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**Chartered Accountants**  
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**K.S.Rao and Co.,**  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of GMR Hyderabad International Airport Limited

### **Report on the Audit of the Standalone Ind AS Financial Statements**

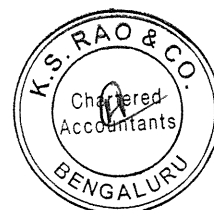
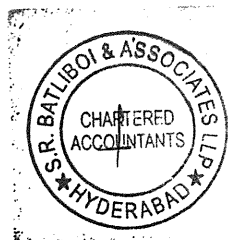
#### **Qualified Opinion**

We have audited the accompanying standalone Ind AS financial statements of GMR Hyderabad International Airport Limited ("GHIAL" or "the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Qualified Opinion**

As more fully explained in Note 42 to the standalone Ind AS financial statements, as at March 31, 2019, the Company has investments and share application money totaling to Rs. 267.31 Crore, made in a wholly owned subsidiary Company, GMR Aerospace Engineering Limited ('GAEL') and Rs. 2.34 Crore in GMR Aero Technic Limited ('GATL'), a subsidiary of GAEL. GAEL has significant receivables from GATL whose accumulated losses have fully eroded its net worth as at March 31, 2019. The recovery of the aforesaid investments is dependent upon the ability of GATL to scale up its operations in future and achieve sustained profitability. Based on the reasons fully explained in the aforesaid note, the management is of the view that there is no impairment in the value of such investments and share application money required at this juncture. However, in view of the current financial position of GATL and in the absence of sufficient appropriate audit evidence to support the key assumptions made by the management of GATL in the business plan, we are unable to comment on the carrying value of the investments and share application money including adjustments, if any, that may be required to be made to such carrying amounts of investments and share application money.



We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

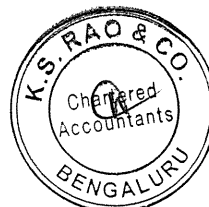
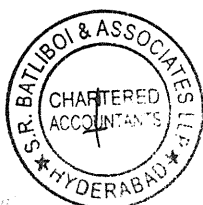
#### **Emphasis of Matter:**

We draw attention to Note 36(II)(C)(ix) to these standalone Ind AS Financial statements regarding the costs related to residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted upto March 31, 2018 against PSF (SC) fund pending the final decision from the Honorable High Court at Hyderabad for the State of Telangana and for the State of Andhra Pradesh and consequential instructions from the Ministry of Civil Aviation. Our opinion is not qualified in respect of this matter.

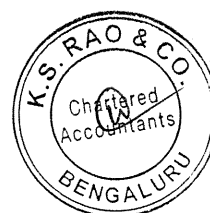
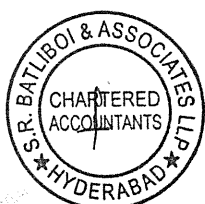
#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
<b>Revenue from Airport Charges</b> (as described in note 44, 45 and 46 of the standalone Ind AS financial statements)	
<p>The Aeronautical revenue is regulated by Airport Economic Regulatory Authority ("AERA"). AERA passed an Aeronautical tariff order in February 2014 in respect of control period from April 1, 2011 to March 31, 2016. As more fully explained in the aforesaid notes, the Company had filed an appeal, challenging various aspects of the aforesaid order for determination of its tariff which is pending with the Honourable High Court at Hyderabad for the State of Telangana and State of Andhra Pradesh.</p> <p>On December 19, 2017, AERA issued a Consultation Paper for determination of tariff of for the Second Control Period i.e. April 1, 2016 to March 31, 2021 which was challenged by the Company and the Honourable High Court issued a stay order in respect of further proceedings in this regard.</p> <p>Pending determination of tariff, AERA has passed an interim order dated March 25, 2019 enabling the Company to charge UDF/PSF at rates existing as at March 31, 2016 upto September 30, 2019 or the date of new order, whichever is earlier.</p> <p>We have identified this as a key audit matter as tariff determination is a matter of litigation involving complex judgements and the regulatory considerations relating to the disallowances made by AERA which may impact the profitability and cash flows of the Company thereby having a consequential impact on the projected revenues and other items in the financial statements.</p>	<ul style="list-style-type: none"> <li>• We read and assessed the Company's revenue recognition accounting policies and its compliance with the tariff order and the policies in terms of Ind AS 115;</li> <li>• We read the revenue process and tested the internal controls over the liquidity assessment, and preparation of the cash flow forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future cash flows based on tariff considered as per the Consultation paper issued by AERA for the second control period and other relevant regulatory correspondences;</li> <li>• We tested the inputs and assumptions used in the cash flow forecast against historical performance, economic and industry indicators, publicly available information and the Company's strategic plans;</li> <li>• We performed a sensitivity analysis of the cash flow forecast based on the consultation paper issued by the AERA;</li> <li>• We recomputed the key financial ratios relating to debt, current assets and current liabilities.</li> <li>• We assessed the disclosures in the standalone Ind AS financial statements relating to the tariff order.</li> </ul>
<b>Utilisation of Minimum Alternate Tax ('MAT') Credit</b> (as described in note 43 of the standalone Ind AS financial statements)	
<p>The Company is currently under tax holiday period upto financial year 2021-22 and has accumulated MAT credit entitlement of Rs. 405.41 crores as at March 31, 2019. The utilization of MAT credit depends on the ability of a company to earn adequate profits. The profitability of the Company is primarily</p>	<ul style="list-style-type: none"> <li>• We assessed the eligibility of MAT credit recognized and the judgements applied to determination of forecasted taxable income to support the recognition of MAT credit entitlement;</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<p>dependent on the determination of the aeronautical tariff for the second control period for which the proceedings are in progress.</p> <p>In order to assess the utilization of MAT credit, the Company has prepared revenue and profit projections which involves judgements and estimations. The projections are based on management's input of key variables and market conditions, including the tariff as per the consultation paper issued by AERA for the second control period. The forecasted profit has been determined using estimations of projected income and expenses of the business.</p> <p>We have identified this as a key audit matter, due to the judgement and estimation involved in the preparation of the forecasted profits for the utilization of MAT credit.</p>	<ul style="list-style-type: none"> <li>• We tested the inputs and assumptions used in the preparation of forecasted taxable income against historical levels of taxable profits.</li> <li>• We performed a sensitivity analysis of the assumptions and judgements made by the Management in those forecasts, including inputs to the model used to estimate the future cash flows based on tariff considered as per the consultation paper issued by AERA for the second control period and other relevant regulatory correspondences;</li> <li>• We involved our tax specialists to obtain and provide taxation requirements relevant to management's judgements and conclusions for significant estimates;</li> <li>• We read correspondences/returns submitted to the relevant tax authorities and compared these with the basis for accounting entries and disclosures;</li> <li>• We assessed the related disclosures in the standalone Ind AS financial statements.</li> </ul>

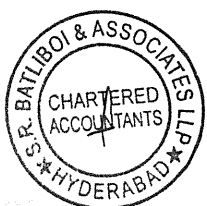
#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the Ind AS financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Since the Board report is not made available to us as at the date of this auditor's report, we have nothing to report in this regard.





## **Responsibilities of the Management for the Standalone Ind AS 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 standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies Indian Accounting Standards Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

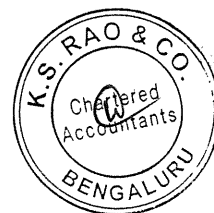
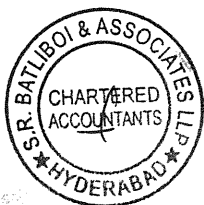
Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

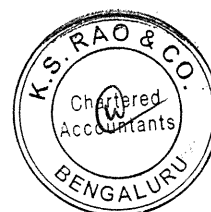
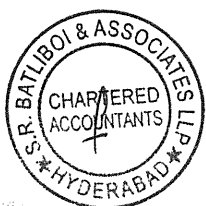
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.



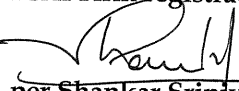
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) Except for the matter described in the Basis for Qualified Opinion paragraph, 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (d) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (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) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (i) 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 standalone Ind AS financial statements - Refer Note 36 (II) (A), 44 and 46 to the standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and;

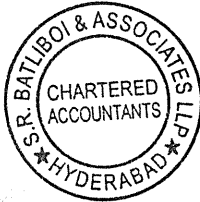


- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

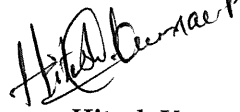
For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

  
per Shankar Srinivasan  
Partner  
Membership No.: 213271

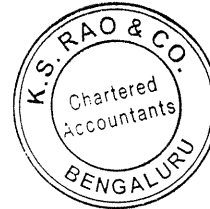
Place: Hyderabad  
Date: April 29, 2019



For K.S. Rao & Co.,  
Chartered Accountants  
ICAI Firm registration number: 003109S

  
per Hitesh Kumar P  
Partner  
Membership No.: 233734

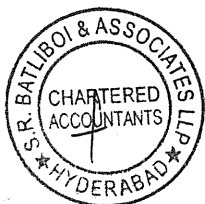
Place: Hyderabad  
Date: April 29, 2019



**Annexure 1 referred to in our report of even date**

Re: GMR Hyderabad International Airport Limited ("the Company")

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Amendment Rules, 2019 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to aeronautical services and services related to supplying of fuel at the airport and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, customs duty, value added

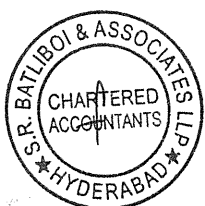


tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of dues	Amount of dues (Rs. Crore)	Period to which the amount relates
Andhra Pradesh Municipalities act, 1965	Penal interest on Property tax	3.38	April 2013 to September 2017

- (c) According to the records of the Company, the dues outstanding of income-tax, service tax, customs duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount of dues (including penalty) (Rs. Crore)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Reversal of Cenvat Credit including penalty	24.84*	Various dates	Customs Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Penalty equivalent to service tax on User Development Fee	7.43	April 2008 to December 2008	The Commissioner of Customs, Central Excise & Service Tax Hyderabad
Building and Other Construction Workers' Welfare Cess Act, 1996.	Cess on Building	25.20	Various dates	High Court of Andhra Pradesh
Finance Act, 1994	Non- payment of service tax on import of services.	0.51**	Various dates	The Commissioner of Customs, Central Excise & Service Tax Hyderabad
Finance Act, 1994	Non-payment of service tax for supply of water and electricity to concessionaires and irregular availment of CENVAT	3.20***	October 2008 to June 2010	Customs Excise & Service Tax Appellate Tribunal Hyderabad



Finance Act, 1994	Irregular availment of CENVAT credit on Chartering of Aircrafts and IDBI Trusteeship services	1.24****	October 2011 to March 2013	Customs Excise & Service Tax Appellate Tribunal Hyderabad
Finance Act, 1994	Irregular availment of CENVAT credit.	4.19#	July 2012 to March 2015	The Deputy Commissioner of Customs, Central Excise & Service Tax Hyderabad
Income Tax Act, 1961	Disallowance of certain expenses	34.93	AY 2007-08 to AY 2013-14	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Disallowance of certain expenses	3.38	AY 2014-15	Commissioner of Income Tax (Appeals), Bengaluru

\* Amount includes penalty of Rs. 12.42 Crore. The Company has deposited Rs. 12.20 Crore under protest.

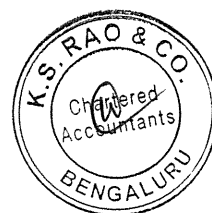
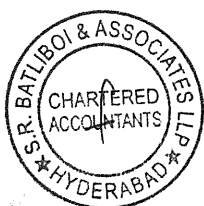
\*\*The amount includes penalty of Rs. 0.26 Crore. The Company has deposited Rs. 0.00 Crore under protest.

\*\*\* The amount includes penalty of Rs. 1.67Crore. The Company has deposited Rs.0.15 Crore under protest.

\*\*\*\* The amount includes penalty of Rs. 0.62 Crore. The Company has deposited Rs. 0.05 Crore under protest.

# The amount includes penalty of Rs. 1.80 Crore. The Company deposited Rs. 0.18 Crore under protest.

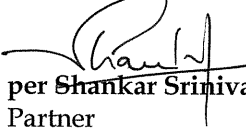
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to bond holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer. In our opinion and according to information and explanations given by the management, monies raised by the Company by way of 4.25% Senior Secured Notes were applied for the purpose for which they were raised, though idle funds which were not required for immediate utilization have been gainfully invested in mutual funds. The maximum amount of idle funds invested during the year was Rs. 407.33 Crore, of which Rs. Nil was outstanding at the end of the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations



given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.


**For S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm registration number: 101049W/E300004  
Chartered Accountants

  
per **Shankar Srinivasan**  
Partner  
Membership No.: 213271

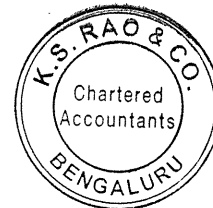
Place: Hyderabad  
Date: April 29, 2019



**For K.S. Rao & Co.,**  
ICAI Firm registration number: 003109S  
Chartered Accountants

  
per **Hitesh Kumar P**  
Partner  
Membership No.: 233734

Place: Hyderabad  
Date: April 29, 2019





**Annexure 2 To the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of GMR Hyderabad International Airport Limited**

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

We have audited the internal financial controls over financial reporting of GMR Hyderabad International Airport Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

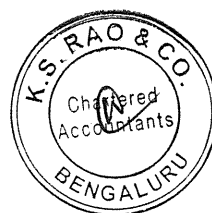
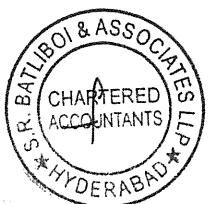
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 qualified opinion on the internal financial controls system over financial reporting with reference to these financial statements.



## **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

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 Ind AS 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 Ind AS 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 standalone Ind AS financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

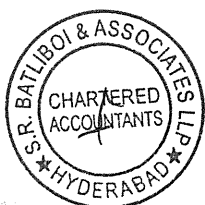
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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.

## **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2019:

The Company has designed internal financial controls over estimation of impairment in value of investments and share application money. However, in case of such assessment with respect to a subsidiary company and a step down subsidiary company, as more fully explained in note 42 to the standalone Ind AS financial statements as at March 31, 2019, the absence of sufficient appropriate audit evidence to support the key assumptions made by the management of the step down subsidiary company in its business plan, could potentially result in the Company not providing for adjustments, if any, that may be required to be made to such carrying amounts of investments and share application money.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim standalone Ind AS financial statements will not be prevented or detected on a timely basis.

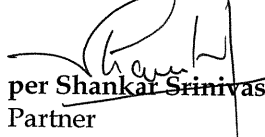


In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as of March 31, 2019.

#### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone Ind AS financial statements of the Company and this report affects our report dated April 29, 2019 which expressed a qualified opinion on those standalone Ind AS financial statements.

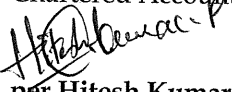
For S.R. BATLIBOI & ASSOCIATES LLP  
ICAI Firm registration number: 101049W/E300004  
Chartered Accountants

  
per Shankar Srinivasan  
Partner  
Membership No.: 213271

Place: Hyderabad  
Date: April 29, 2019



For K.S. Rao & Co.,  
ICAI Firm registration number: 003109S  
Chartered Accountants

  
per Hitesh Kumar P  
Partner  
Membership No.: 233734

Place: Hyderabad  
Date: April 29, 2019



**GMR Hyderabad International Airport Limited**

CIN:U62190TG2002PLC040118

Standard Balance Sheet as at March 31, 2019

(All amounts in Rupees Crores, except otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
Property, plant and equipment	3	2,009.60	1,571.25
Capital work-in-progress	3	365.10	292.06
Intangible assets	4	2.81	1.41
Investments in subsidiaries and joint venture	5.1	626.23	525.33
Financial assets			
- Loans	6	87.37	7.44
- Bank balances other than cash and cash equivalents	7	0.62	1.53
- Other financial assets	8	258.46	82.65
Non current tax assets	9.1	0.26	0.31
Deferred tax asset (net)	28	405.41	269.10
Other non-current assets	10	546.81	87.32
		<b>4,302.67</b>	<b>2,838.40</b>
<b>2. Current assets</b>			
Inventories	11	5.95	6.08
Contract assets	53	2.88	1.65
Financial assets			
- Investments	5.2	461.81	826.22
- Loans	6	1.70	71.41
- Trade receivables	12	143.55	107.43
- Cash and cash equivalents	13	380.68	571.28
- Bank balances other than cash and cash equivalents	7	77.34	50.46
- Other financial assets	8	17.23	16.78
Current tax assets	9.1	12.93	12.93
Other current assets	10	10.29	7.06
		<b>1,114.36</b>	<b>1,671.30</b>
<b>Total Assets</b>		<b>5,417.03</b>	<b>4,509.70</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14	378.00	378.00
Other equity	14.1		
- Capital reserve		107.00	107.00
- Cash flow hedge reserve		31.72	14.74
- Retained earnings		1,149.09	622.68
<b>Total equity</b>		<b>1,665.81</b>	<b>1,122.42</b>
<b>LIABILITIES</b>			
<b>1. Non-current liabilities</b>			
Contract liabilities	53	6.49	6.21
Financial liabilities			
- Borrowings	15	2,691.98	2,554.40
- Other financial liabilities	16	248.48	246.38
Government grants	17	40.87	46.13
Deferred tax liability (net)	28	153.18	122.93
Other non-current liabilities	18	12.29	21.10
		<b>3,153.29</b>	<b>2,997.15</b>
<b>2. Current liabilities</b>			
Contract liabilities	53	1.96	2.08
Financial liabilities			
- Trade payables			
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises	19	85.58	89.74
- Other financial liabilities	16	418.26	239.09
Government grants	17	5.27	5.27
Other current liabilities	18	35.55	20.97
Short term provisions	20	14.57	9.57
Current tax liability (net)	9.2	36.74	23.41
		<b>597.93</b>	<b>390.13</b>
<b>Total liabilities</b>		<b>3,751.22</b>	<b>3,387.28</b>
<b>Total equity and liabilities</b>		<b>5,417.03</b>	<b>4,509.70</b>
<b>Summary of significant accounting policies</b>	2.3		

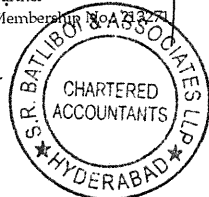
The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants  
ICAI Firm registration  
number: 101049W/E300004

per **Shankar Srinivasan**  
Partner  
Membership No. 233734



Place: Hyderabad  
Date: April 29, 2019

For K.S. Rao & Co.,

Chartered Accountants  
ICAI Firm registration  
number: 0031095

per **Hitesh Kumar P**  
Partner  
Membership No.: 233734



Place: Bengaluru  
Date: April 29, 2019

For and on behalf of the Board of Directors of  
GMR Hyderabad International Airport Limited

**Ch S Raju**  
Managing Director  
DIN: 00061686

**SGK Kishore**  
Chief Executive Officer

**Anup Kumar Samal**  
Company Secretary  
Place: Hyderabad  
Date: April 29, 2019

**RSSLN Bhaskarudu**  
Director  
DIN: 00058527

**Rajesh Arora**  
Chief Financial Officer



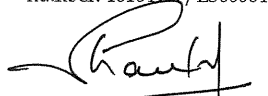
**GMR Hyderabad International Airport Limited**  
CIN:U62100TG2002PLC040118  
**Standalone Statement of Profit and Loss for the year ended March 31, 2019**  
(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
Revenue from contracts with customers	21	1,452.26	1,252.04
Other income	22	22.69	55.59
Finance income	23	94.47	94.69
<b>Total income</b>		<b>1,569.42</b>	<b>1,402.32</b>
<b>EXPENSES</b>			
Concession fee	47	61.53	52.95
Employee benefits expense	24	100.85	72.41
Other expenses	25	297.26	242.81
Finance costs	26	198.17	198.27
Depreciation and amortization expenses	27	139.01	198.39
<b>Total expenses</b>		<b>796.82</b>	<b>764.83</b>
<b>Profit before tax</b>		<b>772.60</b>	<b>637.49</b>
<b>Tax expense</b>	28		
Current tax - Minimum alternate tax		162.95	130.57
Minimum alternate tax credit entitlement	43	(136.31)	(101.14)
Deferred tax expense		13.21	5.36
<b>Total tax expense</b>		<b>39.85</b>	<b>34.79</b>
<b>Profit after tax for the year</b>		<b>732.75</b>	<b>602.70</b>
<b>Other Comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (loss) / gain on defined benefit plans	29	(0.68)	0.18
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	29	34.02	14.74
Less: Deferred tax expense	28	(17.04)	-
<b>Total Other Comprehensive income for the year</b>		<b>16.30</b>	<b>14.92</b>
<b>Total Comprehensive income for the year</b>		<b>749.05</b>	<b>617.62</b>
<b>Earnings per equity share:</b>			
Basic and diluted	30	19.38	15.94
<b>Summary of significant accounting policies</b>	2.3		

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm registration  
number: 101049W/E300004

  
per **Shankar Srinivasan**  
Partner  
Membership No.: 213271



Place: Hyderabad  
Date: April 29, 2019

For **K.S. Rao & Co.,**  
Chartered Accountants  
ICAI Firm registration  
number: 003109S

  
per **Hitesh Kumar P**  
Partner  
Membership No.: 233734

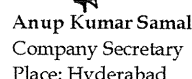


Place: Hyderabad  
Date: April 29, 2019

For and on behalf of the Board of Directors of  
**GMR Hyderabad International Airport Limited**

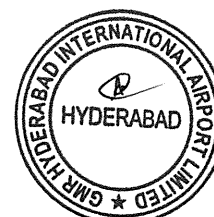
  
**GBS Raju**  
Managing Director  
DIN: 00061686

  
**SGK Kishore**  
Chief Executive Officer

  
**Anup Kumar Samal**  
Company Secretary  
Place: Hyderabad  
Date: April 29, 2019

  
**RSSLN Bhaskarudu**  
Director  
DIN: 00058527

  
**Rajesh Arora**  
Chief Financial Officer



**GMR Hyderabad International Airport Limited**  
CIN:U62100TG2002PLC040118  
Statement of Changes in equity for the year ended March 31, 2019  
(All amounts in Rupees Crores, except otherwise stated)

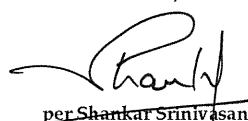
a. Equity share capital:				
Equity shares of Rs. 10 each issued, subscribed and fully paid	No.		Amount	
As at April 1, 2017	378,000,000		378.00	
Issue of shares	-		-	
As at March 31, 2018	378,000,000		378.00	
Issue of shares	-		-	
As at March 31, 2019	378,000,000		378.00	
b. Other equity				
	Reserves and surplus		Other reserves	Total
	Capital reserve*	Retained earnings	Cash flow hedge reserve	
As at April 1, 2017	107.00	200.99	-	307.99
Profit for the year	-	602.70	-	602.70
Remeasurement of post-employment benefits obligations	-	0.18	-	0.18
Cash flow hedge reserve	-	-	14.74	14.74
<b>Total comprehensive income</b>	-	<b>602.88</b>	<b>14.74</b>	<b>617.62</b>
Less: Interim dividend	-	(151.20)	-	(151.20)
Less: Dividend distribution tax	-	(29.99)	-	(29.99)
<b>As at March 31, 2018</b>	<b>107.00</b>	<b>622.68</b>	<b>14.74</b>	<b>744.42</b>
Depreciation charge to retained earnings (Refer Note 2.2)	-	(21.11)	-	(21.11)
Adjustment in retained earnings for change in accounting policy (Refer Note 2.1)	-	(2.27)	-	(2.27)
Profit for the year	-	732.75	-	732.75
Remeasurement of post-employment benefits obligations	-	(0.68)	-	(0.68)
Cash flow hedge reserve (net of tax)	-	-	16.98	16.98
<b>Total comprehensive income</b>	-	<b>708.69</b>	<b>16.98</b>	<b>725.67</b>
Less: Interim dividend	-	(151.20)	-	(151.20)
Less: Dividend distribution tax	-	(31.08)	-	(31.08)
<b>As at March 31, 2019</b>	<b>107.00</b>	<b>1,149.09</b>	<b>31.72</b>	<b>1,287.81</b>

\*The Company has received a contribution of Rs. 107.00 crore from its shareholder i.e. Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from share holder of the Company.

