for the year ended March 31, 2019
(All amounts are in Rs. lakhs, unless otherwise stated)

3. Property, plant and equipment

Particulars	#Buildings on leasehold land	Leasehold improvements	Roads	Plant and equipment	Electrical Installations and Equipment	Furniture and fittings	Office Equipment	Computers and data processing units	Motor Vehicles	Total
Gross Block										
As at April 1, 2017	12,207.34	659.39	24.50	2,012.58	1,177.71	1,335.20	9.57	106.49	10.80	17,543.58
Additions	-	-	-	248.22	-	14.01	10.94	32.15	-	305.32
Disposals	-	(7.30)	-	(183.69)	(0.27)	(28.42)	(0.03)	(0.47)	-	(220.18)
As at March 31, 2018	12,207.34	652.09	24.50	2,077.11	1,177.44	1,320.79	20.48	138.17	10.80	17,628.72
Additions	2,804.72	46.84	-	108.42	541.25	202.08	5.68	92.24	-	3,801.23
Disposals	-	(236.00)	-	(4.93)	(9.93)	(25.13)	-	(1.39)	-	(277.38)
As at March 31,2019	15,012.06	462.93	24.50	2,180.60	1,708.76	1,497.74	26.16	229.02	10.80	21,152.57
Depreciation										
As at April 1, 2017	1,068.69	79.13	11.42	491.98	581.69	1,126.38	2.76	32.19	8.90	3,403.14
Charge for the year	541.52	77.80	5.72	280.44	292.87	36.86	3.02	37.09	1.27	1,276.59
Disposals	-	(3.24)	-	(59.26)	(0.04)	(22.17)	(0.03)	(0.47)	-	(85.21)
As at March 31, 2018	1,610.21	153.69	17.14	713.16	874.52	1,141.07	5.75	68.81	10.17	4,594.52
Charge for the year	564.00	73.72	5.71	277.43	302.17	45.05	5.45	49.60	0.63	1,323.76
Disposals	-	(90.76)	-	(1.73)	(6.33)	(16.17)	-	(0.57)	-	(115.56)
As at March 31,2019	2,174.21	136.65	22.85	988.86	1,170.36	1,169.95	11.20	117.84	10.80	5,802.72
Net block										
As at March 31, 2018	10,597.13	498.40	7.36	1,363.95	302.92	179.72	14.73	69.36	0.63	13,034.20
As at March 31,2019	12,837.85	326.28	1.65	1,191.74	538.40	327.79	14.96	111.18	-	15,349.85

Building is constructed on leasehold land taken from GHIAL (holding company) who obtained land under Concession agreement with Ministry of Civil Aviation.

3A. Capital work-in-progress

	As at March 31, 2019	As at March 31, 2018
Capital expenditure incurred on Property, plant and equipment	113.30	63.47
	113.30	63.47

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(All amounts are in Rs. lakhs, unless otherwise stated)

4. Intangible Assets

	Acquired Software
Gross Block	
As at April 1, 2017	70.05
Additions	7.14
Disposals	-
As at March 31, 2018	**77.19**
Additions	2.26
Disposals	-
As at March 31, 2019	**79.45**
Amortisation	
As at April 1, 2017	**13.03**
Charge for the year	12.10
Disposals	-
As at March 31, 2018	**25.13**
Charge for the year	12.38
Adjustments	-
Disposals	-
As at March 31, 2019	**37.51**
Net block	
As at March 31, 2018	**52.06**
As at March 31, 2019	**41.94**

4A. Intangible assets under development

	As at March 31, 2019	As at March 31, 2018
Capital expenditure incurred on intangible assets	3.35	2.40
	3.35	**2.40**

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(All amounts are in Rs. lakhs, unless otherwise stated)

5 Financial Assets

	As at March 31, 2019	As at March 31, 2018
A. Current investments		
Unquoted Mutual Fund :		
Nil (March 31, 2018 : 391,037.422) units of face value of Rs.100 each of ICICI Prudential Mutual Fund- Liquid growth plan	-	1,002.57
23,043.022 (March 31, 2018 : 521,89.022) units of face value of Rs.1,000 each of Axis Mutual Fund- Liquid growth plan	475.86	1,002.41
244,558.101 (March 31, 2018 : 458,950.029) units of face value of Rs.100 each of Aditya Birla Sunlife Liquid Fund - Growth regular plan (formerly known as Birla Sunlife Cash Plus - growth regular plan)	731.24	1,276.95
	1,207.10	3,281.93
Aggregate fair value of unquoted investments	1,207.10	3,281.93

B. Trade Receivables

	As at March 31, 2019	As at March 31, 2018
Trade receivables:		
- Considered good - Secured	-	-
- Considered good - Unsecured (refer note 29)	752.03	456.28
- Which have significant increase in Credit Risk	-	-
- Credit impaired	-	-
Total	752.03	456.28
Less: Allowances for doubtful receivables	-	-
Total Trade Receivables	752.03	456.28

Trade Receivables are non-interest bearing except in case of delay in payment and are generally on terms of 30-90 days

Other Financial Assets

	As at March 31, 2019	As at March 31, 2018
C. Non Current (unsecured, considered good unless stated otherwise)		
Security deposit	0.48	1.73
	0.48	1.73
D. Current (unsecured, considered good unless stated otherwise)		
Other receivables	145.55	218.38
Security deposit	9.94	9.03
	155.49	227.41

6 Deferred tax asset/ (liability) (net)

	As at March 31, 2019	As at March 31, 2018
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortization charged for the year	(843.56)	(903.00)
Temporary difference arising on account of fair valuation on interest free loan	-	(78.44)
Gain on fair valuation of mutual fund	(0.54)	-
Gross Deferred Tax Liabilities (A)	(844.10)	(981.44)
Deferred tax asset		
On unabsorbed depreciation and carried forward losses	819.76	981.44
On provisions for gratuity and leave benefits	24.34	-
Gross Deferred Tax Assets (B)	844.10	981.44
Deferred Tax Assets/(Liabilities) (A+B)	-	-

Deferred tax assets/ (liability):
For the year ended March 31, 2019:

