GMR INFRASTRUCTURE (MAURITIUS) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 APRIL 2018

TO 31 DECEMBER 2018

CONTENTS	PAGES

			Date of appointment
DIRECTORS	:	Nousrath Begum Bhugeloo	18 December 2007
		Devananda Naraidoo	20 March 2013
		Rishikesh Batoosam (*Alternate to Nousrath Begum Bhugeloo*)	20 May 2016
		TUMMALAPALLI, Srinivasa Subrahmanya Veerabhadra Lakshminarayana	23 September 2016
		Rishikesh Batoosam (*Alternate to Devananda Naraidoo*)	06 December 2016
		Diwan Prakash Kumar (Alternate *to TUMMALAPALLI, Srinivasa Subrahmanya Veerabhadra Lakshminarayana)*	08 May 2017

ADMINISTRATOR AND SECRETARY : Ocorian Corporate Services Ltd (Previously known as Abax Corporate Services Ltd)
6th Floor, Tower A
1 CyberCity
Ebène
Republic of Mauritius

REGISTERED OFFICE : 6th Floor, Tower A
1 CyberCity
Ebène
Republic of Mauritius

AUDITOR : RSM Mauritius
Chartered Accountants
109, Moka Business Centre
Mount Ory Road, Bon Air
Moka
Republic of Mauritius

The directors are pleased to present their commentary together with the audited financial statements of GMR Infrastructure (Mauritius) Limited ("the Company") for the period from 01 April 2018 to 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding and provision of advisory, support and technical services relating to projects of the GMR Group and trading of commodities such as coal and steel in the international market at a mark-up.

RESULTS AND DIVIDENDS

The Company's loss for the period from 01 April 2018 to 31 December 2018 is **USD 11,340,476** (Year ended 31 March 2018: profit of USD 53,210,030).

The directors do not recommend the payment of dividends for the period under review (Year ended 31 March 2018: USD Nil)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards, as modified by the exemption provided by the Mauritius Companies Act 2001, have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

AUDITOR

The auditor, RSM Mauritius, have indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

By Order of the Board

ISABELLE ADRIEN, ACIS
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

SECRETARY

24 MAY 2019

SECRETARY'S CERTIFICATE
GMR INFRASTRUCTURE (MAURITIUS) LIMITED

UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001

We confirm, as secretary of the Company, that based on records and information made available to us by the Directors and Sole Shareholder of the Company, the Company has filed with the Registrar of Companies, for the period from 1 April 2018 to 31 December 2018, all such returns as are required of the Company under the Mauritian Companies Act 2001.

ISABELLE ADRIEN, ACIS
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED
COMPANY SECRETARY

2 4 MAY 2019

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This report is made solely to the shareholder of GMR Infrastructure (Mauritius) Limited (the "Company"), in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report, or for the opinion we have formed.

Opinion

We have audited the financial statements of GMR Infrastructure (Mauritius) Limited set out on pages 8 to 38, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 1 April 2018 to 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of GMR Infrastructure (Mauritius) Limited as at 31 December 2018, and its financial performance and cash flows for the period from 1 April 2018 to 31 December 2018 in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with these requirements and to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Mauritius Companies Act 2001. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Else, we have nothing to report in this regard.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor;
- We have obtained all information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