The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants  
ICAI Firm registration  
number: 101049W/E300004

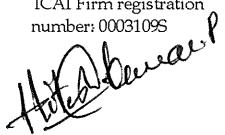
  
per Shankar Srinivasan  
Partner  
Membership No.: 213271



Place: Hyderabad  
Date: April 29, 2019

For K.S.Rao & Co.,


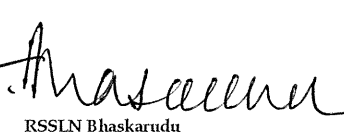
Chartered Accountants  
ICAI Firm registration  
number: 00031095

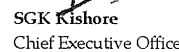

  
per Hitesh Kumar P  
Partner  
Membership No.: 233734

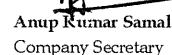


Place: Hyderabad  
Date: April 29, 2019

For and on behalf of the Board of Directors of  
GMR Hyderabad International Airport Limited

   
GBS Raju RSSLN Bhaskarudu  
Managing Director Director  
DIN: 00061686 DIN: 00058527

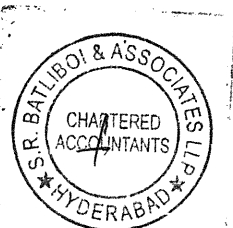
   
SGK Kishore Rajesh Arora  
Chief Executive Officer Chief Financial Officer

  
Anup Kumar Samal  
Company Secretary  
Place: Hyderabad  
Date: April 29, 2019



**GMR Hyderabad International Airport Limited**  
CIN:U62100TG2002PLC040118  
**Standalone Cash flow statements for the year ended March 31, 2019**  
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Profit before tax	772.60	637.49
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	139.01	198.39
Provision for bad debts / bad debts written off	4.27	0.40
Loss on sale of non current investment	4.34	-
Profit on sale of assets	(0.12)	(0.13)
Dividend from Subsidiary	(0.36)	(3.91)
Amortisation of prepaid expenses		-
Interest income	(56.13)	(51.55)
Interest on borrowings	161.87	175.06
Other borrowing cost	3.72	17.52
Interest-others	32.92	5.69
Gain on sale of financial assets (mutual funds)	(35.68)	(16.97)
Provision no longer required, written back	(0.52)	(0.20)
Unrealised foreign exchange loss	0.12	0.12
Income from government grants	(5.26)	(4.11)
Amortisation of deferred income	(19.70)	(4.56)
Interest income arising from fair valuation of financial guarantee	(2.55)	(5.63)
Gain on fair valuation of financial assets (mutual funds)	(0.11)	(8.62)
Fair value gain on financial instruments at fair value through profit or loss	-	(11.92)
Exchange difference on restatement of Senior Secured Notes	-	(43.72)
<b>Operating profit before working capital changes</b>	<b>998.42</b>	<b>883.35</b>
<b>Working capital adjustment:</b>		
(Decrease) /increase in trade payables	(3.73)	17.64
Increase in other liabilities	22.34	12.81
Increase in other financial liabilities	48.51	42.84
Increase in provisions	4.31	1.95
Increase in government grants	-	22.28
Increase in trade receivables	(40.40)	(16.53)
Decrease in inventories	0.13	1.11
(Increase)/decrease in other assets	(2.99)	19.73
(Increase)/decrease in other financial assets	(13.58)	2.73
Increase in loans	(2.94)	(0.04)
<b>Cash generated from operations</b>	<b>1,010.07</b>	<b>987.87</b>
Direct taxes paid (net)	(149.57)	(97.00)
<b>Net cash flow from operating activities (A)</b>	<b>860.50</b>	<b>890.87</b>
<b>Cash flows from investing activities</b>		
Purchase of property plant and equipment, including CWIP, capital advances and intangible assets under development	(938.77)	(293.19)
Proceeds from sale of property, plant and equipment	0.12	0.16
Purchase of non-current investments	(69.04)	(20.00)
Share application money in subsidiary (Investment)	(10.00)	(5.00)
Loan to subsidiary companies	(32.00)	(64.50)
Repayment of loans by subsidiary / joint venture company	3.55	86.62
Purchase of current investments	(7,616.77)	(5,993.57)
Sale of current investments	8,047.73	5,570.69
Investments in margin money deposits	(142.50)	(85.96)
Proceeds from withdrawal of margin money deposit	116.52	58.07
Proceeds from sale of non-current investments	0.00	-
Dividend income	0.36	3.91
Interest received	36.48	34.38
<b>Net cash flow used in investing activities (B)</b>	<b>(604.31)</b>	<b>(708.39)</b>



**GMR Hyderabad International Airport Limited**  
CIN:U62100TG2002PLC040118  
**Standalone Cash flow statements for the year ended March 31, 2019**  
(All amounts in Rupees Crores, except otherwise stated)

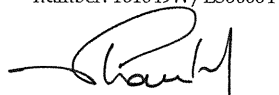
Cash flows from financing activities		
Proceeds from long-term borrowings	-	2,273.74
Repayment of long-term borrowings	-	(1,761.46)
Dividend paid	(151.20)	(151.20)
Dividend distribution tax paid	(31.08)	(29.99)
Termination of interest rate swap	-	(55.32)
Upfront Fee paid	(63.00)	-
Senior Secured Notes Issuance cost paid	-	(49.15)
Interest paid	(201.51)	(125.14)
Net cash flow used in financing activities (C)	(446.79)	101.48
Net increase in cash and cash equivalents (A + B + C)	(190.60)	283.96
Cash and cash equivalents at the beginning of the year	571.28	287.32
Cash and cash equivalents at the end of the period	380.68	571.28
Components of cash and cash equivalents		
Money in transit		
With banks		
- on current accounts	30.62	262.85
- On cash credit/ overdraft accounts	-	-
- on deposit accounts	350.00	308.39
Cash on hand	0.06	0.04
Total cash and cash equivalents(note 13)	380.68	571.28
During the year, the Company has written back liabilities Rs. Nil (March 31, 2018 : Rs. 2.95 Crore) and credited to fixed assets. The said transaction is considered as a non-cash transaction for the purpose of cash flow statement.		

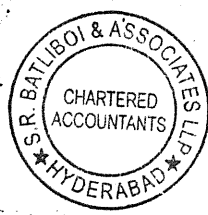
**Changes in liabilities arising from financing activities**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Balance	2,567.37	2,083.66
Cash Flows		
Repayments	-	(1,761.46)
Proceeds	-	2,273.74
Non Cash Flows		
Foreign Exchange Movements	150.55	8.43
Finance Cost	4.07	(37.00)
Closing Balance	2,721.99	2,567.37

The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

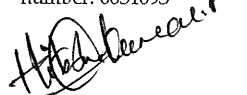
For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm registration  
number: 101049W/E300004

  
per Shankar Srinivasan  
Partner  
Membership No.: 213271



Place: Hyderabad  
Date: April 29, 2019

For K.S. Rao & Co.,  
Chartered Accountants  
ICAI Firm registration  
number: 003109S

  
per Hitesh Kumar P  
Partner  
Membership No.: 233734

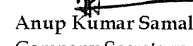



Place: Hyderabad  
Date: April 29, 2019

For and on behalf of the Board of Directors of  
GMR Hyderabad International Airport Limited

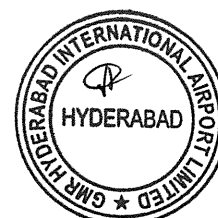
  
SBS Raju  
Managing Director  
DIN: 00061686

  
SGK Kishore  
Chief Executive Officer

  
Anup Kumar Samal  
Company Secretary  
Place: Hyderabad  
Date: April 29, 2019

  
RSSLN Bhaskarudu  
Director  
DIN: 00058527

  
Rajesh Arora  
Chief Financial Officer





GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

**1. Corporate information**

GMR Hyderabad International Airport Limited ('GHIAL' or 'the Company'), was incorporated on December 17, 2002, for managing the operations of Rajiv Gandhi International Airport at Hyderabad. The Company had entered into a Concession Agreement with Ministry of Civil Aviation, Government of India, which gives the Company an exclusive right of the Development, Construction, Operation and Maintenance on revenue share model for an initial term of 30 years, which can be extended by another 30 years at the option of the Company which has been exercised by the Company.

Aeronautical revenues of the Company are regulated by the Airport Economic Regulatory Authority of India (AERA) established under an Act of Parliament under Airport Economic Regulation Act, 2008. Accordingly, as per AERA (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines 2011 dated February 28, 2011, the Company is required to get its Aeronautical Tariff determined from AERA for each Control period consisting of five years period starting from April 1, 2011.

Information on other related party relationships of the Company is provided in Note 33.

The financial statements were authorized for issue in accordance with a resolution of the directors passed in the Board meeting held on April 29, 2019.

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the financial statements.

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

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

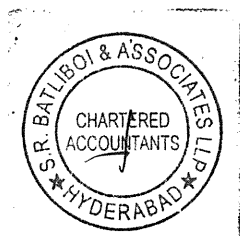
The financial statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest Crore, except when otherwise indicated.

**2.1 Changes in accounting policies**

**New and Amended Standards**

The company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.



GMR Hyderabad International Airport Limited  
CIN: U62100TG2002PLC040118  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees Crores unless otherwise stated)

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was notified by the Ministry of Corporate Affairs on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 is effective from reporting periods beginning on or after April 1, 2018.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It also requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

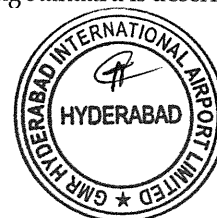
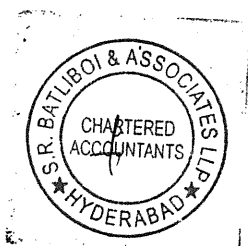
- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company applied Ind AS 115 for the first time with effect from April 1, 2018. Further, the Company has elected to use the modified retrospective method and accordingly, Ind AS 115 is applied retrospectively to only the current period by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application. Under the modified retrospective method, Ind AS 115 is applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. Under the modified retrospective method, the Company has elected to apply it to all contract modifications contracts that are not completed at this date.

The Company receives advance revenue from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company also receives advance revenue for long-term agreements from customers for providing license to operate at the Airport. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

The nature and effect of the changes as a result of adoption of this new accounting standard is described below.



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**Impact on statement of profit and loss:**

Upon the adoption of Ind AS 115, the unearned finance revenue of Rs. 2.27 crores on advance revenue from long term contracts that are not completed as at April 1, 2018 was transferred to retained earnings as at April 01, 2018. Had the Company adopted the policy as per erstwhile Ind AS 18, finance income would be lower by Rs. 1.10 crores and finance expense would be lower by Rs. 1.01 crores.

**Amendments to Ind AS 12 Recognition of deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), Without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

**Amendment to Ind AS 38 Intangible asset acquired free of charge**

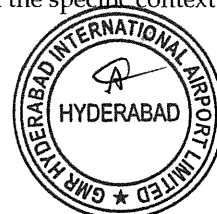
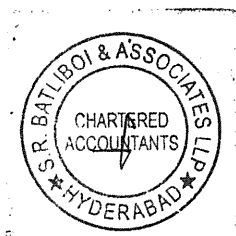
The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's financial statements.

**2.2 Changes in estimates**

**Depreciation**

Depreciation on the property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of 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.

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to



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the airport sector. Pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013, the Authority has issued order no. 35/2017-18 on January 12, 2018 which is further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 01, 2018 ("AERA Order").

Accordingly, the management has adopted useful life in respect of airport assets as prescribed in the aforesaid order with effect from April 1, 2018.

In order to align the useful life of Furniture and Fixtures, Trolleys, boundary wall and cost of resurfacing the Runway to the useful life specified in the AERA Order, the Company has revised the useful life and charged the depreciation of Rs. 21.11 crore related to the assets whose life were expired on March 31, 2018 to opening reserves as at April 1, 2018 as per the AERA Order.

### 2.3 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 year. 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.

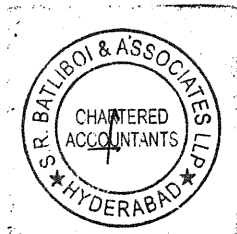
An asset is treated as current when:

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

All other assets are classified as non-current.

A liability is current when:

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



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

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

c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, intangible assets under development as at balance sheet date are shown as intangible assets under development and the related advances are shown as loans and advances.

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

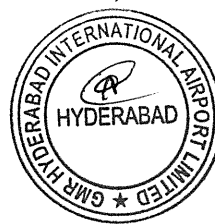
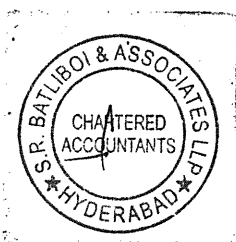
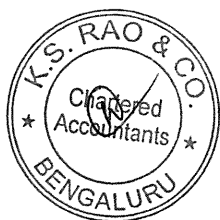
The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset.

Spare parts that can only be used in connection with a particular item of plant, property and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

All spare parts, stand-by and servicing equipment qualify as plant, property and equipment (PPE) if they meet the definition of PPE i.e. if the company intends to use these during more than a period of 12 months.

The spare parts capitalized in this manner are depreciated as per useful life period, not exceeding a period of five years based on management estimate supported by technical evaluation.

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



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Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

d) Depreciation on property, plant and equipment

Depreciation on the property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of 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.

The components identified by the Company are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

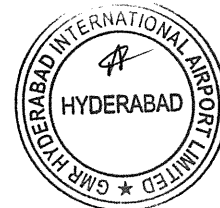
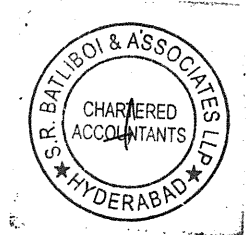
The Company has started charging the depreciation on capitalized spares parts. These spare parts are depreciated over their useful lives as determined by the management (i.e. 5 years).

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter-alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector.

Pursuant to the above, the Authority has issued order no. 35/2017-18 on January 12, 2018 followed by amendment no. 1 to the order no. 35 /2017-18 on April 9, 2018 in the matter of Determination of Useful Life of Airport Assets, which will be effective from April 1, 2018.

The following useful lives for various categories of property, plant and equipment's are adopted by the Company:

Particulars	(Useful Life Taken) (years)
Improvements to leasehold land	30
Buildings on lease hold land*	10-30
Building interim terminal#	7
Other Buildings	30-60
Runways and taxiways	30
Roads- Other than RCC**	10
Electrical installations**	10-15
Plant and machinery	15
Office Equipment	5
Computer equipment and IT systems	3-6
Furniture and fixtures (Trolleys)	3
Furniture and fixtures (other than Trolleys)	7
Vehicles	8-10



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Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

\* The useful lives of modifications to buildings on leasehold land are estimated as 10 years.

\*\*The useful lives of internal roads - other than RCC and certain electrical installations (transformers) are estimated as 10 years and 15 years respectively. These lives are longer than those indicated in schedule II.

Leasehold Improvements and buildings on leasehold land are amortized over shorter of estimated useful lives or lease period.

# During the year, the Company has created two Interim terminals namely Interim International Departure Terminal (IIDT) and Interim Domestic Arrival Terminal (IDAT) to accommodate the growing traffic, until the expanded terminal becomes operational. Further, the area where these interim terminals are created, will eventually be used for expansion and boarding gates; therefore these interim terminals will need to be demolished after seven years. Based on the same, the management has considered the life of seven years period for these terminal buildings and related assets i.e. electrical installations and certain plant and machineries viz. Fire systems, HVAC systems. Accordingly, IIDT, IDAT building, electrical installations, Fire systems, HVAC systems are depreciated over a period of seven years.

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.

**e) Intangible assets**

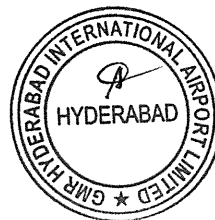
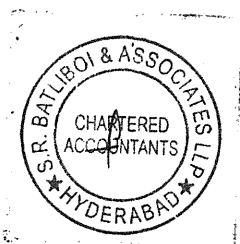
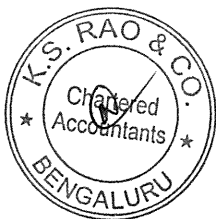
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

**f) Amortisation of intangible assets**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Cost relating to software licenses, which are acquired, are capitalized and amortized on a straight - line basis over their useful life not exceeding six years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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



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CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

**g) 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 units' (CGUs) net selling price and its value in use. The 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 group 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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 years. Such reversal is recognised in the statement of profit or loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

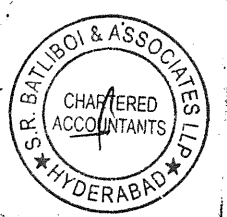
**h) Inventories**

Stores and spares, consumables are valued at lower of cost and net realisable value. However, stores and spare items held for use in providing the service are not written down below cost if the services are expected to be provided at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition. Net realizable value is the estimated current procurement price in the ordinary course of business.

**i) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. 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.





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(All amounts in Rupees Crores unless otherwise stated)

j) 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 fulfilment 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 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

(a) Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

(b) 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.

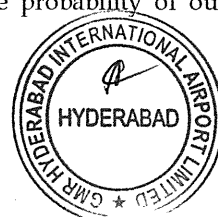
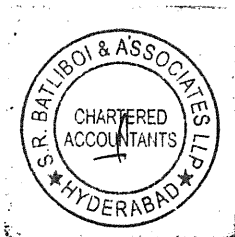
k) Provisions, contingent liabilities and commitments

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.

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 it cannot be measured reliably.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.



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The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

1) 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 Employee 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 in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

Remeasurements, 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 OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

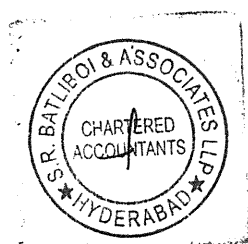
- i) The date of the plan amendment or curtailment, and
- ii) The date that the Company recognises related restructuring costs

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

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

Short term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short- term employee benefit. The Company measures the expected cost of such absences as the



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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 expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Company presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

m) **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.