	Opening balance	Recognised in Other Comprehensive Income	Recognised in Statement of Profit and Loss	Closing balance
Deferred tax liability:				
Impact of difference between tax depreciation and depreciation/ amortization charged for the year	(903.00)	-	59.44	(843.56)
Temporary difference arising on account of fair valuation on interest free loan	(78.44)	-	78.44	-
Gain on fair valuation of mutual fund	-		(0.54)	(0.54)
Deferred tax asset:				
On unabsorbed depreciation and carried forward losses	981.44	-	(161.68)	819.76
On provision for Gratuity and Leave Encashment	-	(2.36)	26.70	24.34
	-	(2.36)	2.36	-

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Deferred tax assets/ (liability):
For the year ended March 31, 2018:

	Opening balance	Recognised in Other Comprehensive Income	Recognised in Statement of Profit and Loss	Closing balance
Impact of difference between tax depreciation and depreciation/ amortization charged for the year	(1,143.83)	-	240.83	(903.00)
Temporary difference arising on account of fair valuation on interest free loan	(177.09)	-	98.65	(78.44)
Deferred tax asset:				
On unabsorbed depreciation and carried forward losses	1,320.92	-	(339.48)	981.44
	-	-	-	-

The company has acccounted for deferred tax assets based on approval of business plan by board
The company has recognised deferred tax asset on unabsorbed depreciation and carry forward losses to the extent the company has sufficient taxable temparory differences.

6.1 **Unrecognised deductible temparory differences, unused tax losses**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Unrecognised deductible temparory differences, unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
-Unused tax loss	14,128.41	14,881.45
	14,128.41	**14,881.45**

7 **Inventories**

	As at March 31, 2019	As at March 31, 2018
Inventories (valued at lower of cost and net realisable value)		
Retail merchandise*	1,569.56	1,752.04
Packing materials	4.63	4.43
Food & Beverages	43.09	49.71
Stores, spares & consumables	36.76	35.23
Total	1,654.04	1,841.41

*includes goods in transit of Rs. 258.48 lakhs (March 31, 2018: Rs. 409.46 lakh)

8 **Cash & cash equivalents**

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Cash on hand	63.13	44.71
Cash in transit	18.18	26.30
Balances with banks:		
– On current accounts	199.89	237.62
– Exchange earner's foreign currency	291.27	504.50
Total	572.47	813.13

9 **Other Assets**

	As at March 31, 2019	As at March 31, 2018
A Non Current (unsecured, considered good unless otherwise stated)		
Capital Advances	12.54	34.17
Balance with statutory/government authorities	7.24	7.24
Prepaid expenses	1.12	-
Total	20.90	41.41
B Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	155.66	18.37
Balance with statutory/government authorities	109.93	89.85
Prepaid expenses	105.54	92.98
Total	371.13	201.20

10 **Non-current tax assets (net)**

	As at March 31, 2019	As at March 31, 2018
Advance tax/ TDS receivables (net)	570.34	365.74
	570.34	365.74

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11 Equity Share capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
160,000,000 (as at March 31,2018: 130,000,000) equity shares of Rs.10/- each	16,000.00	13,000.00
Total	16,000.00	13,000.00
Issued, subscribed and fully paid-up share capital		
155,998,710 (as at March 31, 2018 126,608,916 equity shares of Rs.10/- each fully paid up	15,599.87	12,660.89
Total	15,599.87	12,660.89

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

	As at March 31, 2019		As at March 31, 2018	
	No's	Rs. Lakhs	No's	Rs. Lakhs
At the beginning of the year	126,608,916	12,660.89	109,658,916	10,965.89
Additions during the year (refer note (e) below)	29,389,794	2,938.98	16,950,000	1,695.00
Outstanding at the end of the year	155,998,710	15,599.87	126,608,916	12,660.89

b) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company:
Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at March 31, 2019	As at March 31, 2018
GMR Hyderabad International Airport Limited and its nominees		
155,998,710 (March 31, 2018 : 126,608,916) equity shares of Rs.10/- each fully paid up	155,998,710	126,608,916

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

	As at March 31, 2019		As at March 31, 2018	
	No's	% holding	No's	% holding
Equity shares of Rs.10 each fully paid				
GMR Hyderabad International Airport Limited and its nominees	155,998,710	100%	126,608,916	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) During the current year 29,389,794 shares equity shares of Rs.10 each was alloted on March 07, 2019 pursuant to conversion of Interest free loan to equity share capital. During the previous year 16,950,000 equity share of Rs.10 each was alloted on May 02, 2017 pursuant to scheme of merger of Hyderabad Duty Free Retail Limited (refer note 1.1)

12 Other equity

		As at March 31, 2019	As at March 31, 2018
a)	Capital Reserve		
	Opening Balance	548.10	548.10
	Closing Balance	548.10	548.10
b)	Equity component of other financial instruments		
	Opening Balance	831.72	831.72
	Changes during the year	(20.86)	-
	Closing Balance	810.86	831.72
c)	Retained earnings		
	Opening Balance	(15,245.26)	(15,728.82)
	Profit for the year	389.60	484.61
	Remeasurement of net defined benefit plans	6.73	(1.05)
	Closing Balance	(14,848.93)	(15,245.26)
	Grand Total	(13,489.97)	(13,865.44)

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 25

13 Financial Liabilities

	As at March 31, 2019	As at March 31, 2018
A. Non Current borrowings		
Term Loans		
Indian rupee term loan from NBFC (secured) (Refer note (a) below)	-	11,810.19
Indian rupee term loan from Banks (secured) (Refer note (a) below)	11,459.69	-
Loan from related party (unsecured) (Refer note (b) below)	4,233.00	-
	15,692.69	11,810.19
Current Maturities of Non Current borrowings		
Term Loans		
Indian rupee term loan from NBFC (secured) (Refer note (a) below)	-	298.30
Indian rupee term loan from Bank (secured) (Refer note (a) below)	362.06	-
Loan from related party (unsecured) (Refer note (b) below)	-	6,870.29
	362.06	7,168.59
Less: Amount disclosed under the head "other current financial liabilities" (refer note 13D)	(362.06)	(7,168.59)
Total	-	-

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Notes:

a) During the year the existing Term loan from NBFC (Namely Aditya Birla Finance Limited and India Infradebt Limited) (secured) which carries interest at base rate plus agreed spread has been refinanced to Axis Bank Limited for Rs. 12,093.75 Lakh for existing outstading balance as on 15th November, 2018 . The loan with Axis Bank carries the interest rate of 9% during the current year. The loan is repayable in 46 quarterly instalments commencing from January 2019 to April 2030. The refinanced Rupee term loan is secured by exclusive charge on immovable assets (including assignment of leasehold rights in the case of leasehold land) , current assets, fixed assets, cash flows of the hotel division and a pledge of 32,897,675 equity shares of the Company held by GHIAL.