RSM
Chartered Accountants
Moka, Mauritius

Prashant Calcutteea, FCA
Licensed by FRC

Date: 24 May 2019

	Notes	For the period from 01 April 2018 to 31 December 2018 USD	For the year ended 31 March 2018 USD
REVENUE			
OTHER OPERATING INCOME			
Exchange gain (net)		**56,572**	171,356
Gain on fair valuation of financial assets at fair value through profit or loss	6	**234,210**	1,312,591
Gain on disposal of financial assets at fair value through profit or loss	6	**30,362**	7,978
Gain on disposal of investment in subsidiaries		-	72,814,700
Dividend income		**17,547,912**	-
		17,869,056	74,306,625
EXPENSES			
Other professional fees		**(13,160)**	(6,915)
Secretarial and administration fees		**(18,783)**	(78,317)
Audit fees		**(6,210)**	(6,230)
Accountancy fees		**3,467**	(9,200)
Directors' fees		**(491)**	(4,667)
Licence and registration fees		**(1,576)**	(2,801)
Tax fees		**804**	(1,500)
Rental expense		**(4,451)**	(5,789)
Legal fees		**(5,930)**	(7,317)
Custody fees		**(70,920)**	(72,009)
Impairment of deposit on shares		**-**	(17,721,986)
Impairment of financial assets	9	**(27,518,000)**	-
Total expenses		**(27,635,250)**	(17,916,731)
OPERATING (LOSS)/ PROFIT		**(9,766,194)**	56,389,894
Finance income	3	**-**	174,859
Finance cost	4	**(1,459,157)**	(3,354,723)
(LOSS)/PROFIT BEFORE INCOME TAX		**(11,225,351)**	53,210,030
Income tax expense	15	**(115,125)**	-
(LOSS)/PROFIT FOR THE PERIOD/YEAR		**(11,340,476)**	53,210,030
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		**(11,340,476)**	53,210,030

The notes on pages 12 to 38 form an integral part of these financial statements.

GMR INFRASTRUCTURE (MAURITIUS) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31 December 2018 USD	31 March 2018 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	5	**120,814,700**	120,814,700
Financial assets at fair value through profit or loss	6	**22,988,945**	29,224,373
Other non-current financial assets	7	**-**	1,265
Total non-current assets		**143,803,645**	150,040,338
Current assets			
Deposit on shares	8	**52,775,900**	292,748,506
Financial assets at amortised cost	9	**-**	27,476,000
Other non-financial assets	7	**2,490**	42,700
Cash and cash equivalents	10	**37,216**	86,290
Total current assets		**52,815,606**	320,353,496
Total assets		**196,619,251**	470,393,834
EQUITY AND LIABILITIES			
Stated capital	11	**320,550,001**	320,550,001
Other equity	12	**(221,648,574)**	-
Retained earnings		**10,391,766**	21,732,242
Total equity		**109,293,193**	342,282,243
Non-current liabilities			
Loans payable	13	**2,064,319**	43,182,570
Current liabilities			
Loans payable	13	**84,324,247**	83,858,173
Accounts payable	14	**822,367**	1,070,848
Income tax liability	15	**115,125**	-
Total current liabilities		**85,261,739**	84,929,021
Total liabilities		**87,326,058**	128,111,591
Total equity and liabilities		**196,619,251**	470,393,834

Authorised for issue by the Board of directors on 24 MAY 2019
and signed on its behalf by

Director

Director

The notes on pages 12 to 38 form an integral part of these financial statements.

	Stated capital USD (Note 11)	Other equity USD (Note 12)	Retained earnings USD	Total equity USD
At 01 April 2017	320,550,001	-	(31,456,702)	289,093,299
Profit for the year	-	-	53,210,030	53,210,030
Reserve on amalgamation	-	-	(21,086)	(21,086)
At 31 March 2018	320,550,001	-	21,732,242	342,282,243
Adjustment from adoption of IFRS 9 (Note 19)	-	-	-	-
Restated as at 01 April 2018	**320,550,001**	-	**21,732,242**	**342,282,243**
Acquisition of treasury shares	-	**(221,648,574)**	-	**(221,648,574)**
Loss for the period	-	-	**(11,340,476)**	**(11,340,476)**
At 31 December 2018	**320,550,001**	**(221,648,574)**	**10,391,766**	**109,293,193**

The notes on pages 12 to 38 form an integral part of these financial statements.