A. **Financial assets**

i. **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 or 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.

ii. **Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

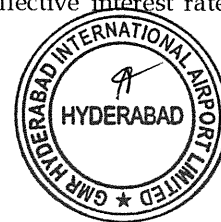
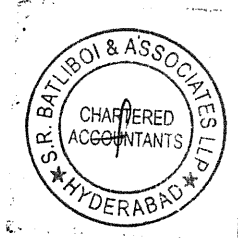
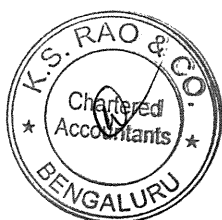
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost:**

A 'debt instrument' is measured at the amortised 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 amortised cost using the effective interest rate (EIR) method.



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Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI:**

A 'debt instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**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').

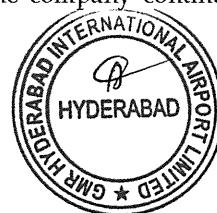
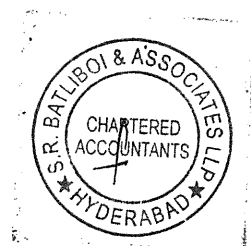
Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**iii. Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to



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recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

c. **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 following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on;

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

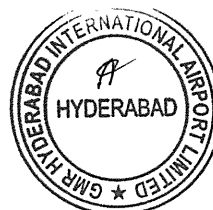
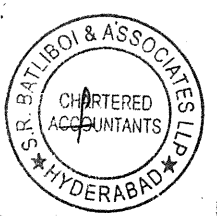
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company is required to consider:



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- a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

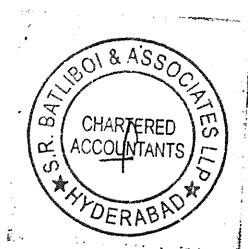
For assessing credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**d. 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 Company 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 statement of 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.



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**B. Financial liabilities**

**i. Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit, financial guarantee contracts and derivative financial instruments.

**ii. Subsequent measurement:**

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

Financial liabilities at fair value through profit or loss:

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

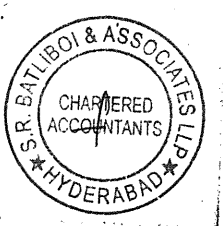
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

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 P&L. 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 or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**iii. Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.



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iv. **Financial guarantee contracts:**

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

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

v. **Derecognition:**

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

C. **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. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations.

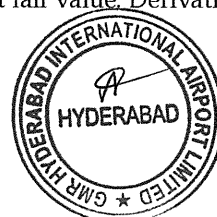
Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification 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."

D. **Offsetting of financial instruments**

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

E. **Derivative financial instruments and hedge accounting**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are





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carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
- Hedges of a net investment in a foreign operation.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

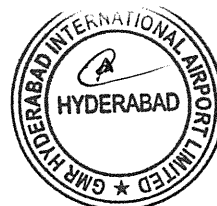
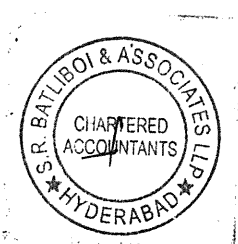
If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

**Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion relating to foreign currency portion is recognized immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in recognised liability and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs. When the hedged item is the cost of a non-financial asset or non-



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financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**Hedges of a net investment**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges.

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

**n) Cash and cash equivalents**

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

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

**o) Cash dividend to equity holders**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

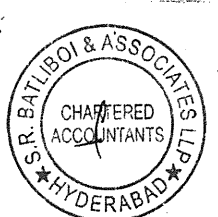
**p) Foreign currency transactions:**

**Functional and presentation currency**

The financial statements are presented in INR (Indian Rupees), which is also the company's functional currency 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 their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.



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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 profit or loss with the exception of the following:

- i) The Company treats foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. Exchange difference arising on long term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

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.

q) **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:

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

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

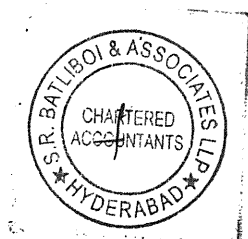
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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



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

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

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

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

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

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

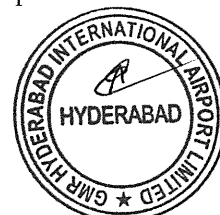
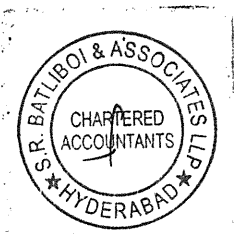
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- a) Disclosures for valuation methods, significant estimates and assumptions
- b) Quantitative disclosures of fair value measurement hierarchy
- c) Financial instruments (including those carried at amortised cost)

r) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue



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s) **Concession fee:**

As per the Concession Agreement (CA) entered into with Ministry of Civil Aviation (MoCA) in December, 2004, the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to mean all pre-tax revenue of GHIAL with certain specified exclusions.

Management is of the view that certain income / credits arising on adoption of Ind-AS and also mark to market gain on valuation of IRS was not in contemplation of parties in December 2004 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, are not treated as "Gross Revenue" for calculation of Concession fee to MoCA. Accordingly, the Company, based on Legal Opinion, has provided the concession fee to MoCA based on Gross Revenue as per the Ind AS financial statements after adjusting such incomes/credits.

t) **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant is in the nature of capital subsidy it is treated as capital reserve.

The Company has deferred payment arrangement on the concession fee payable to Ministry of Civil Aviation (MoCA) without interest. The effect of this assistance is treated as a government grant. The assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the assistance and the fair value. The grant is subsequently measured as per the accounting policy applicable to financial liabilities.

u) **Taxes on income**

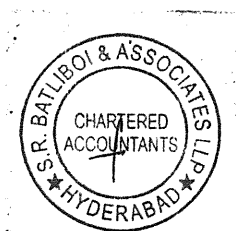
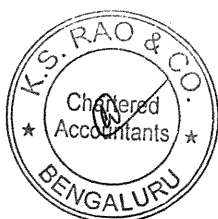
Tax expense comprises current and deferred tax.

1) **Current income tax**

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

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

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



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arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

**1) Income from service:**

Revenue from Aeronautical and Non-Aeronautical operations are recognized on accrual basis net of service tax/ goods and service tax and applicable discounts, when services are rendered and it is probable that an economic benefit will be received which can be quantified reliably.

Revenue from Aeronautical Operations includes landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

Further, Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in non-aeronautical revenue in the statement of profit or loss due to its operating nature.

**2) Interest income:**

- i. Interest on all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.
- ii. Interest for delayed payments from customers is accounted only when it is unconditionally accepted by the customers.

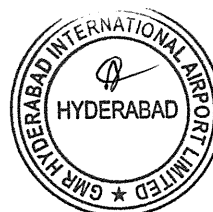
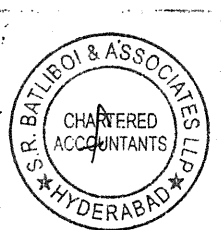
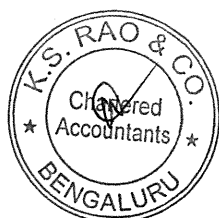
**3) Dividends:**

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

**4) Significant Financing Components**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company also receives long-term advances from customers for providing the license to operate at the Airport. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.



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Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

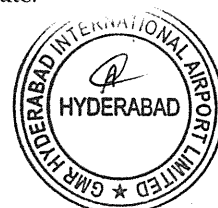
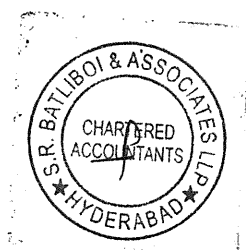
- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

The Company is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

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



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Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

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

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of profit and loss and shown as "Deferred Tax Asset." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

v) **Segment information:**

Based on the "management approach" as defined in Ind AS 108 Operating Segments, the Chief Operating Decision Maker ('CODM') has carried out evaluation of the Company's performance at an overall group level as one reportable operating segment i.e. 'Airport and allied services'.

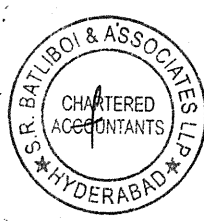
w) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or 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 or 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, if any.

x) **Corporate social responsibility**

The Company charges its Corporate Social Responsibility (CSR) expenditure to the Statement of Profit & Account.





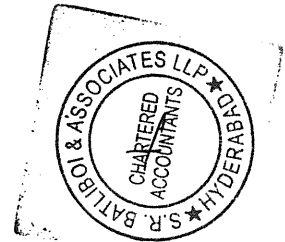
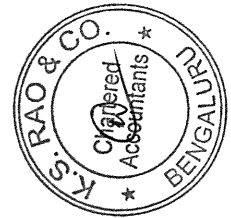
**GMR Hyderabad International Airport Limited**  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees Crores, except otherwise stated)

**3 Property, Plant and Equipment**

	Leasehold Improvements	Freehold land	Runways	Roads	Buildings on Leasehold Land	Buildings on freehold land	Electrical Installations	Plant and Equipment	Office Equipments	Computer Equipments	Furniture and Fixtures	Vehicles	Total	Capital Work-in progress	Total Including CWIP
<b>Cost</b>															
As at April 1, 2017	91.55	16.13	343.07	99.89	906.21	62.14	144.89	397.78	2.06	19.80	29.37	2.79	2,115.68	20.60	2,136.28
Additions	-	-	-	-	21.57	-	4.61	20.66	2.10	9.04	7.31	2.44	67.73	271.46	339.19
Adjustments*	-	-	(0.77)	(0.26)	(2.01)	0.17	(0.42)	(1.06)	(0.05)	(0.30)	(0.10)	-	(4.80)	-	(4.80)
Disposals	-	-	-	-	-	-	(0.33)	-	(0.10)	(1.00)	(1.62)	(0.53)	(3.58)	-	(3.58)
As at March 31, 2018	91.55	16.13	342.30	99.63	925.77	62.31	148.75	417.38	4.01	27.54	34.96	4.70	2,175.03	292.06	2,467.09
Additions	-	-	155.80	25.52	199.65	-	29.25	136.85	5.21	24.88	13.95	1.62	592.73	73.04	665.77
Disposals	-	-	-	-	-	-	-	-	-	-	-	(1.01)	(1.01)	-	-
Adjustments*	-	-	3.00	-	2.11	-	-	-	-	-	-	-	5.11	-	5.11
As at March 31, 2019	91.55	16.13	501.10	125.15	1,127.53	62.31	178.00	554.23	9.22	52.42	48.91	5.31	2,771.86	365.10	3,136.96
<b>Depreciation</b>															
As at April 1, 2017	7.97	-	29.90	65.16	80.27	2.51	85.81	107.94	0.53	9.25	15.44	1.69	406.47	-	406.47
Charge for the year	3.98	-	14.89	30.68	40.69	1.40	40.65	53.49	0.86	2.90	8.06	0.31	197.91	-	197.91
Disposals	-	-	-	-	-	-	-	-	(0.10)	-	-	(0.50)	(0.60)	-	(0.60)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	11.95	-	44.79	95.84	120.96	3.91	126.46	161.43	1.29	12.15	23.50	1.50	603.78	-	603.78
Charge for the year	3.98	-	18.41	2.18	44.35	1.44	5.61	48.05	1.25	7.67	4.86	0.57	138.38	-	138.38
Disposals	-	-	-	-	-	-	-	0.05	-	-	(0.05)	(1.01)	(1.01)	-	(1.01)
Adjustments**	-	-	-	-	16.01	1.29	-	2.43	-	-	1.38	-	21.11	-	21.11
As at March 31, 2019	15.93	-	63.20	98.02	181.32	6.64	132.07	211.96	2.55	19.82	29.69	1.06	762.26	-	762.26
<b>Net book value</b>															
As at March 31, 2018	79.60	16.13	297.51	3.79	804.81	58.40	22.29	255.95	2.72	15.39	11.46	3.20	1,571.25	292.06	1,863.31
As at March 31, 2019	75.62	16.13	437.90	27.13	946.21	55.67	45.93	342.27	6.67	32.60	19.22	4.25	2,009.60	365.10	2,374.70

\* Includes reversal of outstanding liabilities amounting to Rs. Nil (March 31, 2018: Rs. 2.95) pertaining to project construction which are no longer payable now and reversal for depreciation thereon amounting to Rs. Nil (March 31, 2018: Rs. 2.76) under depreciation charge of the year.

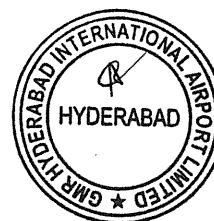
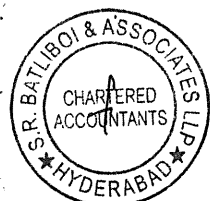
\*\* Represents the depreciation charged on account of change in useful life of assets as per the Airport Economic Regulatory Authority's (AERA) order no. 35/2017-18 dated January 12, 2018 and amended on April 09, 2018 in the matter of Determination of useful life of Airport Assets and is effective from April 1, 2018 (Refer note 2.2).



GMR Hyderabad International Airport Limited  
Notes to the standalone financial statements for the year ended March 31, 2019  
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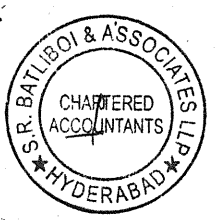
4 Intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
As at April 1, 2017	2.55	2.55
Additions	0.12	0.12
As at March 31, 2018	2.67	2.67
Additions	2.03	2.03
As at March 31, 2019	4.70	4.70
Depreciation		
As at April 1, 2017	0.78	0.78
Charge for the year	0.48	0.48
As at March 31, 2018	1.26	1.26
Charge for the year	0.63	0.63
As at March 31, 2019	1.89	1.89
Net block		
As at March 31, 2018	1.41	1.41
As at March 31, 2019	2.81	2.81



**GMR Hyderabad International Airport Limited**  
Notes to the Standalone financial statements for the year ended March 31, 2019  
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5.1 Investments	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Non-current investments (At Cost)</b>				
Investment in equity instruments (unquoted)				
Investment in subsidiaries				
GMR Hyderabad Airport Cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited)				
Equity Shares	1,020,000	53.51	520,200	0.52
Preference Shares- Series B	18,735	0.02	18,735	0.02
Preference Shares- Series A	18,000	6.76	-	-
GMR Hyderabad Aerotropolis Limited	57,500,000	57.50	57,500,000	57.50
Hyderabad Airport Security Services Limited*	12,500,000	12.50	12,500,000	12.50
GMR Hyderabad Aviation SEZ Limited	51,600,000	51.60	51,600,000	51.60
GMR Hospitality and Retail Limited**	155,998,710	156.00	126,608,916	126.61
GMR Hyderabad Airport Power Distribution Limited	50,000	0.05	50,000	0.05
GMR Aerospace Engineering Limited#	241,650,006	241.65	228,150,006	228.15
Asia Pacific Flight Training Academy Limited***	-	-	8,892,423	3.56
Investment in Joint Venture				
Laqshya Hyderabad Airport Media Private Limited	9,800,000	9.80	9,800,000	9.80
		<b>589.39</b>		<b>490.31</b>
<b>Other Investments</b>				
On account of fair valuation of financial guarantees given to subsidiaries				
GMR Hyderabad Aviation SEZ Limited		1.82		1.82
GMR Hospitality and Retail Limited		5.75		4.00
GMR Aerospace Engineering Limited		5.66	247.31	5.66
GMR Aerotechnic Limited		2.34		2.27
GMR Hyderabad Aerotropolis Limited		0.57		0.57
		<b>16.14</b>		<b>14.32</b>
On account of fair valuation of loans given to subsidiaries/joint venture below market rate				
GMR Hospitality and Retail Limited		11.86		11.86
Hyderabad Airport Security Services Limited		3.25		3.25
Laqshya Hyderabad Airport Media Private Limited		5.59		5.59
		<b>20.70</b>		<b>20.70</b>
<b>Total Investments carried at Cost</b>		<b>626.23</b>		<b>525.33</b>
<p>Note : In all subsidiaries and Joint venture, Face value of Equity and Preference shares- Series B is Rs.10 each and are fully paid-up. Further, Face value of Preference shares - Series A is Rs. 10,000 each and are fully paid up.</p> <p>* The Hyderabad Airport Security Service Limited (HASSL) is under the Voluntary Liquidation Process as required under Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.</p> <p>** Increase in investment in GMR Hospitality and Retail Limited (GHRL) is on account of allotment of 229,389,794 shares on conversion of interest free loan amounting to Rs. 29.39 Crore to GHRL.</p> <p>*** During the previous year on October 9, 2017, the Company has bought out the 60% stake i.e. 60% shareholding amounting to Rs. 5.34 crore in Asia Pacific Flight Training Academy Ltd.(APFTAL) held by its JV partner M/s Asia Pacific Flight Training Academy, SDN. BHD, Malaysia (APFT-Malaysia) at a value of One US Dollar and effective that date it became a wholly owned subsidiary of the Company.</p> <p>Further, during the year on March 1, 2019, the Company has sold the entire stake i.e. 100% shareholding amounting to Rs. 4.34 crore in Asia Pacific Flight Training Academy Ltd.(APFTAL) at a value of INR 100.</p>				
# Shares pledged with the bankers against the loan taken by the below subsidiaries		No. of Shares (March 31, 2019)	No. of Shares (March 31, 2018)	
GMR Hospitality and Retail Limited		32,897,675	37,982,675	
GMR Aerospace Engineering Limited		-	135,864,000	



**GMR Hyderabad International Airport Limited**  
Notes to the Standalone financial statements for the year ended March 31, 2019  
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5.2

Investments	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
Investments at FVTPL (Current-Investments)				
Investment in Mutual Funds (Unquoted)				
HDFC Liquid Fund Growth (Face value of Rs. 1000 each)	-	-	293,657.06	100.15
IDBI Liquid Fund - Regular plan Growth (Face value of Rs. 1000 each)	-	-	88,230.82	16.33
Invesco India Fund Regular Growth (Face value of Rs. 1000 each)	-	-	42,038.45	10.02
Birla Sunlife Cash Plus Institutional Premium - Growth (Face value of Rs. 100 each)	-	-	3,854,992.93	107.26
Axis Liquid Institutional - Growth Option (Face value of Rs. 1000 each)	116,381.32	24.03	2,701.77	0.52
ICICI Prudential Liquid Regular Plan - Growth (Face value of Rs. 100 each)	908,843.70	25.02	4,987,819.27	127.88
UTI Liquid Cash Plan Institutional - Growth Option (Face value of Rs. 100 each)	88,654.91	27.04	-	-
Tata Liquid Fund Plan A Growth (Face value of Rs. 1000 each)	33,644.82	9.86	-	-
Birla Sun Life Savings Fund Instl. - Growth (Face value of Rs. 100 each)	-	-	819,910.58	28.03
Birla Sun Life Short Term fund-Regular Growth (Face value of Rs. 10 each)	-	-	16,319,922.71	108.44
DHFL Pramerica Liquid Fund - Growth Option (Face value of Rs. 100 each)	-	-	1,023,730.92	23.03
Sundaram Money Fund Regular Growth (Face value of Rs. 10 each)	1,405,024.91	5.51	2,747,046.34	10.02
SRI Premier Liquid Fund - Regular Plan - Growth (Face value of Rs. 1000 each)	-	-	286,959.04	77.93
		91.46		609.61
Investment in Commercial Paper (unquoted) at Amortised cost				
SREI Infrastructure Finance Limited		222.28		216.61
Piramal Enterprises Limited		148.07		-
		370.35		216.61
		461.81		826.22

6

Loans	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loans to employees	1.60	-	1.38	0.04
Loans to related parties (refer details below)	85.77	7.44	0.32	71.37
	87.37	7.44	1.70	71.41

Break up of Loans to related parties				
Share Application Money				
GMR Aerospace Engineering Limited	10.00	5.00	-	-
Loans				
GMR Hospitality and Retail limited	42.33	-	-	68.72
GMR Hyderabad Aeropolis Limited	33.44	2.44	-	-
Laqshya Hyderabad Airport Media Private Limited	-	-	0.32	2.65
	85.77	7.44	0.32	71.37

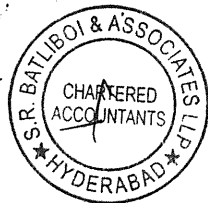
7

Bank balances other than cash and cash equivalent	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deposits with original maturity of more than 3 months but less than 12 months	-	-	29.96	-
Margin money deposits *	0.62	1.53	47.38	50.46
	0.62	1.53	77.34	50.46

\*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.