Also the above loan is secured by an irrevocable and unconditional corporate guarantee given by the Holding Company (GMR Hyderabad International Airport Limited).

b) Loan from a related party represents loan taken from the holding company. During the current year, the holding company extended the loan repayment by another 5 years from March 31, 2019 till March 31, 2024 or till the repayment of loan by the company whichever is earlier. Loan amount of Rs. 423,300,000 from related party is chargeable at 10.25% p.a to 10.00% p.a.

B Trade payables

	As at March 31, 2019	As at March 31, 2018
- Outstanding dues of creditors other than micro enterprises and small enterprises	1,112.77	1,840.08
- Outstanding dues to related parties (Note 29)	637.30	324.17
	1,750.07	2,164.25
- Outstanding dues of micro enterprises and small enterprises	12.14	-
	1,762.21	2,164.25

Other financial liabilities

	As at March 31, 2019	As at March 31, 2018
C Non Current Liabilities		
Security deposit received from customers	10.62	6.12
	10.62	6.12
D Current Liabilities		
Current maturities of long-term borrowings (note 13A)	362.06	7,168.59
Retention Money	121.54	4.50
Security deposit received from customers	4.50	9.75
Payable for purchase of Property, plant and equipment (refer note 29)	352.24	21.03
Total	840.34	7,203.87

14 Provisions

	As at March 31, 2019	As at March 31, 2018
A. Long Term Provisions		
Provision for gratuity (Refer note 27)	36.26	41.62
Total	36.26	41.62
B. Short Term Provisions		
Provision for leave benefits (Refer note 27)	57.37	54.08
Provision for gratuity (Refer note 27)	-	1.75
Provision for superannuation fund	0.02	0.07
Total	57.39	55.90

15 Other Current Liabilities

	As at March 31, 2019	As at March 31, 2018
Statutory dues	257.62	230.58
Advance received from customers and others	45.39	74.39
Total	303.01	304.97

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Notes to the financial statement for the year ended March 31, 2019

(All amounts are in Rs. lakhs, unless otherwise stated)

16 **Revenue from operations**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Sale of imported products	15,189.60	11,318.06
Sale of indigenous products	628.77	568.37
Sale of food and beverages	2,431.42	2,217.90
Sale of services - room rent	4,424.92	4,187.42
Total	**22,674.71**	**18,291.75**
Other operating income		
Rental income (Refer note 34)	25.77	139.22
Other operating income/services	342.86	352.33
Service Tax Refund	376.99	-
Total	**745.62**	**491.55**
Total Revenue from operations	**23,420.33**	**18,783.30**

17 **Other income**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on bank deposits	-	0.88
Profit on sale of Property, Plant and Equipment	0.24	-
Profit on sale of investments in mutual funds	263.03	149.69
Gain on fair valuation of mutual fund	2.09	7.87
Sale of scrap	7.71	17.60
Interest income on Income tax refund	-	64.82
Provisions no longer required written back	-	7.36
Other non-operating income	155.10	18.68
	428.17	**266.90**

18 **Food and Beverages consumed**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	49.71	50.13
Add: Purchases	774.25	724.01
Less : Closing stock	(43.09)	(49.71)
Total	780.87	724.43
Less : Staff welfare Consumption	(104.77)	(91.81)
	676.10	**632.62**

19 **Change In Inventory-Stock In Trade**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	1,756.47	1,685.04
Less : Closing stock	(1,574.19)	(1,756.47)
	182.28	**(71.43)**

20 **Employee benefits expense**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	1,795.44	1,458.55
Contribution to provident and other fund (Refer note 27)	72.76	63.34
Gratuity expense (Refer note 27)	21.62	19.99
Staff welfare expenses	427.37	358.16
	2,317.19	**1,900.04**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

GMR Hospitality and Retail Limited Hyderabad

21 Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	244.33	132.20
Operating Fees	405.41	415.77
Operating & maintainance expenses #	483.61	471.24
Concession fee	5,606.15	3,965.55
License Fee	179.22	160.25
Manpower outsourcing charges	186.35	157.22
Electricity & water charges #	694.55	707.19
Rates and taxes	217.04	176.74
Insurance	34.33	27.17
Repairs and maintenance - others #	518.17	453.91
Advertising, selling and distribution expense #	366.85	304.04
Travelling and conveyance	191.76	179.42
Communication costs #	89.28	115.72
Printing and stationery #	33.36	31.96
Security charges	11.93	42.62
Legal and professional fees	120.75	159.17
Management fee	233.64	232.16
Payment to auditors (refer note below)	16.69	17.86
Loss on account of foreign exchange fluctuations (net)	41.16	87.60
Loss on sale/writte off of Property,plant and equipment (net)	160.85	133.95
Donations@	1,002.50	14.00
Miscellaneous expenses #	9.70	15.26
	10,847.63	**8,001.00**

includes stores and spares consumed for the year ended March 31, 2019: Rs. 456.08 lakhs (March 31, 2018: Rs. 395.89 lakhs)

@ Company has made a donation to Prudent Electoral Trust (formely known as Satya Electoral Trust) amounting to Rs.1,000 Lakhs during the year ended March 31, 2019.