	For the period from 01 April 2018 to 31 December 2018 USD	For the year ended 31 March 2018 USD
Cash flows from operating activities		
(Loss)/profit before income tax	**(11,225,351)**	53,210,030
Adjustment for:		
Assets transferred under amalgamation	-	(16,694)
Liabilities assigned under amalgamation	-	804,000
Impairment of deposit on shares	-	17,721,986
Unrealised foreign exchange gain	-	(4,394)
Finance income	-	(174,859)
Finance cost	**1,454,106**	3,352,766
Gain on fair valuation of financial assets at fair value through profit or loss	**(234,210)**	(1,312,591)
Gain on disposal of financial assets at fair value through profit or loss	**(30,362)**	(7,978)
Gain on disposal of investments in subsidiaries	-	(72,814,700)
Dividend income	**(17,547,912)**	-
Impairment of financial assets	**27,518,000**	-
Operating profit (used in)/ from operations before working capital changes	**(65,729)**	757,566
Decrease in prepayments	**(524)**	1,875
Increase in accruals	**(48,481)**	29,860
Net cash (used in)/generated from operating activities	**(114,734)**	789,301
Cash flows from investing activities		
Acquisition of investment in subsidiaries	-	(70,000,100)
Disposal proceeds from sale of investment in subsidiaries	-	104,002,033
Disposal proceeds from sale of financial assets at fair value through profit or loss	**6,500,000**	3,400,000
Disposal proceeds on sale of deposit on shares	-	3,786,956
Interest received	-	415
Amount due from affiliates received	-	1,562,936
(Decrease)/increase in deposit on shares	**239,972,606**	(98,585,477)
Interest received on loans to related parties	-	1,508,222
Loans repaid to related parties	-	18,838,800
Dividend income received	**17,547,912**	-
Net cash generated from/ (used in) investing activities	**264,020,518**	(35,486,215)
Cash flows from financing activities		
Proceeds from borrowings	**9,070,000**	28,120,927
Repayment of borrowings	**(47,812,521)**	(780,000)
Interest and finance charges paid	**(3,363,762)**	(2,343,889)
Amount due to affiliate repaid	**(200,000)**	(8,052,652)
Share buyback	**(221,648,574)**	-
Net cash flow (used in)/ generated from financing activities	**(263,954,857)**	16,944,386
Net decrease in cash and cash equivalents	**(49,073)**	(17,752,528)
Cash and cash equivalents at beginning of the period/year	**86,289**	17,838,817
Cash and cash equivalents at end of the period/year	**37,216**	86,289

The notes on pages 12 to 38 form an integral part of these financial statements.

1. GENERAL INFORMATION

GMR Infrastructure (Mauritius) Limited (the "Company") is a private limited company incorporated on 18 December 2007, holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company's registered office is 6th Floor, Tower A, 1 CyberCity, Ebène, Republic of Mauritius.

The principal activity of the Company is investment holding and provision of advisory, support and technical services relating to projects of the GMR Group and trading of commodities such as coal and steel in the international market at a mark-up.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

Basis of presentation

The financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The Company has claimed exemption from preparing group financial statements as per the fourteenth schedule, paragraph 12 of the Mauritius Companies Act 2001 when it is the subsidiary of any Company. The financial statements have been prepared under the historical cost convention except for financial assets at fair value through profit or loss which are measured at fair value.

The preparation of financial statements in conformity with IFRS and Mauritius Companies Act 2001 requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described below:

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described above, the directors have considered those factors therein and have determined that the functional currency of the company is the USD.

The Company has a net current liability of **USD 34,177,531** (31 March 2018: Net current assets of USD 235,424,475). The Company has received a letter of support from its holding company to enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policy and disclosures

(i) New and amended standards and interpretations adopted by the Company

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 01 January 2018.

The nature and the impact of each new standard or amendment relevant to the Company are described below:

IFRS 9 Financial Instruments

IFRS 9 replaces the multiple classification and measurement models in IAS 39 Financial instruments: Recognition and measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete. The changes introduce:

- a third measurement category (FVOCI) for certain financial assets that are debt instruments
- a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (eg trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

The effect of the changes as a result of adoption of this new accounting standard has been disclosed in Note 19.

The following standards, amendments and interpretations which are effective for the financial period beginning on 01 January 2018 are not relevant to the Company and therefore have no effect on the Company:

- IFRS 15 – IFRS 15 Revenue from Contracts with Customers
- IFRS 2 - Classification and Measurement of Share-based Payment Transactions
- Annual Improvements 2014-2016 cycle
- IAS 40 - Transfers to Investment Property
- IFRIC 22 — Foreign Currency Transactions and Advance Consideration

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) New and amended standards and interpretations in issue but on yet adopted by the Company.