8

Other financial assets	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unsecured, considered good				
Security deposits	19.43	11.16	4.00	0.40
Less: Provision for doubtful deposit	(0.20)	(0.20)	-	-
	19.23	10.96	4.00	0.40
Non trade receivables	-	-	10.10	12.94
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on others	-	-	0.54	0.49
Interest accrued on fixed deposits	-	-	2.55	2.91
Derivative asset (refer note 40)	239.23	71.69	-	-
	258.46	82.65	17.23	16.78



**GMR Hyderabad International Airport Limited**  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees, except otherwise stated)

9.1	Tax asset			
	Non current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Advance income tax (net of provision for current tax)			
	0.26	0.31	12.93	12.93
	0.26	0.31	12.93	12.93

9.2	Tax liability										
	<table> <tr> <th colspan="2">Current</th></tr> <tr> <th>March 31, 2019</th><th>March 31, 2018</th></tr> <tr> <td colspan="2">Provision for tax (net of advance tax)</td></tr> <tr> <td>36.74</td><td>23.41</td></tr> <tr> <td>36.74</td><td>23.41</td></tr> </table>	Current		March 31, 2019	March 31, 2018	Provision for tax (net of advance tax)		36.74	23.41	36.74	23.41
Current											
March 31, 2019	March 31, 2018										
Provision for tax (net of advance tax)											
36.74	23.41										
36.74	23.41										

10	Other assets				
		Non-current		Current	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Capital advances				
	Unsecured, considered good	406.37	44.43	-	-
(A)		406.37	44.43	-	-
	Advances other than capital advances				
	Passenger service fee (Security component) (refer note 36(C)(ix))	25.64	24.74	-	-
	Others	4.65	5.11	5.03	3.83
		30.29	29.85	5.03	3.83
	Less: Provision for doubtful advances	(0.04)	(0.04)	-	-
(B)		30.25	29.81	5.03	3.83
	Prepaid expenses	3.08	0.67	3.40	1.26
	Upfront fee on borrowings*	94.50	-	-	-
	Balance with statutory/ government Authorities [Including deposits refer note 36 (C)]	12.61	12.41	1.86	1.97
(C)		110.19	13.08	5.26	3.23
	Total (A+B+C)	546.81	87.32	10.29	7.06

\*The above amount represents the upfront fee payable on rupee term facility amounting to Rs. 4,200 crore tied up by the Company with a bank to meet the capital commitment.

11	Inventories (valued at lower of cost or net realizable value)												
	<table> <tr> <th>March 31, 2019</th><th>March 31, 2018</th></tr> <tr> <td colspan="2">Stores and spares</td></tr> <tr> <td>6.12</td><td>6.25</td></tr> <tr> <td colspan="2">Less: Provision for non moving spares</td></tr> <tr> <td>(0.17)</td><td>(0.17)</td></tr> <tr> <td>5.95</td><td>6.08</td></tr> </table>	March 31, 2019	March 31, 2018	Stores and spares		6.12	6.25	Less: Provision for non moving spares		(0.17)	(0.17)	5.95	6.08
March 31, 2019	March 31, 2018												
Stores and spares													
6.12	6.25												
Less: Provision for non moving spares													
(0.17)	(0.17)												
5.95	6.08												

12	Trade receivables																						
	<table> <tr> <th colspan="2">Current</th></tr> <tr> <th>March 31, 2019</th><th>March 31, 2018</th></tr> <tr> <td colspan="2">Unsecured, considered good</td></tr> <tr> <td colspan="2">Related parties</td></tr> <tr> <td>21.18</td><td>21.22</td></tr> <tr> <td>122.37</td><td>86.21</td></tr> <tr> <td colspan="2">Others</td></tr> <tr> <td>1.09</td><td>0.57</td></tr> <tr> <td colspan="2">Credit impaired</td></tr> <tr> <td>(1.09)</td><td>(0.57)</td></tr> <tr> <td>143.55</td><td>107.43</td></tr> </table>	Current		March 31, 2019	March 31, 2018	Unsecured, considered good		Related parties		21.18	21.22	122.37	86.21	Others		1.09	0.57	Credit impaired		(1.09)	(0.57)	143.55	107.43
Current																							
March 31, 2019	March 31, 2018																						
Unsecured, considered good																							
Related parties																							
21.18	21.22																						
122.37	86.21																						
Others																							
1.09	0.57																						
Credit impaired																							
(1.09)	(0.57)																						
143.55	107.43																						

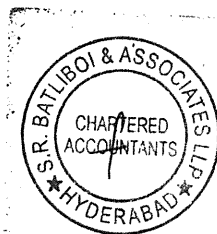
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are secured to the extent of security deposits received, are interest bearing and settlement occurs in cash. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Trade receivables are interest bearing @18% p.a. and are generally with the credit term of 7 to 15 days

13	Cash and cash equivalents																								
	<table> <tr> <th>March 31, 2019</th><th>March 31, 2018</th></tr> <tr> <td colspan="2">Cash and cash equivalents</td></tr> <tr> <td colspan="2">-Balances with Banks</td></tr> <tr> <td colspan="2">- In current accounts</td></tr> <tr> <td>30.62</td><td>262.85</td></tr> <tr> <td colspan="2">- On cash credit/ overdraft accounts</td></tr> <tr> <td>-</td><td>-</td></tr> <tr> <td colspan="2">-Deposits with original maturity of less than three months</td></tr> <tr> <td>350.00</td><td>308.39</td></tr> <tr> <td colspan="2">-Cash on hand</td></tr> <tr> <td>0.06</td><td>0.04</td></tr> <tr> <td>380.68</td><td>571.28</td></tr> </table>	March 31, 2019	March 31, 2018	Cash and cash equivalents		-Balances with Banks		- In current accounts		30.62	262.85	- On cash credit/ overdraft accounts		-	-	-Deposits with original maturity of less than three months		350.00	308.39	-Cash on hand		0.06	0.04	380.68	571.28
March 31, 2019	March 31, 2018																								
Cash and cash equivalents																									
-Balances with Banks																									
- In current accounts																									
30.62	262.85																								
- On cash credit/ overdraft accounts																									
-	-																								
-Deposits with original maturity of less than three months																									
350.00	308.39																								
-Cash on hand																									
0.06	0.04																								
380.68	571.28																								

i) Cash balances in current accounts does not earn interest. Term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective term deposit rates.



**GMR Hyderabad International Airport Limited**  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees, except otherwise stated)

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Equity

Authorized shares (No.) 400,200,200 (March 31, 2018: 400,200,200) equity shares of Rs. 10 each	March 31, 2019	March 31, 2018
	400.00	400.00
Issued, subscribed and fully paid-up shares (No.) 378,200,200 (March 31, 2017: 378,200,200) equity shares of Rs.10 each fully paid up	378.00	378.00
Issued, subscribed and fully paid-up shares (No.) 378,200,200 (March 31, 2018: 378,200,200) equity shares of Rs.10 each fully paid up	378.00	378.00
Total	378.00	378.00

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

	March 31, 2019		March 31, 2018	
Equity Shares	No.	Amount	No.	Amount
At the beginning of the year	378,000,000	378.00	378,000,000	378.00
Outstanding at the end of the year	378,000,000	378.00	378,000,000	378.00

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the 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. Further all shareholders will have their representative in the board of directors of the company as per the terms of arrangement.

(c) Shares held by holding/intermediate holding company

	March 31, 2019		March 31, 2018	
Name of Shareholder	No.	Amount	No.	Amount
GMR Airports Limited (GAL), holding company	238,139,000	238.14	238,139,000	238.14
GMR Infrastructure Limited, GAL's holding company	1,000	0.00	1,000	0.00
	238,140,000	238.14	238,140,000	238.14

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

	March 31, 2019		March 31, 2018	
Name of Shareholder	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
GMR Airports Limited, holding company	238,139,000	63.00%	238,139,000	63.00%
Airports Authority of India	49,140,000	13.00%	49,140,000	13.00%
Government of Telangana	49,140,000	13.00%	49,140,000	13.00%
MAHB (Mauritius) Private Limited	41,573,540	11.00%	41,573,540	11.00%

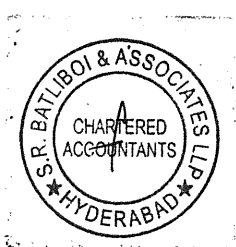
As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(e) No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

(f) Shares reserved for issue under options

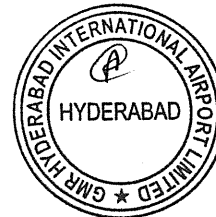
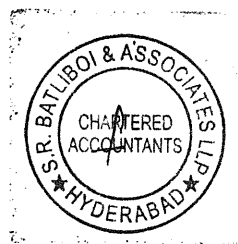
There are no shares reserved for issue under options and contract/commitments for the sale of shares/ disinvestment.

<b>14.1 Other Equity</b>		
		<b>March 31, 2019</b>
		<b>March 31, 2018</b>
Retained Earnings		
Opening Balance		622.68
Adjustment in retained earnings for change in accounting policy(Refer Note 2.1)		(2.27)
Depreciation charge to retained earnings (Refer Note 2.2)		(21.11)
Add: Profit for the year		732.75
Remeasurement of post-employment benefits obligations		(0.68)
Less: Appropriations		
Interim dividend		(151.20)
Dividend distribution tax		(31.08)
Closing balance		1,149.09
Other items of Other Comprehensive Income		
Cash flow hedge reserve		
Balance as per last financial statements		14.74
Net movement during the year		16.98
Closing balance		31.72
Total Retained Earnings		1,180.81
Capital reserve		107.00
		1,287.81



**GMR Hyderabad International Airport Limited**  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees, except otherwise stated)

15	Financial liabilities - Borrowings	Non Current		Current	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	<b>Bonds</b>				
	1,750 units 4.25% Senior Secured Notes of USD 200,000 each (secured)	2,376.93	2,239.35	-	-
	<b>Term Loans</b>				
	From Others				
	Government of Telangana (unsecured)	315.05	315.05	-	-
	Loans from related parties (unsecured)	-	-	12.97	12.97
		<b>2,691.98</b>	<b>2,554.40</b>	<b>12.97</b>	<b>12.97</b>
	The above amount includes				
	Secured borrowings	2,376.93	2,239.35	-	-
	Unsecured borrowings	315.05	315.05	12.97	12.97
		<b>2,691.98</b>	<b>2,554.40</b>	<b>12.97</b>	<b>12.97</b>
	Amount disclosed under the head "other current financial liabilities" (Refer note 16)	-	-	(12.97)	(12.97)
	<b>Net Amount</b>	<b>2,691.98</b>	<b>2,554.40</b>	<b>-</b>	<b>-</b>
<p>i) 4.25% Senior Secured Notes</p> <p>a. During the previous year 4.25% senior secured notes were issued on October 27, 2017 to refinance secured Rupee Term Loans and Foreign Currency Loans and airport expansion project works. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. on October 27, 2027 (bullet repayment).</p> <p>b. 4.25% senior secured notes are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2136.455 acres), freehold land of 8.824 acres and first pari-passu charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of the Company in, to and in respect of the Project Agreements (i.e. Concession Agreement, State Support Agreement, Land Lease Agreement and the CNS-ATS Agreement) as detailed in the Indenture dated Oct 27, 2017 to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of the Company; and floating charge on all the Company's accounts and each of the other accounts required to be created by the Company pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts. The Company has to follow Fixed Charge Coverage Ratio as provided under the Indenture for any additional indebtedness and other limitations. The Company has complied with the financial covenants prescribed in the Indenture. In case of any "Event of default" as defined under the Indenture, the Holders of the Notes are entitled to acceleration (immediately due and payable) and other remedies as defined under the Indenture.</p> <p>ii. Interest free loan received from the Government of Telangana is repayable in five equal instalments commencing from 16th anniversary of the commercial operations date (March 23, 2008).</p> <p>iii. Interest free unsecured loan received from its wholly owned subsidiary namely Hyderabad Airport Security Services Limited and is repayable on demand.</p>					
16	Other financial liabilities	Non-current		Current	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	<b>At Amortised cost</b>				
	Retention money	7.04	8.82	4.00	4.71
	Deposit from concessionaires	43.86	19.80	36.78	23.72
	Concession fee payable	192.55	212.01	84.06	22.15
	Current maturities of long term borrowings	-	-	12.97	12.97
	Non trade payables	-	-	1.25	2.62
	Capital creditors	-	-	192.34	87.21
	Interest accrued but not due on borrowings	-	-	86.05	84.91
	<b>Total other financial liabilities at amortised cost</b>	<b>243.45</b>	<b>240.63</b>	<b>417.45</b>	<b>238.29</b>
	<b>Financial guarantee contracts</b>	<b>5.03</b>	<b>5.75</b>	<b>0.81</b>	<b>0.80</b>
	<b>Total other financial liabilities</b>	<b>248.48</b>	<b>246.38</b>	<b>418.26</b>	<b>239.09</b>
		Non-current		Current	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	<b>Financial guarantee contracts</b>				
	GMR Hospitality and Retail Limited	1.54	1.63	0.15	0.15
	GMR Hyderabad Aviation SEZ Ltd.	0.74	0.81	0.07	0.07
	GMR Aero technic Ltd.	1.41	1.72	0.34	0.33
	GMR Hyderabad Aeropolis Ltd.	0.44	0.49	0.05	0.05
	GMR Aerospace Engineering Ltd.	0.90	1.10	0.20	0.20
	<b>Total financial guarantee contracts</b>	<b>5.03</b>	<b>5.75</b>	<b>0.81</b>	<b>0.80</b>



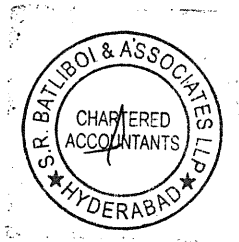
**GMR Hyderabad International Airport Limited**  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees, except otherwise stated)

17	Government grants			March 31, 2019	March 31, 2018
Opening Balance				51.40	33.23
Grant during the year				-	22.28
Less: Recognised in the statement of profit and loss				(5.26)	(4.11)
				46.14	51.40
Non Current				40.87	46.13
Current				5.27	5.27
Concession fee is payable to Ministry of Civil Aviation in respect of first 10 years in 20 equal half yearly instalments commencing from the 11th anniversary of the commercial operations date (March 23, 2008). Concession fee from the 11th year is payable on a half yearly basis. The difference between the fair value and carrying value of such fee payable has been treated as a government grant as per Ind AS 20.					

18	Other liabilities	Non-current		Current	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred income		12.29	21.10	5.56	4.16
Service tax payable		-	-	0.01	0.01
Goods and service tax payable		-	-	14.56	9.85
Tax deducted at source		-	-	4.69	6.44
Commercial Card Payable		-	-	9.94	-
Other statutory dues		-	-	0.79	0.51
		12.29	21.10	35.55	20.97

19	Trade payables	March 31, 2019		March 31, 2018	
Trade Payables					
- Related parties		2.42		25.33	
Others		83.16		64.41	
		85.58		89.74	
Terms and conditions of the above financial liabilities:					
i) Trade payables are non-interest bearing and are normally settled on 30 days terms.					
ii) The dues to related party are unsecured and are normally payable within 30 days from the date of receipt of demand.					
iii) For explanations on the Company's credit risk management processes, refer Note 40.					

20	Provisions	Short term	
		March 31, 2019	March 31, 2018
Provision for employee benefits			
Provision for compensated absences		12.15	8.50
Provision for superannuation fund		0.20	0.14
Provision for gratuity (note 32)		2.22	0.93
		14.57	9.57





GMR Hyderabad International Airport Limited  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees Crores, except otherwise stated)

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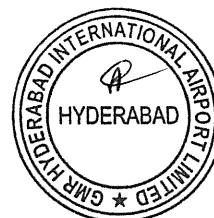
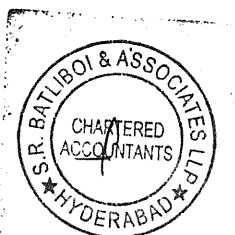
Revenue from contracts with customers		For the year ended March 31, 2019	For the year ended March 31, 2018	
Aeronautical (A)		910.62	805.55	
Non-Aeronautical				
Duty free		47.51	33.77	
Retail		40.18	32.07	
Advertisement		36.11	40.41	
Food and beverages		42.78	32.96	
Cargo		18.00	18.13	
Ground handling		12.29	10.68	
Parking		57.82	49.21	
Land and space – Rentals		69.57	69.67	
Fuel Farm		144.27	97.94	
Others		67.24	56.10	
Total Non-Aeronautical (B)		535.77	440.94	
Revenue from commercial property development (C)		5.87	5.55	
Revenue from operations (A+B+C)		1,452.26	1,252.04	
Note:				
(i) The company earned entire income from operations from India.				
(ii) Timing of rendering of services				
Particulars	Aeronautical	Non-Aeronautical	Others	Total
Services rendered at a point in time	910.62	144.27	-	1,054.89
Services rendered over time	-	391.50	5.87	397.37
Total revenue from contracts with customers	910.62	535.77	5.87	1,452.26
(iii) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price				
Particulars	For the year ended March 31, 2019			
Revenue as per contracted price	1,451.16			
Adjustments:				
Significant financing component	1.10			
Revenue from contract with customers	1,452.26			
(iv) Set out below is the revenue recognised from:				
Amounts included in contract liabilities at the beginning of the year	8.29			
Performance obligations satisfied in previous years	-			
Total	8.29			

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Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
Exchange differences (net)	-	0.56
Exchange difference on restatement of senior secured notes	-	43.72
Amortisation of deferred income	14.08	0.78
Income from Government grant	5.26	4.11
Provisions no longer required, written back	0.52	0.20
Other non-operating income	2.35	2.18
Profit on sale of assets	0.12	0.13
Dividend from subsidiary	0.36	3.91
	22.69	55.59

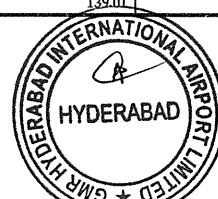
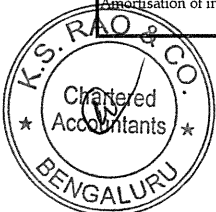
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Finance Income	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on:		
Bank deposits	25.40	22.59
Loan to subsidiaries/ joint venture	8.23	11.07
Others	22.50	17.89
Profit on sale of current investments (other than trade)	35.68	16.97
Income arising from fair valuation of financial guarantee	2.55	5.63
Gain on account of fair valuation of interest rate swap	-	11.92
Income arising from fair valuation of investment in debt oriented mutual fund	0.11	8.62
	94.47	94.69



**GMR Hyderabad International Airport Limited**  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees Crores, except otherwise stated)

24	Employee benefits expense	For the year ended March 31, 2019	For the year ended March 31, 2018
	Salaries, wages and bonus	87.41	60.67
	Contribution to provident and other funds [note 32 and note 36 (II) (C) (xi)]	3.76	2.80
	Contribution to superannuation fund	2.13	1.60
	Gratuity expense (note 32)	0.82	1.37
	Staff welfare expenses	4.73	4.09
	Recruitment and training expenses	2.00	1.88
		100.85	72.41
25	Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
	Operator fee	1.32	1.29
	Operating and maintenance expenses	17.42	14.25
	Power and fuel	19.35	16.33
	Manpower outsourcing charges	31.83	27.95
	House keeping charges	14.01	12.45
	Consumption of stores & spares	5.78	5.87
	Repairs and maintenance		
	Buildings	8.13	6.19
	Plant and Machinery	23.42	18.19
	IT Services	12.67	14.34
	Other	2.66	4.02
	Insurance	2.28	2.44
	Security expenses	18.59	16.98
	Bus hire charges	0.71	0.50
	Health & safety expenses	0.22	0.12
	Rent	6.80	5.51
	Rates and taxes	5.87	5.99
	Advertising and business promotion	5.00	8.87
	Collection charges	7.24	4.95
	Travelling and conveyance	17.75	11.17
	Communication costs	2.74	3.14
	Office Maintenance	4.30	3.32
	Legal and professional fees	11.37	15.98
	Management fees	29.96	31.52
	Printing and stationery	0.89	0.31
	Directors' sitting fees (refer Note 33)	0.25	0.19
	Payment to auditors (refer note A below)	0.47	0.70
	Contribution to political parties	25.00	-
	Donation	1.70	2.80
	CSR expenditure (refer note B below)	7.17	3.88
	Loss on account of foreign exchange fluctuations (net)	0.22	-
	Provision for bad and doubtful debts	0.52	0.40
	Bad debts written off	3.75	-
	Loss on sale of Investment in subsidiaries (refer note 33)	4.34	-
	Miscellaneous expenses	3.53	3.22
		297.26	242.81
	A. Payment to Auditors (Included in other expenses above)	For the year ended March 31, 2019	For the year ended March 31, 2018
	As Auditor		
	Audit fee	0.33	0.29
	Other services		
	Other services (Including certification fee)	0.08	1.40
	Reimbursement of expenses	0.06	0.09
		0.47	1.78
	Less: SSN issuance cost considered as an adjustment to borrowings*	-	(1.08)
		0.47	0.70
	* The amount is paid to one of the joint Auditor in connection with issue of SSN		
	B. Details of CSR expenditure (Included in other expenses above)	For the year ended March 31, 2019	For the year ended March 31, 2018
	a) Gross amount required to be spent by the Company during the year	4.17	3.88
	b) Amount spent in cash during the year		
	i) Construction / acquisition of any asset	4.55	1.50
	ii) on purposes other than (i) above	2.62	2.38
	c) Total amount spent during the year		
	i) Construction / acquisition of any asset	4.55	1.50
	ii) on purposes other than (i) above	2.62	2.38
26	Finance costs	For the year ended March 31, 2019	For the year ended March 31, 2018
	Interest on debt and borrowings	83.97	143.70
	Net interest on cross currency swap	77.19	31.36
	Other borrowing cost	3.72	16.87
	Interest-others	32.58	5.69
	Bank charges	0.71	0.65
		198.17	198.27
27	Depreciation and amortisation expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
	Depreciation of property, plant and equipment (note 3)	138.38	197.91
	Amortisation of intangible assets (note 4)	0.63	0.48
		139.01	198.39



GMR Hyderabad International Airport Limited  
Notes to the standalone financial statements for the year ended March 31, 2019  
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28 Income Tax