Payment to auditors*

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor		
Audit fees	16.34	16.34
Reimbursement of expenses	0.35	1.52
	16.69	**17.86**

* net of reimbursements aggregating to Rs. 69.55 lakhs

22 Depreciation and amortization expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property, plant and equipment (note 3)	1,323.76	1,276.59
Amortization of intangible assets (note 4)	12.38	12.10
	1,336.14	**1,288.69**

23 Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	1,565.92	1,678.72
Unwinding of discount and effect of changes in discount rate on borrowings	280.83	270.72
Bank charges and other borrowing cost	287.90	81.55
	2,134.65	**2,030.99**

HASKINS & SELLS LLP DELOITTE CHARTERED ACCOUNTANTS

GMR Hospitality and Retail Limited Hyderabad

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
CIN : U52100TG2008PLC060866
Notes to the financial statement for the year ended March 31, 2019
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24 **Income tax expenses in the statement of profit and loss consist of the following:**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Tax Expenses		
(a) Current Tax	-	-
(b) Adjustment of Tax relating to earlier year	-	-
(b) Deferred tax expense / (credit)	(2.36)	-
Total Tax Expense	(2.36)	-

Reconciliation of tax expenses to accounting profits is as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit/(loss) before Tax	387.24	484.61
Applicable Tax Rate in India (%)	26.00%	30.90%
Expected Income tax expense	100.68	149.74
Adjustments:		
For brought forward losses	(100.68)	(149.74)
Tax expense reported in statement of profit and loss	-	-

25 **Components of Other Comprehensive Income (OCI)**

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement costs on net defined benefit liability	9.09	(1.05)
Deferred tax effect on remeasurement costs	2.36	-
Total	**6.73**	**(1.05)**

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26. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted Earnings per share (EPS) computations:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit for calculation of basic/diluted EPS	389.60	484.61
Weighted average number of equity shares in calculating basic/diluted EPS	128,621,916	126,608,916
Earnings per share (Basic and diluted) (Rs.)	0.30	0.38

27. Retirement and other employee benefits

a. Defined contribution plan

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to provident fund	72.07	62.55
Contribution to employee state insurance	34.57	30.73
Contribution to superannuation fund	0.71	0.79

b. Defined benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet.

Hotels segment-Non Funded

i. Net employee benefit expenses (recognized in the employee benefits expenses)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	11.99	12.07
Interest cost on benefit obligation	2.55	2.30
Net employee benefit expenses	**14.54**	**14.37**

ii. Net liability to be recognized in the balance sheet:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	39.20	37.81
Net liability to be recognized in the balance sheet	**39.20**	**37.81**

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GMR Hospitality and Retail Limited
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(All amounts are in Rs. lakhs, unless otherwise stated)

iii. Changes in the present value of the defined benefit obligation:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	37.81	36.87
Current service cost	11.99	12.07
Interest cost on benefit obligation	2.55	2.30
Benefit Payments	(8.65)	(8.89)
Net Actuarial loss/(gain) on obligation	(4.50)	(4.54)
Closing defined benefit obligation	**39.20**	**37.81**

iv. Amount recognised in statement of other comprehensive income (OCI):

Particulars	As at March 31, 2019	As at March 31, 2018
Opening amount recognized in OCI	(10.49)	(5.95)
Remeasurement for the year - Obligation (gain)/loss	(4.50)	(4.54)
Closing amount recognised in OCI	**(14.99)**	**(10.49)**

a. Principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.60%
Attrition rate	5.00%	5.00%
Expected rate of salary increases	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year ending:

Year ending	March 31, 2019
March 31, 2020	1.81
March 31, 2021	2.22
March 31, 2022	3.18
March 31, 2023	4.26
March 31, 2024	6.06
March 31, 2025 to March 31, 2029	49.92

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GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
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c. Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2019	March 31, 2018
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(4.15)	(3.99)
- 1% decrease	4.95	4.76
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	4.99	4.79
- 1% decrease	(4.25)	(4.08)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.30	0.32
- 1% decrease	(0.40)	(0.41)

- **Duty Free Segment-Funded plan :**

i. Net employee benefit expenses (recognised in the employee benefits expenses)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	7.01	5.44
Interest cost on benefit obligation	0.07	(0.35)
Net employee benefit expenses	**7.08**	**5.09**

ii. Net asset to be recognized in the balance sheet:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	(25.21)	(26.72)
Fair Value of Plan Assets	28.14	21.16
Net asset/(liability) to be recognized in the balance sheet	**2.93**	**(5.56)**

iii. Changes in the present value of the defined benefit obligation:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	26.71	15.50
Current service cost	7.01	5.44
Interest cost on benefit obligation	1.89	1.07
Benefit Payments	(3.60)	(0.79)
Net Actuarial loss/(gain) on obligation – Experience	(5.07)	7.18
Net Actuarial loss/(gain) on obligation – Financial Assumptions	-	(1.69)
Acquisitions (Credit)/cost	(1.73)	-
Closing defined benefit obligation	**25.21**	**26.71**

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

GMR Hospitality and Retail Limited
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(All amounts are in Rs. lakhs, unless otherwise stated)

iv. Changes in the fair value of plan assets:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening fair value of plan assets	21.15	20.33
Return on plan assets greater/ (lesser) than discount rate	(0.48)	(0.12)
Acquisition Adjustment	(1.73)	-
Contribution by employer	10.98	0.30
Interest income on plan assets	1.82	1.43
Benefits Paid	(3.60)	(0.79)
Closing fair value of plan assets	**28.14**	**21.15**

Major Categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Investment with Life Insurance Corporation of India	100%	100%

v. Amount recognised in statement of other comprehensive income (OCI):

Particulars	March 31, 2019	March 31, 2018
Opening amount recognized in OCI	8.95	3.35
Remeasurement for the year- Obligation (gain)/loss	(4.59)	5.60
Closing amount recognised in OCI	**4.36**	**8.95**

a. Principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.60%
Attrition rate	5.00%	5.00%
Expected rate of salary increases	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:
Expected benefit payments for the year ending:

Year ending	March 31, 2019
March 31, 2020	0.98
March 31, 2021	1.55
March 31, 2022	2.20
March 31, 2023	3.50
March 31, 2024	3.92
March 31, 2025 to March 31, 2029	30.56

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GMR Hospitality and Retail Limited Hyderabad

c. **Sensitivity Analysis:**
A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2019	March 31, 2018
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(2.74)	(2.94)
- 1% decrease	3.31	3.55
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	3.33	3.58
- 1% decrease	(2.81)	(3.00)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.22	0.32
- 1% decrease	(0.30)	(0.40)

c. Liability towards compensated absence is provided based on actuarial valuation amounts to Rs. 57.37 lakhs (March 31, 2018: Rs. 54.08 lakhs).