Several standards and interpretations have been issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. None of the new standards, amendments and interpretations to standards are expected to have a significant impact on the Company's financial statements:

- IFRS 16 - Leases (effective for accounting periods beginning on or after 01 January 2019)
- IFRS 17 - Insurance Contracts (effective for accounting periods beginning on or after 01 January 2019)
- IFRC 23 - Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective for accounting periods beginning on or after 01 January 2019)

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in USD, which is the Company's functional and presentation currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Current and deferred income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Investment in subsidiaries

A subsidiary is an entity (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit or loss and other comprehensive income. On disposal of the investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Consolidated financial statements

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually owned subsidiary of any company and holding a Category 1 Global Business Licence not to present consolidated financial statements which contain financial information of the Company as an individual company and do not contain consolidated financial information as the parent of the group. The financial statements are for the Company only and do not consolidate the results of its subsidiary. The Company is a wholly owned subsidiary of GMR Infrastructure Limited, a company listed on the Stock Exchange of India who prepares consolidated financial statements in accordance with Indian GAAP.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets

(a) Classification and initial measurement

From 1 January 2018, IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and therefore an entity classifies its financial assets in the following measurement categories, as set out in IFRS 9:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and;
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

At initial recognition, an entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(b) Subsequent measurement

(i) Equity instruments

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

The Company's financial assets at FVPL include investments held in Capital Emerging Markets Bond Fund, Illya Multi- Sector Strategy Fund and Star Emerging Asia Fixed Income Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(ii) Debt instruments

There is only one measurement category into which the Company classifies its debt instruments which includes financial assets at amortised cost:

- *Financial assets at amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The Company's financial assets at amortised cost includes loan to related party, loan to key management personnel and cash and cash equivalents which are subsequently measured as follows:

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) *Impairment*

From 1 January 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has only one type of financial assets that are subject to the expected credit loss model which include financial assets carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For further details on impairment of financial assets, see note 17 (b).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

(d) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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.

Financial liabilities

(a) Initial recognition and measurement

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

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 loans payable and accounts payable.

(b) Subsequent measurement

(i) Loan payable

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 or loss.

This category generally applies to interest-bearing loans payable. For more information, refer to Note 13.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities

(ii) Accounts payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position 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.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position 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.

Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's value in use and its fair value less costs to sell, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit or loss.

Stated capital

Ordinary shares are classified as equity.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below:

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised using the effective interest method

Expenses recognition

Expenses are accounted for in profit or loss on the accruals basis.

Provisions

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. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. FINANCE INCOME

	31 December 2018 USD	31 March 2018 USD
Interest income on fixed deposit	**-**	334
Interest receivable on loan receivable (Note 16(a)(i),(ii),(iv))	**-**	174,525
	-	174,859

4. FINANCE COST

	31 December 2018 USD	31 March 2018 USD
Interest on loan payable (Note 16(b)(i),(ii),(iv))	**1, 454,106**	3,351,196
Bank charges	**5,051**	1,957
Other interest paid	**-**	1,570
	1,459,157	3,354,723

5. INVESTMENTS IN SUBSIDIARIES

	31 December 2018 USD	31 March 2018 USD
Unquoted investments at cost:		
At beginning of the period/year	**120,814,700**	82,001,933
Acquired during the period/year	**-**	70,000,100
Amalgamated during the period/year	**-**	50,814,600
Disposed during the period/year	**-**	(82,001,933)
At end of the period/year	**120,814,700**	120,814,700

The Company held investments in the following companies:

Name of subsidiaries	% Holding	Country of incorporation	Class of shares	Nature of business	31 December 2018 USD	31 March 2018 USD
GMR Infrastructure (Singapore) Pte. Limited	99.99%	Republic of Singapore	Ordinary	Investment holding	**120,814,700**	120,814,700

The directors have assessed that the recoverable amounts of all the other investments approximate their carrying values at the reporting date.