A. The major components of income tax expenses are:

Statement of profit and loss:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax:		
Current income tax charge	30.68	29.42
Deferred tax:		
Relating to origination and reversal of temporary differences	13.21	5.36
Income tax expense for the year	43.90	34.78
Less: Adjustments relating to previous year	(4.04)	-
Income tax expense reported in the statement of profit or loss	39.86	34.78

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 January 2019 and 31 March 2018:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit	772.60	637.49
Tax at the applicable tax rate of 34.94% (March 31, 2018: 34.61%)	269.98	220.63
<b>Tax effect of income that are not taxable in determining taxable profit / allowable expenditure that are not part of Book profit:</b>		
Dividend Income exempt U/s 10(34)	0.13	1.35
Gain on recognition of MTM on interest rate swap	-	4.13
Others - Ind AS adjustments	0.25	2.46
Reversal of deferred tax during tax holiday period u/s 801A	-	7.29
Income claimed as deduction u/s 801A	240.98	190.63
Effect of depreciation relating to unrealised forex loss	-	16.10
Effect of depreciation relating to Capital Reserve	-	1.78
Others	0.06	0.60
<b>Tax effect of expenses that are not deductible in determining taxable profit:</b>		
Amount of disallowances U/s 14A	0.02	0.02
Donations, contribution to political parties & CSR Expenditure	2.59	2.31
Interest on delayed payment of income tax	0.53	0.53
Provision for doubtful debt	0.18	-
Loss on sale of investment carried forward	1.52	-
Disallowance due to non-deduction of TDS u/s 40a(ia)	0.53	-
DTA reversal on b/f losses	-	15.73
Effect of change in tax rate to 34.61% from 30.90% in the previous year	-	14.12
Effect due to change in tax rate considered in DT (34.944%) calculation and ETR (34.61%) of FY 2017-18	-	1.38
Income from capex fund	-	4.40
Reversal of deferred tax during tax holiday period u/s 801A	9.97	-
Income tax expense reported in the statement of profit and loss	43.90	34.78

C. Deferred tax:

	Statement of profit or loss		Balance sheet	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	13.34	9.15	140.07	126.73
Cash flow hedge	-	-	17.04	-
Gross deferred tax liability	13.34	9.15	157.10	126.73
Deferred tax asset				
Unabsorbed depreciation	-	-	-	-
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis.	-	-	-	-
On account of income reduced from capital work in progress	(0.13)	(3.80)	3.92	3.80
On account of provision for doubtful trade, advances and diminution in value of investment	-	-	-	-
	(0.13)	(3.80)	3.92	3.80
Charge / (credit) during the year	13.21	5.35		
Net deferred tax (liability)/Asset (net)			(153.18)	(122.93)
MAT credit entitlement			405.41	269.10
Deferred tax asset (unutilised tax credit)			405.41	269.10

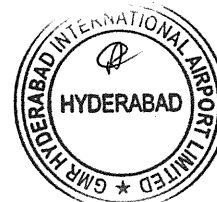
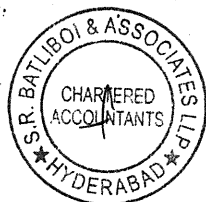
D. Reconciliations of deferred tax liabilities/assets(net)

	March 31, 2019	March 31, 2018
Opening balance	(122.93)	(117.58)
Tax expense during the year recognised in profit or loss	(13.21)	(5.35)
Tax expense during the year recognised in the OCI	(17.04)	-
Closing balance	(153.18)	(122.93)

i) Deferred tax on adjustments recognised on account of adoption of Ind AS are not considered as these adjustments get reversed in the subsequent periods and have no impact on the accounting or tax profit.

ii) The Company off sets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

iii) The Company has tax losses which arose in India of Rs. Nil Crore (March 31, 2018: Rs. Nil Crore) that are available for offsetting against future taxable profits of the Company.



GMR Hyderabad International Airport Limited  
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees Crores, except otherwise stated)

**29 Components of Other Comprehensive Income**

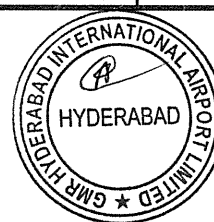
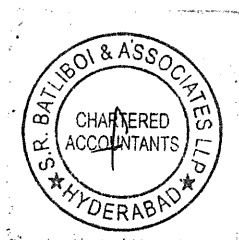
The disaggregation of changes to OCI by each type of reserve in equity is shown below:

For the year ended March 31, 2019

	Cash Flow Hedge Reserve	FVTOCI Reserve	Total
Cash flow hedge reserve (net)	167.55	-	167.55
Less: reclassified to statement of profit and loss	(133.53)	-	(133.53)
Remeasurement gain on defined benefit plans	-	(0.68)	(0.68)
Closing Balance	34.02	(0.68)	33.34

For the year ended March 31, 2018

	Cash Flow Hedge Reserve	FVTOCI Reserve	Total
Cash flow hedge reserve (net)	71.69	-	71.69
Less: reclassified to statement of profit and loss	(56.95)	-	(56.95)
Remeasurement gain on defined benefit plans	-	0.18	0.18
Closing Balance	14.74	0.18	14.92



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30. Earnings Per Share (EPS)

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

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

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

Particulars	31-Mar-19	31-Mar-18
Profit attributable to equity holders of the parent for basic and diluted earning	732.75	602.70
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted) (in crores)	37.80	37.80
Earnings Per Share (Basic and diluted) (Rs.)	19.38	15.94
Face value per share (Rs.)	10	10

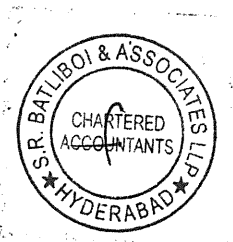
31. Capital Work in progress

The breakup of Capital work in progress is as below:

Particulars	March 31 2019	March 31 2018
Capital expenditure incurred on property, plant and equipment	282.08	240.54
Legal and professional expense	64.94	44.14
Employee benefits expense	0.35	0.76
Travelling and conveyance	0.46	0.06
Senior secured notes issue costs amortised	0.58	0.35
Finance costs*	29.16	18.92
<b>Total (i)</b>	<b>377.57</b>	<b>304.77</b>
<b>Less:- Income</b>		
Interest income from bank deposit	(1.93)	(0.49)
Net gain on sale of current investments	(10.54)	(11.51)
Fair value gain on mutual funds	-	(0.71)
<b>Total (ii)</b>	<b>(12.47)</b>	<b>(12.71)</b>
<b>Net Capital work in progress (i-ii)</b>	<b>365.10</b>	<b>292.06</b>

\*Considered to the extent of SSN proceeds earmarked for airport expansion project i.e. USD 78 million till December 31, 2018 and USD 36 million from January 1, 2019 onwards (March 31, 2018: USD 78 million) out of total proceeds of USD 350 million.

During the year ended March 31, 2019 the following expenses of revenue nature are capitalized to the capital work-in-progress (CWIP). Consequently, expenses disclosed under the other expenses are net of amounts capitalized by the Company.



## GMR Hyderabad International Airport Limited

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Notes to the Standalone financial statements for the year ended March 31, 2019

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Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue expense:</b>		
Subcontracting and other professional expenses	44.07	37.95
Employee benefit expense	-	0.76
Travelling and conveyance	0.40	0.06
Bond issue costs/SSN issue cost amortised	0.78	0.35
Finance cost	38.48	18.92
<b>Total (A)</b>	<b>83.73</b>	<b>58.04</b>
<b>Less: Income</b>		
Interest income from bank deposit	(3.71)	(0.49)
Net gain on sale of current investment	(10.62)	(11.51)
Fair value of mutual fund	-	(0.71)
<b>Total (B)</b>	<b>(14.33)</b>	<b>(12.71)</b>
<b>Net (C=A+B)</b>	<b>69.40</b>	<b>45.33</b>

## 32. Retirement and other employee benefits:

## a) Defined contribution plan:

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to provident fund	3.57	2.69
Contribution to ESI and Labour welfare fund	0.19	0.11
Contribution to superannuation fund	2.13	1.60
<b>Total</b>	<b>5.89</b>	<b>4.40</b>

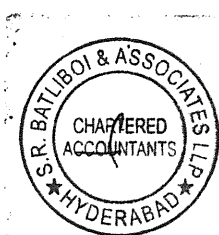
## b) Defined benefit plans:

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life insurance Corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss/OCI and amounts recognized in the balance sheet for defined benefit plans/obligations:

## Net employee benefit expense (recognized in Employee Cost):

	31-Mar-19	31-Mar-18
Current service cost	0.82	1.39
Interest cost on benefit obligation	0.00	(0.02)
<b>Net benefit expense (note 24)</b>	<b>0.82</b>	<b>1.37</b>



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Amount recognized in other comprehensive income:

Particulars	2018-19	2017-18
Actuarial (gain)/loss due to DBO experience	0.61	0.15
Actuarial (gain)/loss due to DBO assumption changes	-	(0.25)
Actuarial (gain)/loss arising during period	0.61	(0.11)
Return on plan assets (greater)/less than discount rate	0.07	(0.07)
Actuarial (gains)/ losses recognized in OCI	0.68	(0.18)

Balance sheet:

	March 31, 2019	March 31, 2018
Fair value of plan assets	7.50	6.06
Defined benefit obligation	(9.72)	(6.99)
Plan (liability)/ asset	(2.22)	(0.93)

Changes in the present value of the defined benefit obligation are as follows:

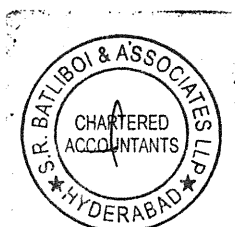
	March 31, 2019	March 31, 2018
Opening defined benefit obligation *	6.99	5.34
Interest cost	0.50	0.36
Current service cost	0.82	0.63
Benefits paid	(0.81)	(0.45)
Past service cost -Plan amendments	-	0.76
Actuarial losses /(gains) on obligation	0.62	0.11
Acquisition cost	1.60	0.46
Closing defined benefit obligation	9.72	6.99

Changes in the fair value of plan assets are as follows:

	31-Mar-19	31-Mar-18
Opening fair value of plan assets	6.06	5.18
Expected return on plan assets	0.50	0.38
Contributions by employer	0.74	0.88
Return on plan assets greater/(lesser) than discount rate	(0.07)	0.07
Acquisition adjustment	1.08	-
Benefits paid (including transfer)	(0.81)	(0.45)
Closing fair value of plan assets	7.50	6.06

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

	31-Mar-19	31-Mar-18
Investments with insurer	100%	100%



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Notes to the Standalone financial statements for the year ended March 31, 2019

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The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	31-Mar-19	31-Mar-18
Discount rate	7.60%	7.60%
Rate of compensation increase	6.00%	6.00%
Employee turnover	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption is shown below:

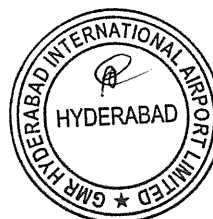
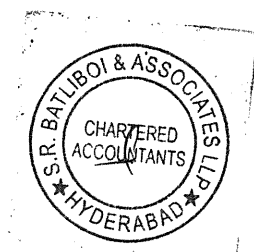
	31-Mar-19	31-Mar-18
<b>Discount rate</b>		
Effect due to 1% increase in discount rate	(0.68)	(0.51)
Effect due to 1% decrease in discount rate	0.78	0.58
<b>Attrition rate</b>		
Effect due to 1% increase in attrition rate	0.09	0.07
Effect due to 1% decrease in attrition rate	(0.10)	(0.07)
<b>Salary escalation rate</b>		
Effect due to 1% increase in salary increase rate	0.68	0.53
Effect due to 1% decrease in salary increase rate	(0.62)	(0.49)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in the future year.

	31-Mar-19
31-Mar-20	0.81
31-Mar-21	1.12
31-Mar-22	1.05
31-Mar-23	1.25
31-Mar-24	0.96
March 31, 2025 to March 31, 2029	8.25

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2018: 10 years).





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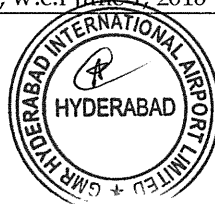
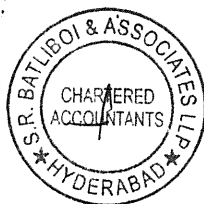
Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

33. Details of transactions with Related parties:

A. Name of related parties and description of relationship:

Relationship	Related party Name
Holding company	GMR Airports Limited (GAL)
GAL's holding company	GMR Infrastructure Limited (GIL)
Ultimate holding company	GMR Enterprises Private Limited (GEPL)
Subsidiary Companies	GMR Hyderabad Air Cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited)
	GMR Hyderabad Aerotropolis Limited
	Hyderabad Airport Security Services Limited (HASSL)*
	GMR Hyderabad Aviation SEZ Limited
	GMR Hospitality and Retail Limited
	GMR Aerospace Engineering Limited
	GMR Hyderabad Airport Power Distribution Limited
	GMR Aero Technic Limited
	GMR Logistics Park Private Limited
	Asia Pacific Flight Training Academy Limited**
Fellow Subsidiary Companies	GMR Aviation Private Limited
	GMR Aero structure Services Limited
	GMR Energy Limited
	GMR Tambaram-Tindivanam Expressways Limited
	GMR Tuni-Anakapalli Expressways Limited
	Delhi International Airport Limited
	GMR Pochanpalli Expressways Limited
	GMR Corporate Center Limited
	GMR Infrastructure (Mauritius) Limited
	GMR Energy Trading Limited
	GMR SEZ and Port Holdings Limited
	GMR Highways Limited
	GMR Corporate Affairs Private Limited
	GMR Hyderabad Vijayawada Expressways Private Limited
	GMR Vemagiri Power Generation Limited
	GMR Kamalanga Energy Limited
	GMR Airport Developers Limited
	GMR Power Corporation Limited
	GADL International Limited
	Kakinada SEZ Limited
	GMR Business Process and Services Private limited
	Raxa Security Services Limited
	JSW GMR Cricket Private Limited (Formerly GMR Sports Private Limited)
Shareholders having significant influence	Government of Telangana
	Airports Authority of India
	MAHB (Mauritius) Private Limited
Key management personnel	Mr. G M Rao, Chairman till May 31, 2018 and Executive Chairman, w.e.f June 1, 2018
	Mr. Srinivas Bommidala - Managing Director till May 31, 2018 and Director w.e.f June 1, 2018
	Mr. GBS Raju - Managing Director, w.e.f June 1, 2018



**GMR Hyderabad International Airport Limited**

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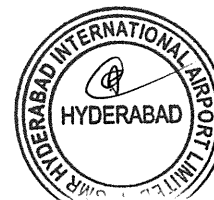
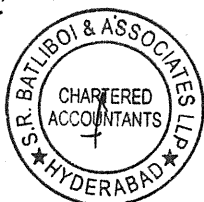
Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

Relationship	Related party Name
	Mr. SGK Kishore - Chief Executive Officer
	Mr. Rajesh Arora- Chief Financial Officer
	Mr. Anup Kumar Samal - Company Secretary
	Mr. HJ Dora - Director
	Mr. C Prasanna - Director
	Mr. Grandhi Kiran Kumar-Director
	Mr. Venkataramana Hegde - Director
	Mr. IN Murthy - Director
	Mr. K Ramakrishna Rao IAS - Director
	Mr. Jayesh Ranjan IAS - Director
	Mr. Vijay Bhaskar - Director, ceased to be a director w.e.f May 4, 2018
	Datuk Badlisham Bin Ghazali-Director till June 23, 2018
	Mr. Raja Azmi bin Raja Nazuddin - Director, w.e.f September 10, 2018
	Mr. RSSLN Bhaskarudu- Independent Director
	Mr. NC Sarabeswaran- Independent Director
	Mrs. Vissa SivaKameswari -Independent Director
	Mr. Madhu Ramachandra Rao -Independent Director, w.e.f July 02, 2018
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
Enterprises where key Directors and their relatives exercise significant influence	GMR Varalakshmi Foundation
Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India Private Limited
Associate of GIL	GMR Rajamundry Energy Limited

**B. Remuneration paid to Key Managerial Remuneration:**

Details of Key Managerial Personnel	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Short Term Employee benefits	Sitting Fees	Short Term Employee benefits	Sitting Fees
Remuneration to KMP	12.32	-	6.60	-
Mr. G M Rao -Chairman	-	0.00	-	0.01
Mr. HJ Dora - Director	-	0.01	-	0.01
Mr. Venkataramana Hegde - Director	-	0.01	-	0.01
Mr. Ramakrishna Rao IAS - Director	-	0.02	-	0.01
Datuk Badlisham Bin Ghazali - Director	-	-	-	0.00
Mr. IN Murthy - Director	-	0.01	-	0.01
Mr. RSSLN Bhaskarudu- Independent Director	-	0.06	-	0.04
Mr. NC Sarabeswaran- Independent Director	-	0.05	-	0.04
Mrs. Vissa Siva Kameswari -Independent Director	-	0.04	-	0.03



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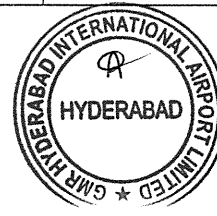
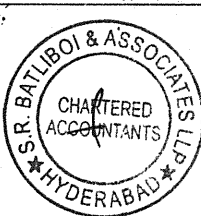
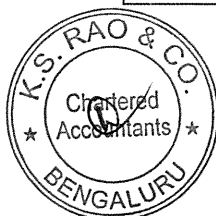
Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

Details of Key Managerial Personnel	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Short Term Employee benefits	Sitting Fees	Short Term Employee benefits	Sitting Fees
Mr. P. Vijay Bhaskar – Independent Director	-	0.00	-	0.02
Mr. Madhu Ramachandra Rao -Independent Director	-	0.02	-	-
Mr. Jayesh Ranjan IAS – Director	-	0.01	-	0.01
Mr. Raja Azmi bin Raja Nazuddin - Director	-	0.00	-	-

## C. Summary of Transactions with related parties during the year is as follows:

Related Party Transactions	March 31, 2019	March 31, 2018
<i>Services received:</i>		
Raxa Security Services Limited	18.86	16.43
GMR Hospitality and Retail Limited	0.54	0.40
Airports Authority of India	0.03	0.13
GMR Aviation Private Limited	9.07	4.29
GMR Airport Developers Limited	21.40	19.58
GMR Infrastructure Limited	7.04	12.64
GMR Airports Limited	23.88	19.56
Laqshya Hyderabad Airport Media Private Limited	0.14	0.53
GMR Corporate Affairs Private Limited	-	0.44
GMR Family Fund Trust	0.29	0.31
Sri Varalakshmi Jute Twine Mills Private Limited	0.22	0.18
Government of Telangana	3.59	3.42
<i>Investment during the year:</i>		
GMR Hyderabad Air Cargo and Logistics Private Limited	59.75	-
GMR Aerospace Engineering Limited	13.50	32.00
Asia Pacific Flight Training Academy Limited	0.79	-
<i>Loss on sale of Investment in subsidiary during the year</i>		
Asia Pacific Flight Training Academy Limited	(4.34)	-
<i>Bad Debts written off during the year</i>		
Asia Pacific Flight Training Academy Limited	3.75	-
<i>Conversion of interest free unsecured loan to investment in Equity share during the year</i>		
GMR Hospitality and Retail Limited	29.39	-
<i>Investment made in subsidiary during the year on account of amortization of financial guarantee given:</i>		
GMR Hospitality and Retail Limited	1.74	-



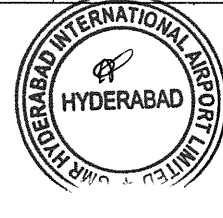
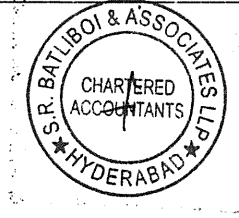
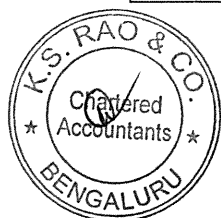
## GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

Related Party Transactions	March 31, 2019	March 31, 2018
GMR Aero Technic Limited	0.07	-
<i>Advance/(Advance Return) towards share application money:</i>		
GMR Aerospace Engineering Limited	19.50	36.50
GMR Aerospace Engineering Limited	(1.00)	(11.50)
GMR Hyderabad Aerotropolis Limited	6.00	-
<i>Conversion of Share application money to unsecured loan</i>		
GMR Hyderabad Aerotropolis Limited	6.00	-
<i>Security Deposit (paid) /received:</i>		
GMR Hyderabad Air Cargo and Logistics Private Limited	(0.10)	(0.10)
GMR Aero Technic Limited	-	0.00
GMR Infrastructure Limited	-	0.00
GMR Varalakshmi Foundation	-	(0.00)
Asia Pacific Flight Training Academy Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.16	(0.00)
GMR Family Fund Trust	-	0.00
GMR Hospitality and Retail Limited	(0.08)	0.01
Sri VaraLakshmi Jute Twine Mills Private Limited	-	(0.10)
GMR Airport Developers Limited	(15.00)	-
Raxa Security Services Limited	-	0.00
<i>Income from operations:</i>		
GMR Hyderabad Air Cargo and Logistics Private Limited	24.01	24.12
GMR Hospitality and Retail Limited	51.39	37.42
Airports Authority of India	3.24	3.20
GMR Aviation Private Limited	0.02	0.01
GMR Infrastructure Limited	0.01	0.01
GMR Hyderabad Aviation SEZ Limited	2.50	2.50
Laqshya Hyderabad Airport Media Private Limited	32.19	38.15
Kakinada SEZ Private Limited	0.24	0.36
GMR Aero Technic Limited	0.42	0.35
GMR Airport Developers Limited	0.15	0.14
GMR Hyderabad Aerotropolis Limited	0.68	0.43
GMR Airports Limited	0.26	0.35
Asia Pacific Flight Training Academy Limited	0.56	1.04
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.15	0.37
GMR Energy Trading Limited	0.00	0.01
GMR Highways Limited	0.25	0.28