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial assumptions for long-term compensated absences		
Discount rate	7.60%	7.60%
Salary escalation	6.00%	6.00%
Attrition	5.00%	5.00%

28. Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company has identified two reportable segments under Ind AS 108 as follows:

a) Hotels and Resorts Segment and ;
b) Duty Free Segment

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The Chief Operating Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

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GMR Hospitality and Retail Limited Hyderabad

(All amounts are in Rs. lakhs, unless otherwise stated)

For the year ended March 31, 2019:

PARTICULARS	Hotels and Resorts	Duty Free outlet	Inter segment eliminations	Total
REVENUE				
External Sales	6,856.34	15,818.37	-	22,674.71
Other Operating Revenue	368.63	376.99	-	745.62
Total Revenue	**7,224.97**	**16,195.36**		**23,420.33**
RESULTS				
Operating Profit	1,225.37	2,031.70	-	3,257.07
Profit / (Loss) on Sale of Property, Plant and Equipment	-	(160.61)	-	(160.61)
Segment Results	**1,225.37**	**1,871.09**	**-**	**3,096.46**
Un-allocated Income/(Expenses)				
Other Income				427.93
Other expenses				(1,002.50)
Finance Costs	-	-		(2,134.65)
Tax Expense	-	-		2.36
Net Profit	**1,225.37**	**1,871.09**	**-**	**389.60**
Unallocated Assets				1,777.44
Un allocated Long Term Borrowings				16,054.75
Segment Assets	16,058.31	5,656.67	(2,680.00)	19,034.98
Segment Liabilities	4,075.62	1,252.15	(2,680.00)	2,647.77
Other Information				
Capital Expenditure	3,692.91	161.38		3,854.29
Depreciation and amortization expense	1,213.28	122.86		1,336.14

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GMR Hospitality and Retail Limited Hyderabad

(All amounts are in Rs. lakhs, unless otherwise stated)

For the year ended March 31, 2018:

Particulars	Hotels and Resorts	Duty Free	Inter segment eliminations	Total
REVENUE				
External Sales	6,405.32	11,886.43	-	18,291.75
Other Operating Revenue	373.62	117.93	-	491.55
Total Revenue	**6,778.94**	**12,004.36**	-	**18,783.30**
RESULTS				
Operating Profit	1,178.63	1,204.02	-	2,382.65
Profit/(Loss) on Sale of Tangible Assets	(124.43)	(9.52)	-	(133.95)
Segment Results	**1,054.20**	**1,194.50**	-	**2,248.70**
Un-allocated Income/(Expenses)				
Other Income	-	-	-	266.90
Finance Costs	-	-	-	(2,030.99)
Tax Expense	-	-	-	-
Net Profit	**1,054.20**	**1,194.50**	-	**484.61**
Unallocated Assets	-	-	-	3,647.67
Un allocated Long term Borrowings	-	-	-	18,978.78
Segment Assets	13,389.64	3,345.06	-	16,734.70
Segment Liabilities	699.93	1,908.21	-	2,608.14
Other Information				
Capital Expenditure	191.04	54.03	-	245.07
Depreciation and amortization expense	1,175.99	112.70	-	1,288.69

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

29. Details of transactions with related parties

A. Names of related parties and related party relationship

(i)	Holding company	GMR Hyderabad International Airport Limited (GHIAL)
(ii)	GHIAL's holding company	GMR Airports Limited (GAL)
(iii)	GAL's holding company	GMR Infrastructure Limited (GIL)
(iv)	Ultimate holding company	GMR Enterprises Private Limited
(v)	Fellow subsidiary companies (Where transactions have taken place during the reporting periods)	GMR Airport Developers Limited Raxa Security Services Limited GMR Hyderabad Aviation SEZ Limited GMR Hyderabad Aerotropolis Limited GMR Aviation Private Limited

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GMR Hospitality and Retail Limited Hyderabad

(All amounts are in Rs. lakhs, unless otherwise stated)

		Kakinada SEZ Limited GMR Aero Technic Limited Delhi International Airport Limited GMR Warora Energy Limited GMR Business Process Services Private Limited GMR Varalakshmi Foundation GMR Tuni Anakapalli Expressways Limited GMR Krishnagiri SIR Limited Geokno India Private limited GMR Hyderabad Air Cargo And Logistics Private Limited (formerly known as Hyderabad Menzies Air Cargo Private Limited) JSW GMR Cricket Private Limited (formerly known as GMR Sports Private Limited) GMR Corporate Affairs Private Limited GMR Institute of Technology GMR Family Fund Trust Laqshya Hyderabad Airport Media Private Limited
(vi)	Employee benefit Plan	Hyderabad Duty Free Retail Limited - Employee Gratuity Fund Trust
(vii)	Key Managerial Personnel (KMP)	➢ Gopala Krishna Kishore Surey, Director ➢ Rajesh Kumar Arora, Director ➢ Kavitha Gudapati, Independent Director ➢ Vijay Bhaskar Pedamallu, Independent Director (upto Sep 18,2017) ➢ Aman Kapoor, Director (w.e.f January 19, 2018) ➢ Venu Madhav Tenjarla, Chief Financial Officer (w.e.f July 25, 2017) ➢ Himansu Sekhar Samal, Chief Financial Officer (upto July 15, 2017) ➢ Arunangshu Ghosh, Manager (upto Jan 7, 2019) ➢ George Cherian, Director(upto April 27, 2017) ➢ Ravela Srisatya Lakshmi Narsimha Bhaskarudu, Independent Director(upto April 27, 2017) ➢ Somayajulu Ayyanna Kodukula, Independent Director (upto April 27, 2017) ➢ Mohammed Ismail, Independent Director ➢ Bharathi Chellappa, Company Secretary ➢ Saurabh Kumar, Chief Executive officer (w.e.f June 01, 2016 to April 27, 2017) ➢ Manish Narisetti, Manager (w.e.f April 24, 2019)
(viii)	Relative of Key Managerial Person of Holding Company	➢ Ramadevi Bommidala

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GMR Hospitality and Retail Limited
Hyderabad

(All amounts are in Rs. lakhs, unless otherwise stated)