Pursuant to the board minutes dated 20th March 2018, GMR Infrastructure (Mauritius) Limited has amalgamated with GMR Infrastructure Airport Mauritius Limited and the investment in GMR Infrastructure (Singapore) Pte Limited held by GMR Infrastructure Airport Mauritius Limited of USD 120,814,700 has been amalgamated into the Company during the year ended 31 March 2018.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2018 USD	31 March 2018 USD
At start of the period/year	**29,224,373**	31,303,804
Fair value adjustment at end of the period/year	**234,210**	1,312,591
Disposed during the period/year	(**6,469,638**)	(3,392,022)
At end of the period/year	**22,988,945**	29,224,373

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	Fair value	
Name of funds	**31 December 2018 USD**	31 March 2018 USD
Harrington Cap Em Mkts	**10,951,062**	10,951,062
Ilya Fund Multisector	**5,314,854**	7,335,617
Grove Star Emer. Asia Fix.Inc	**6,723,029**	10,937,694
	22,988,945	29,224,373

The valuation of the above funds has been estimated based on the portfolio valuation statement as at 31 December 2018 as provided by Mirabaud (Middle East) Limited. The directors have relied on the statement to estimate the value of the above investments and are of opinion that the reported balance at 31 December 2018 of **USD 27,499,701** (31 March 2018: USD 29,224,373) fairly reflects the market value of these investments.

The following investments were disposed during the period under review:

Name of funds	**Number of units**	**Fair value**	**Disposal Proceeds**	**Gain /(Loss)**
Ilya Fund Multisector	**18,539**	**2,000,000**	**2,000,000**	**-**
Grove Star Emer. Asia Fix.Inc	**4,049**	**4,469,638**	**4,500,000**	**30,362**

7. OTHER NON- FINANCIAL ASSETS

	31 December 2018 USD	31 March 2018 USD
Prepayments	**1,225**	700
Rental deposit	**1,265**	1,265
	2,490	1,965

	31 December 2018 USD	31 March 2018 USD
Non-current	-	1,265
Current	**2,490**	700
	2,490	1,965

8. DEPOSIT ON SHARES

	31 December 2018 USD	31 March 2018 USD
Advance against equity to be allotted, to the Company, by		
GMR Infrastructure (Singapore) Pte. Limited	-	31,865,019
GMR Infrastructure (Overseas) Limited	**52,733,900**	260,846,487
GMR Energy Projects (Mauritius) Limited	**42,000**	37,000
	52,775,900	292,748,506

9. FINANCIAL ASSETS AT AMORTISED COST

Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following:

	31 December 2018 USD	31 March 2018 USD
Loans to related parties	**27,476,000**	27,476,000
Loans to third party	**42,000**	42,000
	27,518,000	27,518,000
Less: loss allowance	**(27,518,000)**	-
	-	27,518,000

See note 19 for the impact of the change in accounting policy following the adoption of IFRS 9 on the classification of financial assets and note 2 for the remaining relevant accounting policies.

Impairment and risk exposure

Note 17(b) sets out information about the impairment of financial assets and the Company's exposure to credit risk.

All of the financial assets at amortised cost are denominated in USD currency units. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

10. CASH AND CASH EQUIVALENTS

	31 December 2018 USD	31 March 2018 USD
Cash at bank		
Current accounts	**37,216**	86,290
	37,216	86,290

11. STATED CAPITAL

	Number of shares 31 December 2018	31 March 2018	31 December 2018 USD	31 March 2018 USD
Issued and fully paid up				
At beginning and end of the period/year	**181,236,001**	320,550,001	**320,550,001**	320,550,001
	===========	==========	========	========

The par value of each ordinary share is **USD 1**.

The holder of an ordinary share in the Company shall confer on the holder:

(a) the right to one vote on a poll at a meeting of the Company on any resolution;
(b) the right to an equal share in dividends authorised by the Board;
(c) the right to an equal share in the distribution of the surplus assets of the Company.

12. OTHER EQUITY

	Number of shares 31 December	31 March	31 December USD	31 March USD
Treasury shares	**139,314,000**	-	**221,648,574**	-
	===========	==========	========	========

During the year under review, pursuant to share buyback agreement between GMR Infrastructure Limited and the Company, have resolved to buyback 139,314,000 ordinary shares at USD 1.591 per share for a total consideration of USD 221,648,574 and the shares are kept as treasury shares.