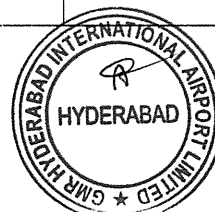
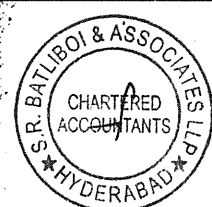
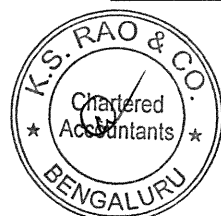
## GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

Related Party Transactions	March 31, 2019	March 31, 2018
GMR Varalakshmi Foundation	0.37	0.35
GMR Business Process and Services Private Limited	2.75	0.38
<i>Dividend income received from subsidiary Company:</i>		
GMR Hyderabad Air Cargo and Logistics Private Limited	0.36	3.91
<i>Unsecured loan repaid during the year:</i>		
Hyderabad Airport Security Services Limited	-	(0.07)
<i>Unsecured loan given :</i>		
GMR Hyderabad Aerotropolis Limited	25.00	17.00
GMR Hyderabad Aviation SEZ Limited	-	47.50
<i>Unsecured loan received back:</i>		
Laqshya Hyderabad Airport Media Private Limited	2.55	4.56
GMR Hyderabad Aviation SEZ Limited	-	47.50
GMR Hyderabad Aerotropolis Limited	-	34.56
<i>Interest on unsecured loan given:</i>		
GMR Hospitality and Retail Limited	4.32	4.34
GMR Hyderabad Aerotropolis Limited	0.69	2.39
GMR Hyderabad Aviation SEZ Limited	-	0.16
<i>Interest on amortization of interest free unsecured loan given:</i>		
Laqshya Hyderabad Airport Media Private Limited	0.22	1.46
GMR Hospitality and Retail Limited	3.01	2.71
<i>Interest on Delayed payments from customers</i>		
GMR Highways Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	0.00	0.04
GMR Aviation Private Limited	0.00	0.00
<i>Purchase of Asset/ Services for Capital Work in Progress :</i>		
GMR Hospitality and Retail Limited	0.01	0.47
GMR Airport Developers Limited	45.29	22.34
Geokno India Private Limited	0.28	-
GMR Hyderabad Aviation SEZ Limited	14.95	-
<i>Pledge / (release of pledge) of equity shares by the Company with banks against the loan taken by the Subsidiary Companies:</i>		
GMR Aerospace Engineering Limited	(135.86)	0.00
GMR Hospitality and Retail Limited	(5.08)	(5.09)
Hyderabad Airport Security Services Limited	-	(3.75)
<i>Release of pledge of equity shares by the shareholders having significant influence in GHIAL, with banks against the loan taken:</i>		



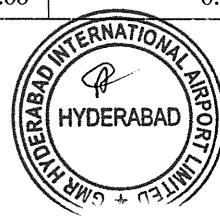
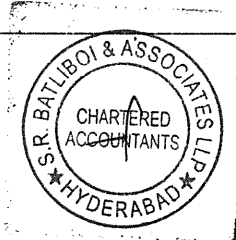
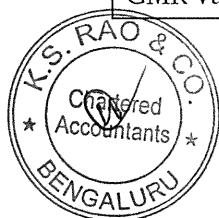
## GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

Related Party Transactions	March 31, 2019	March 31, 2018
GMR Airports Limited	-	(164.12)
MAHB (Mauritius) Private Limited	-	(28.66)
<i>Corporate guarantee given by the Company on behalf of its subsidiaries companies with banks against the loan taken:</i>		
GMR Hyderabad Aviation SEZ Limited	(0.60)	(0.92 )
GMR Hospitality and Retail Limited	(3.13)	(1.88)
GMR Aerospace Engineering Limited	-	(3.38)
GMR Hyderabad Aerotropolis Ltd	(2.45)	43.55
<i>Corporate guarantee availed/(released) from the intermediate holding company against loan taken from banks:</i>		
GMR Airports Limited	-	(41.00)
<i>(Release of) / Issue of Bank guarantee by the Company on behalf of its subsidiaries companies with banks as required under the loan covenants:</i>		
GMR Hospitality and Retail Limited	(7.38)	(3.00)
GMR Hyderabad Aviation SEZ Limited	-	(0.31)
GMR Aero Technic Limited	-	(0.76)
GMR Aerospace Engineering Limited	-	(8.56)
GMR Hyderabad Aerotropolis Limited	-	1.53
<i>CSR Expenditure</i>		
GMR Varalakshmi Foundation	7.06	3.75
<i>Reimbursement of expenses claimed by the Company during the year from its related parties:</i>		
GMR Infrastructure Limited	0.01	0.02
Laqshya Hyderabad Airport Media Private Limited	0.95	1.36
Kakinada SEZ Limited	0.06	0.09
Delhi International Airport Limited	0.40	0.07
GMR Hyderabad Aviation SEZ Limited	7.49	3.46
GMR Airports Limited	0.14	0.47
GMR Hospitality and Retail Limited	7.12	7.26
GMR Hyderabad Air Cargo and Logistics Private Limited	5.22	3.10
Airports Authority of India	2.92	2.98
GMR Hyderabad Aerotropolis Limited	6.28	5.83
Asia Pacific Flight Training Academy Limited	0.11	0.28
GMR Airport Developers Limited	0.93	0.90
GMR Highways Limited	0.05	0.06
Raxa Security Services Limited	0.00	0.00
GMR Energy Trading Limited	0.00	0.00
GMR Varalakshmi Foundation	0.08	0.08



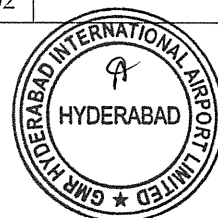
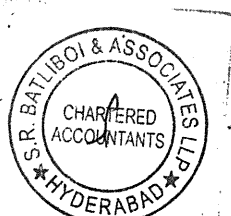
## GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

Related Party Transactions	March 31, 2019	March 31, 2018
Geokno India Private Limited	0.06	0.15
GMR Aero Technic Limited	1.67	1.60
GMR Business Process and Services Private Limited	0.48	0.04
<i>Reimbursement of expenses claimed from the Company during the year by its related parties:</i>		
GMR Hospitality and Retail Limited	0.14	0.03
GMR Airports Limited	0.06	0.48
Delhi International Airport Limited	-	0.37
Laqshya Hyderabad Airport Media Private Limited	-	0.03
GMR Airport Developers Limited	0.11	0.00
<i>Corporate Guarantee commission income on account of Ind-As Adjustments:</i>		
GMR Hospitality and Retail Limited	1.84	1.32
GMR Aerospace Engineering Limited	0.20	3.31
GMR Aero Technic Limited	0.39	0.22
GMR Hyderabad Aerotropolis Limited	0.05	0.03
GMR Hyderabad Aviation SEZ Limited	0.07	0.76
<i>Income on amortization of deposit received:</i>		
GMR Hyderabad Air Cargo and Logistics Private Limited	0.05	0.05
Asia Pacific Flight Training Academy Limited	0.01	0.04
GMR Infrastructure Limited	0.00	-
GMR Hospitality and Retail Limited	0.00	-
Laqshya Hyderabad Airport Media Private Limited	0.03	0.04
GMR Varalakshmi Foundation	0.01	0.01
<i>Interest expense on amortization of deposit received:</i>		
GMR Hyderabad Air Cargo and Logistics Private Limited	0.04	0.05
Asia Pacific Flight Training Academy Limited	0.01	0.04
GMR Infrastructure Limited	0.00	-
GMR Hospitality and Retail Limited	0.00	-
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
<i>Amortisation of expense on deposit paid:</i>		
GMR Airport Developers Limited	0.01	-
Raxa Security Services Limited	0.23	-
Sri VaraLakshmi Jute Twine Mills Private Limited	0.01	-
GMR Family Fund Trust	0.05	-
<i>Interest income on amortization of deposit paid:</i>		
GMR Airport Developers Limited	0.02	-



GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

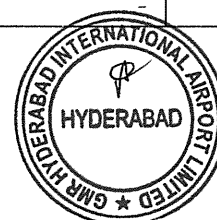
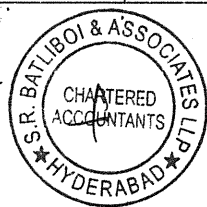
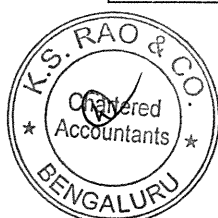
Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

Related Party Transactions	March 31, 2019	March 31, 2018
Raxa Security Services Limited	0.22	-
Sri VaraLakshmi Jute Twine Mills Private Limited	0.01	-
GMR Family Fund Trust	0.04	-
<i>Dividend Paid</i>		
GMR Airport Limited	95.26	95.26
GMR Infrastructure Limited	0.00	0.00
MAHB (Mauritius) Private Limited	16.62	16.62
Government of Telangana	19.66	19.66
Airports Authority of India	19.66	19.66

D. Outstanding balances at the end of the year:

Particulars	March 31, 2019		March 31, 2018	
	Non-Current	Current	Non-Current	Current
Balance Recoverable / (Payable):				
GMR Hyderabad Air Cargo and Logistics Private Limited	-	5.45	-	2.83
GMR Aerostructure Services Limited	-	0.03	-	0.03
Raxa Security Services Limited	-	0.00	-	(2.24)
Airports Authority of India	-	2.97	-	5.90
GMR Infrastructure Limited	-	0.27	-	(1.78)
Delhi International Airport Limited	-	0.08	-	(0.01)
GMR Rajamundry Energy Limited	-	0.04	-	0.04
GMR Airports Limited	-	(3.71)	-	(7.18)
GMR Hospitality and Retail Limited	-	4.41	-	2.35
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	(0.99)	-	(0.74)
GMR Hyderabad Aviation SEZ Limited	-	(5.22)	2.13	5.21
Asia Pacific Flight Training Academy Limited	-	-	2.14	1.22
GMR Airport Developers Limited	-	(15.20)	-	(8.49)
Laqshya Hyderabad Airport Media Private Limited	-	1.49	-	0.96
Kakinada SEZ Limited	-	0.42	-	0.40
GMR Aero Technic Limited	-	3.06	-	1.62
GMR Energy Trading Limited	-	0.02	-	0.02
GMR Hyderabad Aerotropolis Limited	-	0.78	-	0.73
GMR Varalakshmi Foundation	-	(1.00)	-	(0.90)
Government of Telangana	-	(3.69)	-	(3.52)





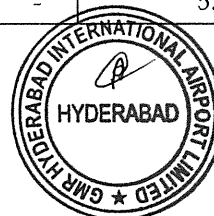
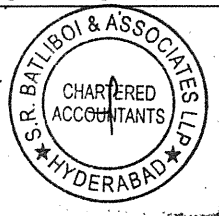
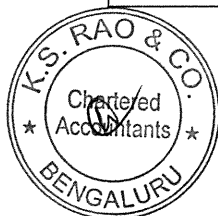
**GMR Hyderabad International Airport Limited**

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

GMR Vemagiri Power Generation Limited	-	0.00	-	0.00
GMR Highways Limited	-	0.30	-	(0.00)
GMR Corporate Affairs Private Limited	-	(0.10)	-	(0.10)
Geokno India Private Limited	-	0.71	0.41	0.61
GMR Kamalanga Energy Limited	-	-	-	0.00
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Business Process and Services Private Limited	-	-	-	0.49
<b>Security deposit received from / (paid) to related parties recognised at amortised cost:</b>				
GMR Hyderabad Air Cargo and Logistics Private Limited	0.25	0.06	0.37	-
Asia Pacific Flight Training Academy Limited	-	-	-	0.15
GMR Infrastructure Limited	-	0.03	-	0.03
GMR Hospitality and Retail Limited	0.00	0.01	-	0.01
Laqshya Hyderabad Airport Media Private Limited	0.15	0.29	0.27	0.05
GMR Aero Technic Limited	-	0.05	-	0.05
GMR Varalakshmi Foundation	0.09	-	0.13	-
Raxa Security Services Limited	(1.55)	-	(1.75)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(0.08)	-	-	(0.10)
GMR Family Fund Trust	(0.30)	-	(0.39)	-
GMR Airport Developers Limited	(8.72)	(3.81)	-	-
<b>Deferred income on deposits received recognized at amortised cost:</b>				
GMR Hyderabad Air Cargo and Logistics Private Limited	0.16	0.05	0.22	0.05
Asia Pacific Flight Training Academy Limited	-	-	-	0.01
GMR Hospitality and Retail Limited	0.00	0.00	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.06	0.03	0.01	0.03
GMR Varalakshmi Foundation	0.05	0.01	-	0.01
<b>Prepaid expenses on deposits paid recognised at amortised cost :</b>				
Raxa Security Services Limited	0.05	0.14	-	-
Sri Varalakshmi Jute Twine Mills Private Limited	0.01	0.01	-	-
GMR Family Fund Trust	0.05	0.03	-	-
GMR Airport Developers Limited	1.65	0.83	-	-
<b>Advance towards share application money:</b>				
GMR Aerospace Engineering Limited	10.00	-	5.00	-



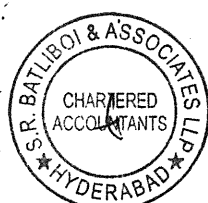
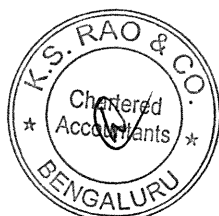
GMR Hyderabad International Airport Limited  
CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees Crores unless otherwise stated)

<b>Investments in subsidiaries:</b>				
GMR Hyderabad Air Cargo and Logistics Private Limited	60.29	-	0.54	-
GMR Hyderabad Aerotropolis Limited	57.50	-	57.50	-
Hyderabad Airport Security Services Limited	12.50	-	12.50	-
GMR Hyderabad Aviation SEZ Limited	51.60	-	51.60	-
GMR Hospitality and Retail Limited	156.00	-	126.61	-
GMR Hyderabad Airport Power Distribution Limited	0.05	-	0.05	-
GMR Aerospace Engineering Limited	241.65	-	228.15	-
Asia Pacific Flight Training Academy Limited	-	-	3.56	-
<b>Investment in joint venture company:</b>				
Laqshya Hyderabad Airport Media Private Limited	9.80	-	9.80	
<b>Investment in Subsidiaries and Joint venture on account of amortization of Loans given and Fair valuation of Financial guarantees:</b>				
GMR Hospitality and Retail Limited	17.60	-	11.86	4.00
Laqshya Hyderabad Airport Media Private Limited	5.59	-	5.59	-
Hyderabad Airport Security services Limited	3.25	-	3.25	-
GMR Aerospace Engineering Limited	5.66	-	5.66	-
GMR Aero Technic Limited	2.34	-	2.27	-
GMR Hyderabad Aerotropolis Limited	0.57	-	0.57	-
GMR Hyderabad Aviation SEZ Limited	1.82	-	1.82	-
<b>Loans given :</b>				
GMR Hospitality and Retail Limited	42.33	-	-	71.72
GMR Hyderabad Aerotropolis Limited	33.44	-	2.44	-
Laqshya Hyderabad Airport Media Private Limited	-	0.32	-	2.87
<b>Borrowings:</b>				
Hyderabad Airport Security Services Limited	-	(12.97)	-	(12.97)
Government of Telangana	(315.05)	-	(315.05)	-

\* Hyderabad Airport Security Service Limited (HASSL) is under the Voluntary Liquidation Process as required under Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

\*\* APFTAL ceased to be a subsidiary of GHIAL with effect from Mar 01, 2019 as the Company had sold its 100% stake in APFTAL for a nominal sale consideration of Rs. 100.



## GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

## E. Outstanding guarantees / pledge of equity shares at the end of the year:

Related Party Transactions	March 31, 2019	March 31, 2018
<i>Pledge of equity shares by the Company with banks against the loan taken by the subsidiary companies:</i>		
GMR Aerospace Engineering Limited	-	135.86
GMR Hospitality and Retail Limited	32.90	37.98
<i>Corporate guarantee given by the Company on behalf of its subsidiaries companies with banks against the loan taken:</i>		
GMR Hospitality and Retail Limited	119.37	122.50
GMR Aerospace Engineering Limited	100.00	100.00
GMR Aero Technic Limited	175.00	175.00
GMR Hyderabad Aviation SEZ Limited	59.10	59.70
GMR Hyderabad Aerotropolis Limited	41.10	43.55
<i>Bank guarantee given by the Company on behalf of its subsidiaries companies with banks, as required under the loan covenants:</i>		
GMR Hospitality and Retail Limited	-	7.38
GMR Hyderabad Aerotropolis Limited	1.53	1.53

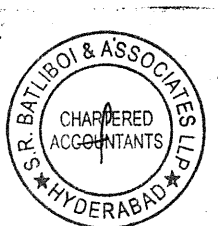
34. Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The entity has only a single geographical segment operating in Hyderabad, India. As per the evaluation carried out by CODM, the Company has only one reportable business segment, i.e. operation of airport and providing allied services. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment. The information relating to different products and services regarding Revenue from contracts with customers along with other income and finance income are given in Note 21, 22 and 23.
35. During the year, whenever the Company has dealt with any party as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006, the payment has been released within the 45 days' time limit as prescribed under the said Act. Further, there is no amount payable as at the end of the financial year.
36. **Commitments and Contingencies**

## I. Leases

## Operating lease commitments:

## Company as lessee:

The Company has taken land and office spaces on operating lease having a term of 30 years and 5 years respectively. The land lease has an escalation of 5% per annum from the 8<sup>th</sup> anniversary of the Commercial Operations Date (i.e. March 23, 2008) and it has a renewal option for another thirty years which is co-terminus with the concession period. The office spaces leases have an escalation of 5% per annum and are renewable at the end of the lease period with mutual consent.



**GMR Hyderabad International Airport Limited**

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018
Within one year	5.48	4.24
After one year but not more than five years	23.00	17.63
More than five years	733.80	731.38

As per the terms of the Concession Agreement and Land Lease Agreement, the Government of Telangana leased the land to the Company for the concession period. The lease term neither constitutes a major part of the economic life nor the fair value of the land. Hence, all the significant risk and rewards of the ownership have not been transferred and accordingly the lease is classified as an operating lease.

**Company as lessor:**

The Company has sub-leased land to various parties under operating leases having a term of 9 to 30 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018
Within one year	29.93	28.07
After one year but not more than five years	87.98	49.24
More than five years	137.65	94.98

## II Litigations and Contingent Liabilities

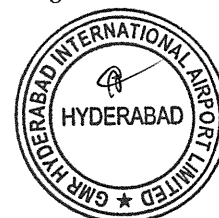
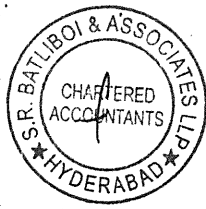
### A. Litigation provided for

Matters related to various service tax notices / orders referred in paragraph 'C' below on contingent liabilities of GMR Hyderabad International Airport Limited, for which an amount of Rs. 0.81 crore (March 31, 2018: Rs.0.81 crore) have been provided for in the books of account.

**Direct taxes:**

- A search operation under section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income Tax authorities on October 11, 2012 followed by another search closure visit on November 10, 2012, to check the compliance with the provisions of the Income Tax Act, 1961. Block Assessment in respect of A.Y 2007-2008 to 2012-2013 was completed and the Company received the assessment orders, which disallowed certain expenses and made few additions to the income resulting in reduction of carried forward loss amounting to Rs. 109.44 crores and no additional tax liability was assessed to be payable by the Company. The Company had filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru against the said block assessment orders. In the previous year, the Company received the orders from the Commissioner of Income Tax (Appeals), Bengaluru reducing the disallowances from Rs. 109.44 crores to Rs. 31.17 crores against which the Company has filed an appeal with Income Tax Appellate Tribunal, (ITAT) Bengaluru.

Further, the Income Tax department had filed appeals with ITAT, Bengaluru against the orders of Commissioner of Income Tax (Appeals) for the AY 2008-09 to 2012-13. The ITAT, Bengaluru has taken up the said appeals along with appeals filed by the Company for AY 2007-08 to AY 2009-10 and passed order dismissing the appeals filed by Income Tax department and allowing appeals filed by the Company. During the year, the Income Tax department has filed appeals against all the order of ITAT, Bengaluru in Hon'ble High Court of Karnataka.



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(All amounts in Rupees Crores unless otherwise stated)

- b) The Company received an assessment order for A.Y. 2013-14 disallowing expenses amounting to Rs.23.68 crores against which the Company filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru (CIT). In the previous year, the Company had received an order from CIT reducing the disallowance of expenditure from Rs. 23.68 crores to Rs. 3.76 crores against which the Company had filed an appeal with ITAT, Bengaluru.