B. Related party transactions

Sl. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i)	**Repairs and maintenance – others** @		
	- GMR Hyderabad International Airport Limited	92.08	95.63
(ii)	**Communication costs** @		
	- GMR Hyderabad International Airport Limited	14.09	14.76
	- GMR Airport Developers Limited	37.52	35.18
(iii)	**Concession fee and license fee** @		
	- GMR Hyderabad International Airport Limited	5,785.37	4,125.80
(iv)	**Employee benefits expense** @		
	- GMR Hyderabad International Airport Limited	156.28	159.22
(v)	**Cost of goods sold** @		
	- GMR Hyderabad International Airport Limited	2.33	2.13
	- Raxa Security Services Limited	3.33	-
(vi)	**Management fee and legal and professional fees** @		
	- GMR Airports Limited	233.64	232.16
(vii)	**Consultancy charges** @		
	- GMR Hyderabad International Airport Limited	5.36	5.19
(viii)	**Security charges** @		
	- Raxa Security Services Limited	4.56	35.47
(ix)	**Electricity charges and other expenses paid by the Company during the year to its related parties**@		
	-GMR Hyderabad International Airport Limited	43.45	45.36
	-JSW GMR Cricket Private Limited (formerly known as GMR Sports Private Limited)	-	57.50
	-Raxa Security Services Limited	0.80	-
(x)	**Bank guarantee availed from the holding Company:-**		
	GMR Hyderabad International Airport Limited	-	737.50
(xi)	**Property, Plant and Equipment – Additions**		
	- GMR Airport Developers Limited	313.82	5.15
(xii)	**Rent**		
	- GMR Hyderabad International Airport Limited	148.19	131.89
	- GMR Hyderabad Aerotropolis Limited	41.67	-
(xiii)	**Advertisement Expenses:**		
	- Laqshya Hyderabad Airport Media Private Limited	100.83	-
(xiv)	**Hotel services rendered:**		
	GMR Hyderabad International Airport Limited	36.03	34.21
	GMR Airports Limited	5.43	3.80
	GMR Infrastructure Limited	0.42	0.55
	GMR Hyderabad Aviation SEZ Limited	0.15	1.17
	GMR Hyderabad Aerotropolis Limited	1.42	0.76
	GMR Aviation Private Limited	3.50	3.73
	GMR Business Process Services Private Limited	-	0.21
	Kakinada SEZ Private Limited	8.54	5.26
	GMR Airport Developers Limited	2.38	0.16
	GMR Warora Energy Limited	-	0.38

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GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
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Sl. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	GMR Aero Technic Limited	17.81	58.49
	Delhi International Airport Limited	2.63	2.99
	GMR Varalakshmi foundation	2.08	2.45
	GMR Tuni-Anakapalli Expressways Limited	0.07	0.20
	GMR Corporate Affairs Private Limited (GCAPL)	-	0.11
	Geokno India Private Limited	0.35	-
	GMR Krishnagiri SIR Limited	0.22	-
	GMR Institute of Technology	0.23	-
	GMR Hyderabad Air Cargo And Logistics Pvt Ltd (formerly known as Hyderabad Menzies Air Cargo Private Limited)	0.41	-
	GMR Family Fund Trust	251.40	-
(xv)	**Other operating income**		
	GMR Hyderabad International Airport Limited	-	44.53
(xvi)	**Other income**		
	GMR Hyderabad International Airport Limited	-	2.73
(xvii)	**Reimbursement of expenses paid by the company during the year to its related parties**		
	GMR Hyderabad International Airport Limited	533.62	554.07
(xviii)	**Reimbursement of expenses received by the company during the year from its related parties**		
	GMR Airports Limited	69.55	-
(xix)	**Interest on unsecured loan taken from the company**		
	GMR Hyderabad International Airport Limited	432.17	433.88
(xx)	**Interest on unsecured loan taken from the company - Unwinding of discount and effect of changes in discount rate on borrowings**		
	GMR Hyderabad International Airport Limited	280.83	270.72
(xxi)	**Sale of fixed assets**		
	- GMR Hyderabad International Airport Limited	0.20	-
	- GMR Hyderabad Air cargo And Logistics Pvt Ltd (formerly known as Hyderabad Menzies Air Cargo Private Limited)	0.96	-
(xxii)	**Issue of equity shares**		
	- GMR Hyderabad International Airport Limited	2,938.98	-
(xxiii)	**Key managerial person- Remuneration paid#**		
	1) Bharathi Chellappa, Company Secretary	8.59	8.05
	2) Arunangshu Ghosh, Manager	15.87	16.83
	Sitting Fees-		
	1) Kavitha Gudapati, Independent Director	0.45	1.10
	2) Mohammed Ismail, Independent Director	0.60	0.75
	3) Vijay Bhaskar Pedamallu, Independent Director	-	0.80

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Sl. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(xxiv)	Relative of Key Managerial Person of Holding Company Rent@ -Ramadevi Bommidala	19.64	10.74

@ figures are including service tax/GST.

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

C. Balances outstanding in related party accounts are as follows:

Related party transactions	As at March 31, 2019	As at March 31, 2018
Trade receivables:		
GMR Hyderabad International Airport Limited	11.57	19.97
Delhi International Airport Limited	1.32	2.07
GMR Aviation Private Limited	0.92	1.95
GMR Airports Limited	1.20	2.69
Kakinada SEZ Limited	0.61	0.22
GMR Infrastructure Limited	0.36	1.07
GMR Aero Technic Limited	3.85	9.94
GMR Tuni Anakapalli Expressways Limited	-	0.20
GMR Hyderabad Aviation SEZ Limited	0.06	-
GMR Hyderabad Aerotropolis Limited	1.42	-
GMR Airport Developers Limited	-	0.18
GMR Warora Energy Ltd	-	0.38
GMR Varalakshmi foundation	0.50	0.72
GMR Family Fund Trust	231.58	-
GMR Institute of Technology	0.06	-
Trade payables:		
GMR Hyderabad International Airport Limited	478.13	263.64
GMR Airport Developers Limited	-	2.70
GMR Airports Limited	58.36	53.46
Raxa Security Services Limited	7.02	4.36
Laqshya Hyderabad Airport Media Private Limited	52.11	-
GMR Hyderabad Aerotropolis Limited	41.67	-
Payables for purchase of Property, Plant and Equipment:		
GMR Airport Developers Limited	88.41	0.12

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GMR Hospitality and Retail Limited Hyderabad

GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
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Other receivables:		
GMR Hyderabad International Airport Limited	0.38	44.84
GMR Airports Limited	1.83	-
Advance Recoverable in cash or kind		
GMR Hyderabad International Airport Limited	-	1.01
GMR Hyderabad Air cargo And Logistics Pvt Ltd (formerly known as Hyderabad Menzies Air Cargo Private Limited)	0.60	-
Unsecured Loan		
GMR Hyderabad International Airport Limited	4,233.00	6,870.29
Security deposit receivable		
GMR Hyderabad International Airport Limited	1.32	1.32
Pledge of equity shares with bank against the loan taken by the Company		
GMR Hyderabad International Airport Limited *	3,289.77	508.50
Pledge of equity shares with lenders against the loan taken by the Company		
GMR Hyderabad International Airport Limited	-	3,289.77
Share Capital		
GMR Hyderabad International Airport Limited	15,599.87	12,660.89

* During the current year, the Company has refinanced its existing long term loans taken from Aditya Birla Finance limited and India Infra Debt limited with Axis bank without change in balance repayment schedule and security terms. Accordingly the holding Company has released the pledge of equity shares with existing lenders on December 18, 2018 and pledged with Axis Bank on January 8, 2019.

D. Outstanding guarantees at the end of the year:

Related party transactions	As at March 31, 2019	As at March 31, 2018
Corporate guarantee availed from the Holding Company against loan taken from lenders:# GMR Hyderabad International Airport Limited	11,937.50	12,250.00
Bank guarantee availed from the Holding Company: GMR Hyderabad International Airport Limited	-	737.50

Corporate guarantee originally has been taken over at Rs.12,093.75 lakhs and reduced by Rs.156.25 lakhs due to repayment of loan (as on March 31, 2018 corporate guarantee originally taken over at Rs.12,500 and reduced by Rs.250 Lakhs due to repayment of loan).

Note: The Company has received certain corporate group support services from its holding company, which are free of charge.

30. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(ii) Defined employee benefit plans (Gratuity)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Further details about gratuity obligations are given in Note 27.

(iii) Contingencies

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

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 31 and 32 for further disclosures.

(v) Depreciation on Property, plant and equipment

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values

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of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

31. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Financial assets				
Valued at fair value though profit or loss				
Investment in mutual fund	1,207.10	3,281.93	1,207.10	3,281.93
Valued at amortised cost				
Trade receivable	752.03	456.28	752.03	456.28
Other financial assets	155.97	229.14	155.97	229.14
Cash and cash equivalent	572.47	813.13	572.47	813.13
Total	**2,687.57**	**4,780.48**	**2,687.57**	**4,780.48**
Financial liabilities				
Valued at amortised cost				
Borrowings	16,054.75	18,978.78	16,054.75	18,978.78
Trade payables	1,762.21	2,164.25	1,762.21	2,164.25
Other financial liabilities	488.90	41.40	488.90	41.40
Total	**18,305.86**	**21,184.43**	**18,305.86**	**21,184.43**

The management assessed that cash and cash equivalents, short-term borrowings, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

32. Fair Value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)#	(Level 2)	(Level 3)
Financial assets at fair value Investment in Mutual funds	March 31, 2019	1,207.10	1,207.10	-	-

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Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)#	(Level 2)	(Level 3)
Financial assets at fair value Investment in Mutual funds	March 31, 2018	3,281.93	3,281.93	-	-

The mutual funds are valued using closing NAV
There have been no transfers between Level 1 and Level 2 during the year

33. Financial risk management objectives and policies

Financial Risk Management Framework
The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

a) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk:
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 752.03 lakhs and Rs. 456.28 lakhs as of March 31, 2019, and March 31, 2018 respectively, being the total of the carrying amount of balances with trade receivables.

Trade receivables:
Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

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b) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Also parent company will provide support in order to meet financial obligations of the Company.

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

Year ended	Less than 1 Year	1 to 5 years	> 5 Years	Total
March 31, 2019				**(Rs. lakhs)**
Long term borrowing - Term loan interest thereon#	1,347.02	7,917.21	9,781.01	**19,045.24**
Loan from holding company interest thereon	423.30	5,926.20		**6,349.50**
Trade and other financial liabilities	2,240.49	10.62	-	**2,251.11**
Provisions	57.39	36.26	-	**93.65**
	4,068.20	**13,890.29**	**9,781.01**	**27,739.50**

Year ended	Less than 1 Year	1 to 5 years	> 5 Years	Total
March 31, 2018				**(Rs. lakhs)**
Long term borrowing - Term loan interest thereon#	1,459.57	6,839.16	12,563.34	**20,862.07**
Loan from holding company interest thereon	7,605.86	-	-	**7,605.86**
Trade and other financial liabilities	2,199.53	6.12	-	**2,205.65**
Provisions	55.90	41.62	-	**97.52**
	11,320.86	**6,886.90**	**12,563.34**	**30,771.10**

Included in long term borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end bench mark interest rates, the actual interest rates may differ based on the changes in the bench mark interest rates.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

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d) 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 change in market interest rates. The company performs a comprehensive corporate interest rate management policy. The company is not exposed to significant interest rate risk as at the respective reporting dates.

- **Interest rate sensitivity**

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

Particulars	Increase in basis points and Effect on Profit before tax	Decrease in basis points and Effect on Profit before tax
<u>March 31, 2019</u>		
	+50	-50
Long term Borrowing Term loan	(22.60)	22.60
Loan from holding company	(21.17)	21.17
<u>March 31, 2018</u>	+50	-50
Long term Borrowing Term loan	(60.79)	60.79
Loan from holding company	(21.17)	21.17

e) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The duty free business of the company is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in duty free outlet and purchases from overseas suppliers in various foreign currencies.

- **Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in top five foreign currencies exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The company's exposure to foreign currency changes for all other currencies is not material.