13. LOANS PAYABLE

	31 December 2018 USD	31 March 2018 USD
Loan from affiliates	**83,660,000**	-
Loan from subsidiaries	**2,395,645**	83,858,173
Loan from parent	**332,921**	43,182,570
	---------------	---------------
Total loans payable	**86,388,566**	127,040,743
	========	========
Non-current		
Loan from subsidiary	**1,867,427**	-
Loan from parent	**196,892**	43,182,570
	---------------	---------------
	2,064,319	43,182,570
	---------------	---------------

13. LOANS PAYABLE (CONTINUED)

	31 December 2018	31 March 2018
Current	**USD**	USD
Loan from subsidiary	**528,218**	83,858,173
Loan from parent	**136,029**	-
Loan from affiliates	**83,660,000**	-
	84,324,247	83,858,173
Total loans payable	**86,388,566**	127,040,743

(b)Loan from affiliates

At end of the period/year (Notes 16(b) (iii), (iv))	**83,660,000**	-

(c)Loan from subsidiary

At end of the period/year (Notes 16(b) (ii))	**2,395,645**	83,858,173

(d)Loan from parent

At end of the period/year (Notes 16(b) (i))	**332,921**	43,182,570

14. ACCOUNTS PAYABLE

	31 December 2018 USD	31 March 2018 USD
Amount due to parent (Note 16(d))	**-**	200,000
Amount due to affiliates (Note 16(e))	**800,000**	800,000
Accruals	**22,367**	66,848
Other payables	**-**	4,000
	822,367	1,070,848

15. INCOME TAX

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of **15%** (31 March 2018: 15%). The Company has received its Category 1 Global Business Licence ("GBL1") on or before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1st July 2021, the Company's GBL1 licence will be automatically converted to a Global Business Licence ("GBL"). The Company will therefore operate under the current tax regime up to 30th June 2021.

Until 30th June 2021, the Company's foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax.

15. INCOME TAX (CONTINUED)

The deemed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company is allowed to pool all of its foreign sourced income.

The Company's GBL1 licence will convert to a GBL licence on 1st July 2021 and will operate under the new tax regime. Under the new regime, the Company will be able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

The foregoing is based on current interpretation and practice and is subject to any future changes in the Mauritian tax laws. At 31 March 2018, the Company had accumulated tax losses of **USD Nil** (31 March 2018: USD 16,092,555).

The tax losses are available for set off against taxable profits of the Company as follows:

Up to the year ending:

	31 December 2018 USD	31 March 2018 USD
31 March 2021	**-**	-
31 March 2020	**2,778,737**	2,778,737
31 March 2019	**4,901,717**	4,901,717
31 March 2018	**8,683,560**	8,683,560
Utilised tax losses	**(16,364,014)**	(9,447,651)
	-	6,916,363

A reconciliation between the accounting profit/(loss) and the actual income tax expense is presented below:

	31 December 2018 USD	31 March 2018 USD
(Loss)/profit before taxation	**(11,225,351)**	53,210,030
Applicable income tax at tax rate of 15%	**(1,683,802)**	7,981,504
Impact of:		
Exempt income	**(48,172)**	(11,120,290)
Expenses not deductible for tax purposes	**4,141,201**	5,277,208
Expenses incurred in the production of exempt income	**-**	16,531
Foreign tax credit	**(1,927,382)**	(2,154,953)
Utilised tax losses	**366,420**	-
Income tax charge	**115,125**	**-**

15. INCOME TAX (CONTINUED)

A reconciliation between the opening and closing tax liability is shown below:

	31 December 2018 USD	31 March 2018 USD
Income tax charge for the period	**115,125**	-
At 31 December	**115,125**	-

16. RELATED PARTY TRANSACTIONS

During the period under review, the Company entered into the following transaction with related parties. The nature, volume of the transactions and the balances are as follows:

(a) Loans receivable	31 December 2018 USD	31 March 2018 USD
(i) GMR Coal Resources Pte. Limited – Affiliate		
At beginning of the period/year	**-**	13,136,166
Interest receivable during the period/year (Note 3)	**-**	37,597
Interest received during the period/year	**-**	(673,763)
Repaid during the period/year	**-**	(12,500,000)
At end of the period/year	**-**	-

All the loan receivable from GMR Coal Resources Pte. Limited has been repaid during the year ended 31 March 2018.