Further, the Income Tax department had filed appeal with ITAT, Bengaluru against the order of Commissioner of Income Tax (Appeals) for the AY 2013-14. The ITAT, Bengaluru has passed order dismissing the appeal filed by Income Tax department. During the year, the Income Tax department has filed appeal against the order of ITAT in Hon'ble High Court of Karnataka.

- c) The Company received assessment orders for the A.Y. 2014-15 disallowing expenses aggregating to Rs. 23.79 crores respectively, against which, the Company had filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru (CIT) and the disallowance of expenditure was reduced to Rs. 3.38 crores respectively, against which the Company had filed an appeal with ITAT, Bengaluru. During the year, the Income Tax department has filed an appeal with the ITAT, Bengaluru against the orders of the Commissioner of Income Tax (Appeals).
- d) The Company received assessment orders for A.Y.2015-16 and 2016-17 disallowing expenses aggregating to Rs.19.82 crores and Rs. 22.78 crores respectively against which, the Company has filed an appeal with the Commissioner of Income Tax (Appeals), Bengaluru. During the year, the Company received an order from CIT (A) where in the disallowance has been reduced to Rs. Nil for both the years. During the year, the Income Tax department has filed the appeals with ITAT, Bengaluru against the orders of the Commissioner of Income Tax (Appeals).

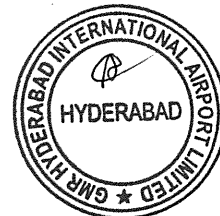
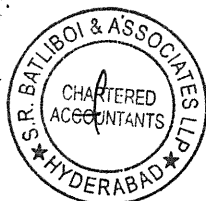
**B. Guarantees excluding Financial Guarantees:**

In case of the Company, Bank guarantees outstanding in respect of customs and others Rs. 1.94 crores (March 31, 2018: Rs. 8.91 crores).

Note: Performance guarantees given by the Company on its own behalf are not considered as contingent liability.

**C. Matters under dispute are as follows:**

- i. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated January 29, 2010 on irregular availment of the Cenvat amounting to Rs. 24.54 crores (March 31, 2018: Rs. 24.54 crores). The order also included penalty of Rs. 31.11 crores (March 31, 2018: Rs.31.11 crores). As per the stay order the Company had deposited an amount of Rs. 12.20 crores with the service tax department. During the year, the Company has received an order dated March 14, 2019 from the CESTAT. The said Order has allowed the Cenvat credit of Rs. 12.12 crores, remanded Cenvat credit of Rs. 4.01 crores and disallowed Cenvat credit of Rs. 8.41 crores. Accordingly, penalty amount got reduced to Rs. 12.42 crores. In addition, the order also allowed cenvat credit of Rs. 6.56 crores which was capitalized earlier. However, the same has not been given effect to in the financial statements pending expiry of period for filing the appeal. Further, against the disallowance of Rs. 8.41 crores, the Company is in the process of filing an appeal with the Hon'ble High Court of Telangana.
- ii. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated October 28, 2009, as per which the Company is liable to pay an amount of Rs. 7.43 crores (March 31, 2018: Rs.7.43 crores) towards penalty on delay in payment of service tax on the UDF. The Company has got the stay order against the above said order in the earlier years. During the year, the Company had received Order from Division bench of CESTAT comprising two members where in, the Member – Judicial allowed the appeal and Member - Technical confirmed the demand. Therefore, the matter is to be referred to a third member by CESTAT for resolving the same.



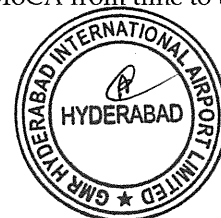
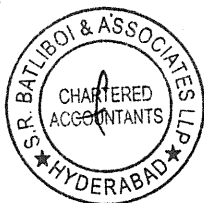
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- iii. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated November 25, 2013 on non- payment of service tax on recovery of electricity and water charges from its concessionaires and irregular availment of Cenvat amounting to Rs. 1.53 crores (March 31, 2018: Rs. 1.53 crores), including penalty of Rs 1.67 crores (March 31, 2018: Rs. 1.67 crores). The Company had received a stay subject to pre-deposit of Rs. 0.15 crores and accordingly, the Company had deposited same with the service tax department within the stipulated time.
- iv. The Company received an Order dated December 27, 2017 (Show Cause notice dated June 17, 2013) from the Office of Assistant Commissioner of Central Tax on non- payment of service tax on import of services amounting to Rs. 0.25 crores (March 31, 2018: Rs. 0.25 crores). The Order also includes the interest payable thereon and penalty of Rs. 0.26 crore (March 31, 2018: Rs.0.26 crore). Subsequent to year ended March 31, 2018, the Company has filed an appeal before the office of Commissioner (Appeals) and deposited an amount of Rs. 0.001 crores with department to file the appeal. During the year, the Company has filed an appeal with CESTAT against the order passed by Commissioner (Appeals) confirming the demand of Rs.0.26 crore.
- v. The Company has received an order dated March 23, 2018 from the Office of Commissioner of Central Tax on irregular availment of exemption on sale of space for advertisement undervaluation of security services received from CISF, irregular availment of Cenvat credit on capital goods & inputs and non-payment of service tax on notice pay from the Office of Commissioner of Central Tax amounting to Rs. 2.39 crores (March 31, 2018: Rs. 2.39 crores). The order also includes a penalty of Rs. 1.80 crores (March 31, 2018: Rs. 1.80 crores) and interest as applicable. During the year, the Company has filed an appeal before the CESTAT and deposited an amount of Rs.0.18 crores as required to file the appeal.
- vi. The Company had received an order (Show Cause Notice dated April 23, 2014) from the Office of Commissioner of Customs, Central Excise and Service tax dated June 11, 2015 on Irregular availment of Cenvat credit amounting to Rs. 0.62 crore (March 31, 2018: 0.62 crore). The order also includes penalty of Rs. 0.62 crore (March 31, 2018: Rs. 0.62 crore). The Company has filed the appeal before the Customs, Excise and Service Tax Appellate Tribunal and deposited an amount of Rs. 0.05 crore with the service tax department as required to file the appeal.
- vii. The Company had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 crores (March 31, 2018: Rs. 25.20 crores). The Company had received the stay order against the said order in the earlier years.
- viii. The Company had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. The Company had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2019 amounts to Rs. 4.62 crores (March 31, 2018: Rs. 4.28 crores).
- ix. Recovery from PSF (SC) Escrow account:
- a) The Ministry of Civil Aviation (MoCA) had issued the order vide order no. AV 13024 /03/2011-AS (Pt. I), dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by the Airport Operator in a fiduciary capacity. The Company had incurred Rs. 94.30 crores (March 31, 2018: Rs. 94.48 crores towards capital expenditure (including the construction cost and cost of land mentioned in note (b) and excluding related maintenance expense and interest thereon) till September 30, 2018 out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.



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As the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by the MoCA from time to time in this regard, the Company had challenged the said order before Hon'ble High court of Andhra Pradesh. The Honorable Court, vide its order dated March 3, 2014 followed by further clarifications dated April 28, 2014 and December 24, 2014, stayed the MoCA order with an undertaking that, in the event the decision of the writ petition goes against the Company, it shall reverse all the expenditure incurred from PSF (SC).

The Company has stopped incurring maintenance expenditure of security systems / equipment from the PSF (SC) fund with effect from April 1, 2018. Accordingly, during the year ended as at March 31, 2019 an amount totaling to Rs. 3.07 Crores incurred on maintenance of security systems / equipment has been considered in the above financial statements.

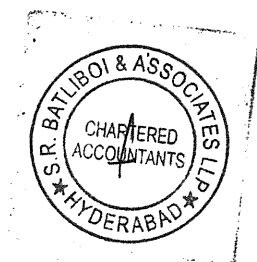
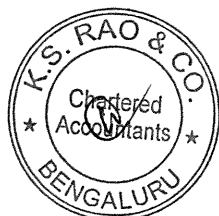
- b) As per the advice from the Ministry of Home Affairs and the SOP issued by the MoCA on March 06, 2002, the Company, through its wholly owned subsidiary, Hyderabad Airport Security Services Limited (HASSL) constructed the residential quarters for Central Industrial Security Force (CISF) deployed at the airport. After completion of such construction, the total construction cost including the cost of land amounting to Rs 69.92 Crores (March 31, 2018: Rs. 69.92 Crores) was debited to the Passenger Service Fee (Security Component) Fund [PSF (SC) Fund] with intimation to the MoCA. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that, the Company had not obtained prior approval from the MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by the MoCA. However, Management of the Company is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached the MoCA for approval of such debit notes to the PSF (SC) Fund account and also, made an application for an increase in PSF (SC) tariff to recover these dues and to meet the shortfall in discharging other liabilities from PSF (SC) fund. In the earlier years, the MoCA responded that, it is not in a position to consider the request for enhancement in the PSF (SC) tariff. As a result, the Company had requested the MoCA to advise the Airport Economic Regulatory Authority (AERA) for considering the cost of construction, land and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the airport. Pending final instructions from the MoCA, residential quarters continue to be accounted under the PSF (SC) Fund and no adjustments have been made to these financial statements.
- x. Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 crores (March 31, 2018: Rs. 2.05 crores).
- xi. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 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.

Based on the internal assessment and / or legal opinion, the Management of the Company is confident that, for the aforesaid mentioned contingent liabilities, no further provision is required to be made as at March 31, 2019.

### III. Commitments

#### a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) amounting to Rs. 3,290.73 crores including the goods and service tax (March 31, 2018: Rs. 210.37 crores including the goods and service tax). (refer note 54)



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**Note:** In order to meet the capital commitment, the Company has tied up the rupee term facility amounting to Rs. 4,200 Crore with a bank. Further, the said facility is available for drawdown for next five years with door to door tenure of 16 year 3 months.

**b) Other commitments**

- i. As per the terms of concession agreement, the Company is required to pay concession fees to the Ministry of Civil Aviation (MoCA) @ 4% on all its gross revenue (as defined in Concession Agreement) of the Company for an initial term of 30 years starting from March 23, 2008 which can be extended by another 30 years at the option of the Company which has been exercised by the Company & the same is calculated as per the provisions of Ind AS.
- ii. The Company has committed to provide financial support as necessary, to enable its wholly owned subsidiary company, GMR Aerospace Engineering Limited to meet its operational requirements as they arise and to meet its liabilities as and when they fall due.
- iii. For commitments pertaining to lease arrangement refer clause I of note 36.

**37. Significant accounting judgments, estimates and assumptions**

**a. Judgements**

In the process of applying the Company's accounting policies, management has made the following judgments, which has the effect on the amounts recognised in the financial statements:

**Discounting rate**

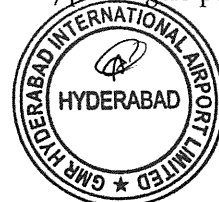
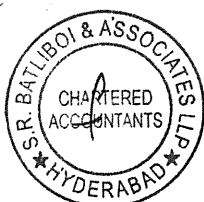
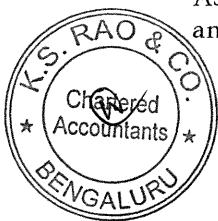
The Company has considered incremental borrowing rate of Airport sector i.e. 11.44% as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost. However, for the transactions undertaken from April 1, 2018 incremental borrowing rate of Airport sector i.e. 9.65% has been considered.

**Non applicability of Service Concession Agreement (SCA)**

The Company had entered into Concession agreement with the MoCA, which gives the Company an exclusive right of development, design, financing, construction, commissioning, maintenance, operation and management of the Hyderabad Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years at the option of the Company. Under the agreement, the MoCA has granted exclusive right and authority to perform some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, up gradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Airport activities' (regulated services) and 'Non-Airport Activities' (non-regulated services). Airport Activities are regulated while there is no control over determination of prices for Non-Airport activities. Charges for Non-Airport activities are determined at the sole discretion of the Company.

Appendix D to Ind AS 115 contains provisions to cover arrangements between public and private enterprises- referred to as service concession arrangement ("SCA"). An entity is required to evaluate applicability of SCA for its arrangement under public to private partnership based on SCA guidance. The applicability of service concession depends whether the grantors control or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and also control the residual interest in the infrastructure.

The Company management conducted detailed analysis to determine applicability of Appendix D of Ind AS 115. The concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from the Company, MoCA and users/ passengers perspective.





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Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. Airport premises is being used both for providing regulated services and for providing non-regulated services. Based on the Company's proportion of regulated and non-regulated activities, the directors have determined that over the concession period, the unregulated business activities drives the economics of the arrangement and contributes substantially to the profits of the Company and hence concluded that SCA does not apply in its entirety to the Company.

The Company had received advance revenue from its customer. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

**Concession fee:**

As per the Concession Agreement (CA) entered into by the Company with Ministry of Civil Aviation (MoCA) in December, 2004, the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to mean all pre-tax revenue of the Company with certain specified exclusions.

Management is of the view that certain income / credits arising on adoption of Ind-AS and also mark to market gain on valuation of IRS was not in contemplation of parties in December 2004 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, are not treated as "Gross Revenue" for calculation of Concession fee to MoCA. Accordingly, the Company, based on Legal Opinion, has provided the concession fee to MOCA based on Gross Revenue as per the financial statements after adjusting such incomes/credits (Refer Note 47).

**Leases:**

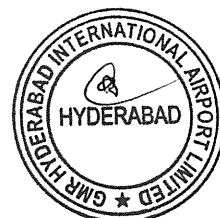
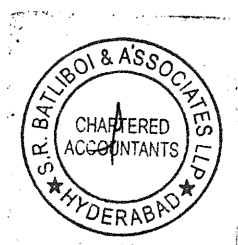
As per the terms of the Concession Agreement and Land Lease Agreement, the Government of Telangana leased the land to the Company for the concession period. The lease term neither constitutes a major part of the economic life nor the fair value of the land. Hence, all the significant risk and rewards of the ownership have not been transferred and accordingly the lease is classified as an operating lease.

**b. 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.

**Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment 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.



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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 in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

#### Contingent liabilities

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 judgment and the use of estimates regarding the outcome of future events. Refer clause II of Note 36 for further disclosures.

#### 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 Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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. Refer Note 38, 39 and 40 for further disclosures.

#### Tax

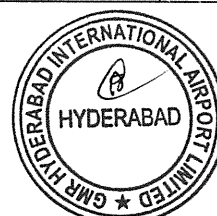
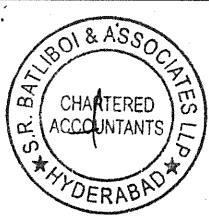
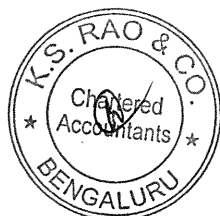
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the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

#### 38. Fair values

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

#### Break up of financial assets and financial liabilities

	Carrying value		Fair value	
	March 31, 2019	March 31 2018	March 31, 2019	March 31 2018
<b>Financial Assets</b>				
<b>At fair value through Profit or loss</b>				
Investments in mutual funds	91.46	609.61	91.46	609.61
<b>At fair value through Other Comprehensive income</b>				
Cross Currency Swap (Derivative designed as cash flow hedge) *	239.23	71.69	239.23	71.69



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	Carrying value		Fair value	
	March 31, 2019	March 31 2018	March 31, 2019	March 31 2018
<b>At amortized cost</b>				
Investments in commercial paper	370.35	216.61	370.35	216.61
Loans	89.07	78.85	89.07	78.85
Bank balances other than cash and cash equivalents	77.96	51.99	77.96	51.99
Other financial assets	36.46	27.74	36.46	27.74
Trade receivables	143.55	107.43	143.55	107.43
Cash and cash equivalents	380.68	571.28	380.68	571.28
<b>Total</b>	<b>1428.76</b>	<b>1,735.20</b>	<b>1428.76</b>	<b>1,735.20</b>
<b>Financial liabilities</b>				
<b>At amortized cost</b>				
Borrowings	2704.95	2567.37	2,536.66	2,421.68
Other financial liabilities	666.74	485.47	672.80	485.47
Trade payables	85.58	89.74	85.58	89.74
<b>Total</b>	<b>3457.27</b>	<b>3142.58</b>	<b>3295.04</b>	<b>2,996.89</b>

**Break up of financial assets**

\* Excludes interest accrued of Rs. 39.81 crore (March 31, 2018: Rs. 40.36 crore).

The management assessed the cash and cash equivalent, trade receivables trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

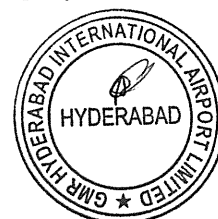
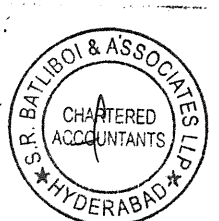
**Assumption used in estimating the fair values:**

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. The following methods and assumptions were used to estimate the fair values:

- Cross currency swaps: -The fair value of cross currency swaps is calculated as the present value of the estimated future cash flows based on observables yield curve.
- The fair values of quoted mutual funds and commercial paper are based on price quotations at the reporting date.
- The fair value of loans is computed using the current applicable discounting rate (9.65%) and the carrying value is measured at the initial rate of 11.44%.
- The fair value of borrowings is based on the traded price of the bond and the prevailing exchange rate.

**39. Fair Value Hierarchy:**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.



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

	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
<b>Assets measured</b>					
<b>At FVTPL</b>					
Investment in mutual funds	March 31, 2019	91.46	91.46*	-	-
	March 31, 2018	609.61	609.61*	-	-
<b>At FVTOCI</b>					
Derivative designed as cash flow hedge (Cross currency swap)	March 31, 2019	239.23	-	239.23*	-
	March 31, 2018	71.69	-	71.69*	-
<b>Liabilities measured</b>					
4.25% Senior Secured Notes	March 31, 2019	2208.64	2208.64*	-	-
	March 31, 2018	2093.66	2093.66*	-	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

**\*Valuation Techniques used to determine the Fair Value:**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market price of Mutual funds.
- The Fair value of cross currency swaps is calculated as the present value of estimated future cash flows based on observable interest yield curves.
- The fair value of 4.25% senior secured notes is based on the traded price of the bond and the prevailing exchange rate.

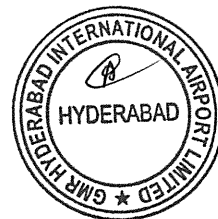
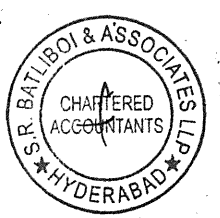
**40. Financial risk management objectives and policies:**

The Company's activities expose it to variety of finance risk, market risk, credit risk and liquidity risk. The Company's focus is to foresee such risks and seek to minimize potential adverse impact on its financial performance.

**Financial risk**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents are derived from its operations.

The Company's management oversees the mitigation of the risks. The Company's management is supported by its strategic planning, treasury and Finance department that advises on market risk, financial risk and the appropriate financial risk governance framework for the Company. The Finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The same is further reviewed and



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reassured to the management by the internal assurance team. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The management / board reviews and agrees policies for managing these risks.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and Demand risk. Financial instruments affected by market risk include loans and borrowings, Investments carried at FVTPL and deposits.

However, it may be noted that as part of one of principle source of revenue i.e. aeronautical charges which are regulated, the risks are mitigated to a larger extent in case of any movement as the same are allowed as true up through determination of aeronautical tariff for the next control period.

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

The sensitivity analysis for borrowings have been not prepared as the amount of debt is fully hedged at the fixed currency exchange rate, therefore there is no impact on account of foreign exchange fluctuation.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The analysis for the contingent consideration liability is provided in Note 37 b.

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

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

**Interest rate risk**

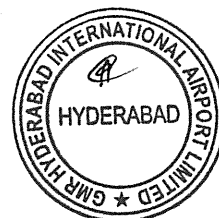
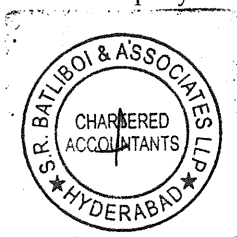
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates as the Company's long-term debt obligations are in the form of Senior secured notes with fixed interest rate of 4.25% p.a. on total amount of USD 350 million which has been swapped for 8.65% p.a. (weighted average of all CCS contracts) on INR notional of Rs. 2,229.95 Crores (March 31, 2018 Rs. 2,229.95 Crores) (total of all CCS contracts)

The Company manages its interest rate risk by having a portfolio of fixed rate borrowings. As on March 31, 2019, approximately 100% (March 31, 2018: 100% after taking into account the effect of interest rate swaps) of the Company's borrowings are at a fixed rate of interest.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period for actual outstanding balances as at year end is Nil as the Company fixed interest bearing borrowings. Therefore any change in interest rate will not impact the profit.

**Foreign currency risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange



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rates relates primarily to the Company's borrowings. To manage the risk the Company has entered into cross currency swaps and designated the same as cash flow hedge.

**Cash flow hedges**

Cross Currency Swaps (CCS) measured at fair value and designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 4.25% Senior Secure Notes (SSN) amounting to USD 350 million (INR 2,376.93 crore) (March 31, 2018: 2,239.35 crore). CCS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. It can be seen as exchange of payments of two currencies. The Company pays fixed interest on the INR notional as determined in the swap contract and receives fixed coupon on USD notional. The Company pays INR notional of the swap and receives the USD Notional of the CCS. Critical terms of the swap contract (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover the Company from risk of movement in the foreign currency.