March 31, 2019

	USD	CHF	GBP	SAR	AED
Effect on Profit before tax (1%)	3.93	0.12	0.01	0.02	0.02
Effect on Profit before tax (-1%)	(3.93)	(0.12)	(0.01)	(0.02)	(0.02)

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March 31, 2018

	USD	CHF	GBP	SAR	AED
Effect on Profit before tax (1%)	(1.14)	(0.13)	(1.76)	0.01	0.02
Effect on Profit before tax (-1%)	1.14	0.13	1.76	(0.01)	(0.02)

- **Details of un hedged foreign currency is shown below-**

Particulars	March 31, 2019		March 31, 2018	
	Amount in foreign currency	Amount in Rs. lakhs	Amount in foreign currency	Amount in Rs. Lakhs
Trade payables	USD 295,058 EURO 18,223	204.05 14.15	USD 1,317,875 CHF 20,828 EURO 742 GBP 191,196	861.10 14.27 0.60 176.43
Bank balances	USD 421,189	291.27	USD 772,111	504.50
Other Receivables	USD 175,711 CHF 10,695 EURO 1,745	121.51 7.43 1.36	USD 234,192 CHF 2,095 EURO 120	153.02 1.43 0.10
Foreign currency on hand	AED 10,246 AUD 451 CAD 350 CHF 7 EURO 588 GBP 565 HKD 1,848 JPY 42 KWD 776 MYR 630 NZD 28 OMR 188 QAR 5,455 SAR 11,431 SGD 1,010 THB 86,977 USD 41,493 CNY 1,575	1.93 0.22 0.18 -* 0.46 0.51 0.16 -* 1.76 0.11 0.01 0.34 1.04 2.11 0.52 1.90 28.69 0.16	AED 10,616 AUD 1,141 CAD 325 CHF 47 EURO 1,033 GBP 85 HKD 548 JPY 42 KWD 484 MYR 162 NZD 8 OMR 102 QAR 1,395 SAR 7,626 SGD 121 THB 87 USD 40,308 CNY 500 LKR 7,350 BAH 40	1.88 0.57 0.16 0.03 0.83 0.08 0.05 -* 1.05 0.03 -* 0.17 0.25 1.33 0.06 -* 26.33 0.05 0.03 0.07
Loans and advances	USD 178,632 CHF 6,864 GBP 299	123.53 4.77 0.27	USD 458	0.30
Cash in Transit	USD 26,295	18.18	USD 40,249	26.30
Trade Receivables (includes credit card collection)	USD 19,472	13.47	USD 55,465	36.24

*less than thousand

34. Leases

The Company entered into cancellable lease agreement with GMR Hyderabad International Airport Limited and others. The Company has a right to sub lease as per the terms of the agreement.

Company as a lessee

Lease payments accrued under cancellable operating leases amounting to Rs 423.55 lakhs (March 31 2018: Rs. 288.84 lakhs) have been recognized as an expense in the statement of profit and loss.

Company as a lessor

Lease receipts accrued under cancellable operating leases amounting to Rs. 25.77 lakhs (March 31 2018: Rs. 139.22 lakhs) have been recognized as rental income in the statement of profit and loss.

35. Capital Management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating. The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, equity includes issued equity capital and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Borrowings (including current maturities of long term borrowings (Note 13A & D))	16,054.75	18,978.78
Cash and cash equivalents	(572.47)	(813.13)
Net debt	**15,482.28**	**18,165.65**
Equity	**2,109.90**	**(1,204.55)**
Net debt to equity ratio	**7.34**	**(15.08)**

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 year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019.

36. Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

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Sl .No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	12.14	-
(ii)	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi)	Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

37. Commitments and Contingencies

A. Contingent Liabilities:

a. Value Added Tax dispute of Rs. 22.66 Lakhs (March 31, 2018: Rs. 33.68 Lakhs)
The Company has filed appeals with Appellate Tribunal against the orders of Deputy Commissioner and Appellate Deputy Commissioner against the order confirming the demand towards levying of Value Added Tax on usage of Audio Video Equipment's by the Hotel customers for the periods from Oct-10 to Nov-12 and Dec-12 to Mar-14 respectively. During the current year, the company has received an order from appellate Joint Commissioner setting aside the disputed tax amount of Rs.11.01 Lakhs. Based on the internal assessment, the management is confident that no provision is required to be made in the financial statements.

b. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The financial impact on a prospective basis from the date of the SC order is not material and hence, no adjustments have been made to the financial statements of the Company. The company will update its provision, on receiving further clarity on the subject.

c. Service Tax dispute of Rs. Nil (March 31, 2018: Rs. 0.36 Lakhs)
The company is in receipt of Order-in-appeal passed by Commissioner (Appeals) setting aside the levying of service tax on Notice pay recovered from employees. Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

d. The company is in receipt of a show cause notice alleging non-payment of service tax of Rs. 12.67 Lakhs on Licence fee paid to Government of Telangana. The Company has filed reply to the SCN. Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

e. The Company during the year has received an order from Income Tax Officer for the AY 2016-17 demanding income tax of Rs. 5.49 lakhs, on account of disallowance. The Company has filed an appeal with CIT (Appeals). Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

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f. Customs Duty dispute of Rs.1 Lakh (March 31, 2018: Rs. Nil)
During the current year, the Company has received order from Deputy Commissioner of Customs, RGI Airport in respect of alleged stock variance. The Company filed with Commissioner of Customs & Central Tax (Appeals-1) against the order passed by Deputy Commissioner Customs, RGIA. The Commissioner Customs & Central Tax (Appeals - I) upheld the order passed by the Deputy Commissioner of Customs, RGI Airport and reduced the penalty to Rs. 1 Lakh. The Company is in the process of filing an appeal with CESTAT. Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

B. Commitments:

a. Capital and other commitments as at March 31, 2019: Rs. 166.97 lakhs (March 31, 2018: Rs. 57.82 lakhs).

b. As per the terms of concession agreement with GMR Hyderabad International Airport Limited (GHIAL), the Company is required to pay concession fees in the range of 23.5%-35% on its net revenue (as defined in the concession agreement) or the minimum guaranteed amount for an initial term of 15 years starting from May 17, 2010.

c. For commitments relating to lease arrangements, please refer note 34.

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited
(formerly known as GMR Hotels and Resorts Limited)

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

SGK Kishore
Director
DIN: 02916539

Rajesh Kumar Arora
Director
DIN: 03174536

Venu Madhav Tenjarla
Chief Financial Officer

C.Bharathi
Company Secretary
Membership
No.:FCS9406

GMR Hospitality and Retail Limited
Hyderabad

Place: Hyderabad
Date: April 24, 2019