The Company's exposure to unhedged foreign currency risk at the end of the reporting period expressed in foreign currency is as follows.

Payable on	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
Foreign Currency	Foreign Currency	(Rs. In Crore)	Foreign Currency	(Rs. In Crore)
EUR	(179,314)	(1.39)	(1,24,236)	(1.01)
CHF	(11,160)	(0.08)	-	-
GBP	(79,683)	(0.72)	(2,27,866)	(2.12)
USD	(119,826)	(0.83)	(5,52,204)	(3.61)
CAD	-	-	(31,718)	(0.16)
<b>Grand Total</b>	-	<b>(3.02)</b>	-	<b>(6.90)</b>

**Foreign currency sensitivity**

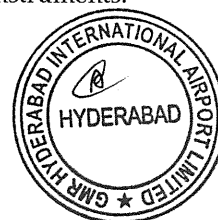
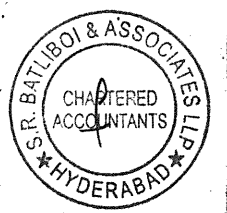
The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is as under.

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2019 Rs.	March 31, 2018 Rs.
USD	Change in fair valuation of financial liabilities	5%	0.04	0.18
EUR	Change in fair valuation of financial liabilities	5%	0.07	0.05
GBP	Change in fair valuation of financial liabilities	5%	0.04	0.11

The Company's exposure to foreign currency changes for all other currencies is not material.

**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. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.



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**Trade receivables**

Customer credit risk is managed by the Company as per approved debtors policy and established procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any credit to new customers are generally covered by appropriate security in the form of deposits and/ bank guarantees.

At March 31, 2019, the Company had 11 customers (31 March 2018: 16 customers) that owed the Company more than 1% each of total receivable and accounted for approximately 71% (March 31, 2018: 72%) of all the receivables outstanding. There were 3 customers (March 31, 2018: 2 customers) with balances greater than 5% each accounting for approximately 48% (March 31, 2018: 30%) of the total amounts receivable.

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as moderate, as its customers are broad-based, however, they operate largely in dependent market.

**Financial instruments (security deposits) and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within prudent limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

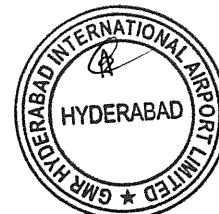
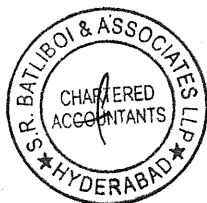
**Liquidity risk**

The Company monitors its risk of a shortage of funds using a rolling cash flow forecasts.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities and bank loans. The Company's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. Approximately, 0.49% of the Company's debt will mature in less than one year at March 31, 2019 (March 31, 2018: 0.51%) based on the outstanding amount of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

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

	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>Year ended March 31, 2019</b>						
Borrowings	12.97	-	-	-	2,735.48	2,748.45
Trade payables	-	85.58	-	-	-	85.58
Other financial liabilities	1.87	314.52	94.20	173.40	122.59	706.58
Corporate Guarantee	494.57	-	-	-	-	494.57
<b>Total</b>	<b>509.41</b>	<b>400.10</b>	<b>94.20</b>	<b>173.40</b>	<b>2,858.07</b>	<b>4,035.18</b>
<b>Year ended March 31, 2018</b>						
Borrowings	-	-	12.97	-	2601.95	2614.92
Trade payables	-	89.74	-	-	-	89.74
Other financial liabilities	3.10	89.82	133.94	132.47	135.11	494.44
Corporate Guarantee	500.75	-	-	-	-	500.75
<b>Total</b>	<b>503.85</b>	<b>179.56</b>	<b>146.91</b>	<b>132.47</b>	<b>2,737.06</b>	<b>3,699.95</b>



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**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

**41. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital plus debt. The Company's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

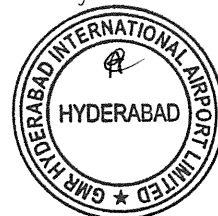
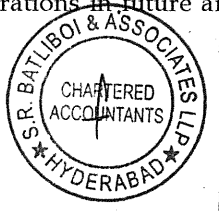
**Gearing Ratio:**

Particulars	March 31, 2019	March 31, 2018
Borrowings	2704.95	2567.37
<b>Total Debts(A)</b>	<b>2704.95</b>	<b>2567.37</b>
Share Capital	378.00	378.00
Other equity	1287.82	744.42
<b>Total Equity (B)</b>	<b>1665.82</b>	<b>1,122.42</b>
<b>Total equity and total debt (C=A+B)</b>	<b>4370.77</b>	<b>3689.79</b>
<b>Gearing ratio (A/C)</b>	<b>61.89%</b>	<b>69.58%</b>

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 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 loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

42. The financial statement as at March 31, 2019 include investment and share application money totaling to Rs. 267.31 Crores (March 31, 2018: Rs. 238.81 crore) made in wholly owned subsidiary company, GMR Aerospace Engineering Limited (GAEL) and investment of Rs. 2.34 crores (March 31, 2018: Rs.2.27 Crores) in GMR Aero Technic Limited (GATL), which is a wholly owned subsidiary of GAEL. GATL has incurred a net loss of Rs. 5.44 crore for the year ended March 31, 2019 (March 31, 2018: Rs. 57.79 crore) and has accumulated losses of Rs. 245.57 crore as at March 31, 2019 (March 31, 2018: Rs. 258.65 crore), which exceeds its net worth based on the audited financial statements. Also, GATL has incurred cash losses in the current year. The recovery of such investments is dependent upon the ability of the aforesaid wholly owned subsidiary to scale up its operations in future and achieve sustained profitability. Based on the future



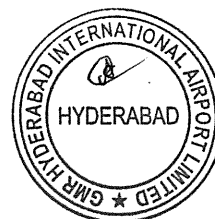
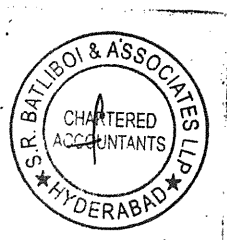


business plan and projections approved by the Board of Directors of subsidiary company and valuation assessment done, the Management is of the view that there is no permanent diminution in the value of such investments. Accordingly, these financial statement do not include any adjustments relating to the recoverability of the aforesaid investments.

43. The Company has recognized, Minimum alternate tax (MAT) credit entitlement of Rs. 405.41 crore (March 31, 2018: Rs. 269.10 crore), as the Company based on estimates expects to adjust this amount after expiry of the tax holiday period (i.e. AY 2022-23) u/s 80IA of the Income Tax Act, 1961. Management is confident that in view of the anticipated tariff orders for the control periods which will effective from financial year 2019-2020, the Company's normal tax liability will be more than the MAT payable after considering the deduction under section 80IA of the Income Tax, Act, 1961.
44. The Airport Economic Regulatory Authority ('AERA'), passed an Aeronautical tariff order No. 38 dated February 24, 2014, in respect of control period from April 1, 2011 to March 31, 2016. The Company had filed an appeal, challenging the disallowance of pre - control period losses, foreign exchange loss on ECB and other issues for determination of its tariff with the AERA Appellate Tribunal (AERAAT) against the aforesaid order. Due to non-constitution of AERAAT Bench, the Company had filed a writ petition with the Honorable High Court at Hyderabad for the State of Telangana and for the State of Andhra Pradesh, which is yet to be heard.
45. The Company filed an application with AERA for determination of Aeronautical Tariff in respect of Second Control period from April 1, 2016 to March 31, 2021 including True up for shortfall of receipt vis a vis entitlement for the first control period. Pending determination of Aeronautical Tariff, AERA vide its order no. 48 dated March 25, 2019 has allowed to continue to charge the Aeronautical tariff as prevailed on 31.03.2019 for a period of 6 months w.e.f. April 1, 2019 or till determination of tariff for the aforesaid period whichever is earlier.
46. On December 19, 2017, AERA issued a Consultation Paper inviting comments from all stakeholders in connection with determination of Tariff of the Hyderabad Airport for the Second Control Period. However, as the aforesaid Consultation Paper does not address the existing issues arising out of the Tariff Order for the first control period, the Company filed a writ petition against the aforesaid Consultation Paper before the Honorable High Court at Hyderabad for the State of Telangana and for the State of Andhra Pradesh on February 6, 2018. Pending the disposal of the existing matters of the Tariff Order for the first control period, the Honorable High Court issued a stay order dated February 7, 2018 in respect of further proceedings in determination of Tariff order for the second control period.
47. As per the Concession Agreement (CA), the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of GHIAL with certain specified exclusions.

Management is of the view that mark to market gain on valuation of IRS was not in contemplation of parties in December 2004 when this Concession agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, are not treated as "Gross Revenue" for computation of Concession fee to MoCA. Accordingly, the Company, has not provided the concession fee on such income / credits.

Also, income generated on investment of part proceeds of SSN earmarked for airport expansion project and adjusted from the value of capital work in progress does not represent receipts from business operation and the same is not considered for computation of Concession fee to MoCA.



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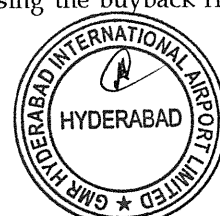
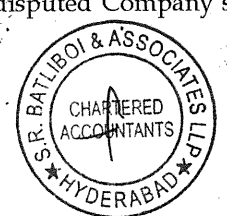
Notes to the Standalone financial statements for the year ended March 31, 2019  
(All amounts in Rupees Crores unless otherwise stated)

Description	Incomes forming part of	For the year ended March 31, 2019	For the year ended March 31, 2018
Discounting on fair valuation of deposit received from concessionaries	Income from operations	4.53	0.78
Income recognised on advance from customers under Ind AS 115	Income from operations	1.10	-
Reversal of Fair value of financial instruments Interest Rate Swap	Finance income	-	11.92
Discounting of Interest free loan given to subsidiaries	Finance income	3.22	4.17
Income arising from fair valuation of financial guarantee	Finance income	2.55	5.63
Discounting on fair valuation of deposit paid to vendors	Finance Income	0.31	-
Income from government grant	Other income	5.26	4.11
Amortisation of deferred income	Other income	14.08	3.78
Gain on reinstatement of 4.25% Senior Secured Notes	Other income	-	43.72

48. Reimbursement of expenses claimed by the Company have been reduced from the respective expense head as mentioned in the table below:

Expense Head	For the year ended March 31, 2019	For the year ended March 31, 2018
Electricity and water charges	45.08	40.30
Salaries, wages and bonus	3.66	3.30
Staff welfare expenses	0.82	0.81
Insurance	0.02	0.02
Rates and taxes	0.21	0.21
Bank charges	0.28	0.14
Miscellaneous expenses	0.19	0.07
Advertising and business promotion	-	0.02
Travelling and conveyance	0.33	0.02
Repairs and maintenance	2.51	-
Office Maintenance	0.74	0.03
<b>Total</b>	<b>53.84</b>	<b>44.92</b>

49. The Board of directors of wholly owned subsidiary namely "Hyderabad Airport Security Service Limited"(HASSL) at its meeting held on September 17, 2018, approved the proposal to wind up the affairs by way of voluntary liquidation. Accordingly, HASSL has appointed Official Liquidator for the purposed voluntary liquidation on September 27, 2018 and is under the Voluntary Liquidation Process as required under Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. As on date, "HASSL" has the positive net worth hence does not have any adverse effect to the above financial results of the Company.
50. In accordance with the provisions of the amended and restated Joint Venture Agreement (JVA) dated November 16, 2010 executed by the Company with Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited (MACL), Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited (HMACPL), the Company exercised its Buy Back Rights to buy the shares held by MACL in HMACPL. MACL disputed Company's position as regards exercising the buyback rights. In



view of the above dispute, GHIAL invoked Arbitration and post conclusion of proceedings the Arbitral Tribunal issued the final award on January 29, 2018 dismissing the claims of the Company with costs stating that the fair market value was not determined as per the requirement of JVA, The Company has thus not exercised its buy back rights validly and hence dismissed the claims of the Company with costs.

However, on October 30, 2018, the Company has entered into a share purchase agreement to buy out the balance 49% stake in HMA CPL held by the, Menzies Aviation Cargo (Hyderabad) Ltd. at a value of Rs. 59.75 Crore. Accordingly, post transfer of shares in favour of the Company on November 2, 2018, HMA CPL became a wholly owned subsidiary of the Company. Further, with effect from November 5, 2018, the name of the HMA CPL has been changed to GMR Hyderabad Air Cargo and Logistics Private Ltd. (GHACLPL).

51. The Board of Directors of three of its subsidiary companies, namely GMR Hyderabad Air Cargo and Logistics Private Limited ("GHACLPL"), GMR Aero Technic Limited ("GATL") and GMR Aerospace Engineering Limited ("GAEL") in their meeting held on December 10, 2018 has approved, subject to the required approvals, the Composite Scheme of Arrangement amongst GHACLPL (Transferor Company) and GATL (Demerged company) and GAEL (Transferee/Resulting Company) and their respective Shareholders and Creditors ("Scheme"), wherein GATL will demerge the Maintenance, Repair and Overhauling (MRO) business and the demerged undertaking will be merged into GAEL with an Appointed Date of April 01, 2018.

Further, the Composite Scheme of Arrangement amongst GHACLPL (Transferor Company), GATL (Demerged company) and GAEL (Transferee/Resulting Company) and their respective Shareholders and Creditors ("Scheme") has been filed with the National Company Law Tribunal (NCLT) on January 10, 2019 under applicable laws / regulations to give effect to the above scheme and is pending approval of the NCLT.

52. The financial statements of the Company do not include Accounts for Passenger Service Fee- Security Component [PSF- (SC)] as the same are maintained separately in the fiduciary capacity by the Company on behalf of the Government of India and are governed by Standard Operating Procedure vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by the Ministry of Civil Aviation, Government of India.
53. The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 21. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

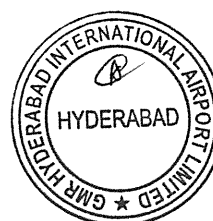
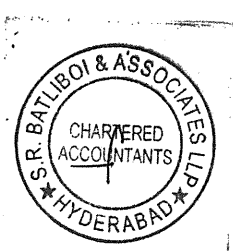
**Contract balances**

Particulars	March 31, 2019		March 31, 2018	
	Non - current	Current	Non - current	Current
Trade receivables *	-	143.55	-	107.43
Contract assets**	-	2.88	-	1.65
Contract liabilities***	6.49	1.96	6.21	2.08

\* Trade receivables, beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2019, Rs. 1.09 crore (March 31, 2018 Rs. 0.57 crore) was recognized as provision for expected credit losses on trade receivables

\*\* Contract asset includes unbilled revenue.

\*\*\* Contract liabilities includes unearned revenue received from customers (Current and Non-current)



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Details of provision movement for trade receivable are as below:

Particulars	March 31, 2019	March 31, 2018
Opening balance	0.57	0.34
Add: Provision made during the year	4.27	0.40
Less: Bad Debts written off	(3.75)	(0.17)
Less: Provision reversed / written back	-	-
Closing balance	1.09	0.57

**54. Events occurring after the Balance Sheet date**

Subsequent to the year ended on March 31, 2019, the Company has issued the 5.375% senior secured notes (SSN) through overseas market equivalent to USD 300 million (INR 2067.15 Crore). SSN were listed on Singapore stock exchange on April 10, 2019. The SSN are repayable after five years on April 10, 2024. The proceeds of the SSN is proposed to be utilized for capital expenditures with respect to Airport Activities (as defined in the Concession Agreement) as part of the expansion.

**55. Amendment 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.

Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017, Companies (Indian Accounting Standards) Amendment Rules, 2018 and Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard:

**New Standard issued but not yet effective**

**Ind AS 116 Leases**

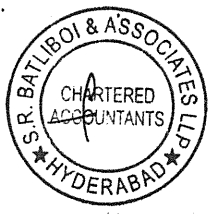
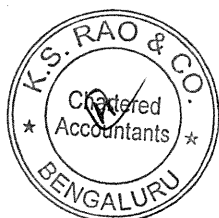
On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance 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 Company w.e.f. April 1, 2018 using either one of the following 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.

#### Appendix C to Ind AS 12 uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

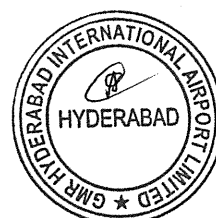
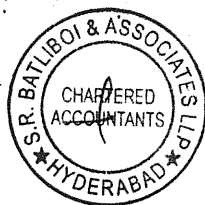
An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 1, 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Company may need to establish processes and procedures to obtain information that is necessary to apply the interpretation on a timely basis.

#### Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement, using the net defined benefit liability (asset) reflecting the benefits offered under the



**GMR Hyderabad International Airport Limited**

CIN: U62100TG2002PLC040118

**Notes to the Standalone financial statements for the year ended March 31, 2019**

(All amounts in Rupees Crores unless otherwise stated)

plan and the plan assets after that event and the discount rate used to re measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement without considering the effect of the asset ceiling. This amount is recognized in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any the first change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendment, curtailment or settlement occurring on or after the beginning of the first annual reporting period that begins on or after April 1, 2019. These amendments will apply only to any future plan amendments, curtailment or settlements of the Company.

**Annual improvements to Ind AS**

**Amendment to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

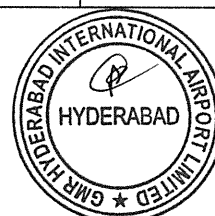
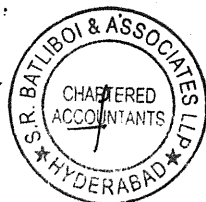
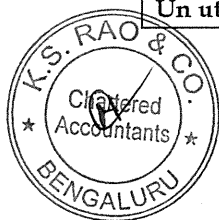
**56. Utilisation of money raised through issue of Senior Secured Notes (SSN)**

During the previous year, the Company raised USD 350 million (INR 2,273.74 crore) through issue of 4.25% Senior Secured Notes (SSN) from overseas market for the following purpose:

- (i) repay the existing Rupee Facilities and the External Commercial Borrowing (ECB) Facility and pay the termination payments for the interest rate swaps (IRS) related thereto, and
- (ii) use any remaining amounts for capital expenditures with respect to Airport Activities (as defined in the Concession Agreement) as part of the expansion.

The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. October 27, 2027.

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Un utilised amount at the beginning of the year (A)</b>	<b>407.33</b>	<b>-</b>
<b>Amount raised during the year (B)</b>	<b>-</b>	<b>2,273.74</b>
Less: Amount utilised during the year:		
Repayment of ECB	-	449.55
Interest rate swap termination cost	-	55.32
Repayment of existing Rupee facilities	-	1,261.97
Utilized for expansion project works	422.37	111.57
<b>Total (C)</b>	<b>422.37</b>	<b>1,878.41</b>
Add: Income on temporary cash investment (D)	15.04	12.00
<b>Un utilised amount at the end of the year (A+B-C+D)</b>	<b>-</b>	<b>407.33</b>



**GMR Hyderabad International Airport Limited**

CIN: U62100TG2002PLC040118

Notes to the Standalone financial statements for the year ended March 31, 2019

(All amounts in Rupees Crores unless otherwise stated)

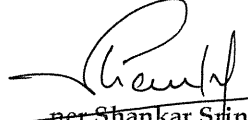
Details of temporary cash investment made from unutilized portion of Senior Secured Notes raised during the year ended as at March 31, 2019:

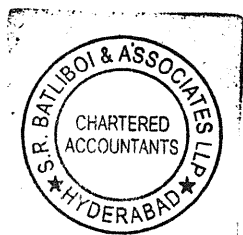
Name of Mutual Fund	No of Units	March 31, 2019	No of Units	March 31, 2018
<b>Investment in Liquid Growth Fund</b>				
HDFC Liquid Fund	-	-	293,657.06	100.00
ICICI - Liquid fund	-	-	4,765,468.23	121.96
AXIS Liquid Fund	-	-	2,701.77	0.52
SBI Premier Liquid Fund	-	-	286,959.04	77.78
Birla Sunlife Cash Plus	-	-	3,854,992.93	107.07
<b>Total</b>	<b>-</b>	<b>-</b>		<b>407.33</b>

57. The Company has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements.

**For S.R. BATLIBOI & ASSOCIATES  
LLP**

Chartered Accountants  
ICAI Firm Registration  
Number: 101049W/E300004

  
per Shankar Srinivasan  
Partner  
Membership No.: 213271



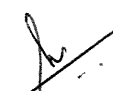
**For K S Rao & Co.,  
Chartered Accountants**  
ICAI Firm Registration  
Number: 003109S


  
per Hitesh Kumar P  
Partner  
Membership No.: 233734





**For and on behalf of the Board of Directors of  
GMR Hyderabad International Airport  
Limited**

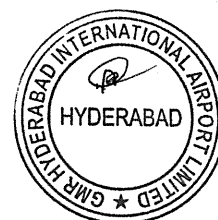
  
GBS Raju  
Managing Director  
DIN.: 00061686

  
S G K Kishore  
Chief Executive Officer

  
Anup Kumar Samal  
Company Secretary

  
RSSLN Bhaskarudu  
Director  
DIN.: 00058527

  
Rajesh Arora  
Chief Financial Officer



Place: Hyderabad  
Date: April 29, 2019

Place: Hyderabad  
Date: April 29, 2019

Place: Hyderabad  
Date: April 29, 2019