	31 December 2018 USD	31 March 2018 USD
(ii) GMR Infrastructure (Overseas) Limited - Affiliate		
At beginning of the period/year	**-**	6,045,810
Repaid during the period/year	**-**	(5,470,000)
Interest receivable during the period/year (Note 3)	**-**	70,933
Interest received during the period/year	**-**	(646,743)
At end of the period/year	-	-

The loan receivable from GMR Infrastructure (Overseas) Limited is unsecured, interest rate at 6% per annum and has been paid during the year ended 31 March 2018

(iii) GMR Energy Project (Mauritius) Limited - Affiliate	31 December 2018 USD	31 March 2018 USD
At start of the period/year	**27,476,000**	27,476,000
Impaired during the period/year	**(27,476,000)**	-
At end of the period/year	-	27,476,000

16. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Loans receivable (continued)

(iv) *GMR Energy Netherlands B.V - Affiliate*	**31 December 2018 USD**	31 March 2018 USD
At start of the period/year	**-**	-
Advanced during the period/year	**-**	26,515,721
Interest receivable during the period/year (Note 3)	**-**	65,995
Assigned during the period/year	**-**	(25,525,200)
Repaid during the period/year	**-**	(868,800)
Interest received during the period/year	**-**	(187,716)
At end of period/year	**-**	-

The loan receivable from affiliate is unsecured and bears interest at 1% per annum and has been repaid during the year ended 31 March 2018

	31 December 2018 USD	31 March 2018 USD
(b) Loans payable		
(i) GMR Infrastructure Limited - Parent		
At start of the period/year	**43,182,570**	37,217,239
Advanced during the period/year	**5,000,000**	27,520,927
Interest payable during the period/year (Note 4)	**1,396,634**	3,286,723
Interest paid during the period/year	(**3,363,762**)	(2,342,319)
Repaid during the period/year	(**45,882,521**)	(22,500,000)
At end of the period/year (Note 13)	**332,921**	43,182,570

Details of the above loans are given below:

(i) Loan amounting to **USD 136,029** (31 March 2018: USD 24,893,162) which carries interest at 6% per annum. The loan is unsecured and is repayable on 18 October 2019.

(ii) Loan amounting to **USD 102,240** (31 March 2018: USD 14,203,271) which carries interest at 6% per annum. The loan is unsecured and is repayable on 29 May 2020.

(iii) Loan amounting to **USD 30,246** (31 March 2018: USD 4,086,137) which carries interest at 6% per annum. The loan is unsecured and is repayable on 21 November 2020.

(iv) Loan amounting to **USD 64,406** (31 March 2018: USD Nil) which carries interest at 6% per annum. The loan is unsecured and is repayable on 21 June 2021.

16. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loans payable (continued)

	31 December 2018 USD	31 March 2018 USD
(ii) GMR Infrastructure (Singapore) Pte Ltd - Subsidiary		
At start of the period/year	**1,538,173**	515,498
Addition during the period/year	**800,000**	1,000,000
Interest payable during the period/year (Note 4)	**57,472**	22,675
At end of the period/year (Note 13)	**2,395,645**	1,538,173

Details of the above loans are given below:

(i) Loan amounting to **USD 528,218** (31 March 2018: USD 514,236) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 31 August 2019.

(ii) Loan amounting to **USD 1,051,902** (31 March 2018: USD 1,023,937) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 02 January 2020.

(iii) Loan amounting to **USD 815,525** (31 March 2018: USD Nil) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 27 June 2020.

	31 December 2018 USD	31 March 2018 USD
(iii) GMR Male International Airport Private Limited- affiliate		
At start of the period/year	**82,320,000**	61,000,000
Repaid during the period/year	**(1,930,000)**	(780,000)
Advanced during the period/year	**3,270,000**	22,100,000
At end of the period/year (Note 13)	**83,660,000**	82,320,000

Details of the above loans are given below:

(i) Loan amounting to **USD 58,290,000** (31 March 2018: USD 60,220,000) which is unsecured, interest free and repayable on 14 December 2018.
(ii) Loan amounting to **USD 25,370,000** (31 March 2018: USD 22,100,000) which is unsecured, interest free and repayable on 18 March 2019.

16. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loans payable (continued)

	31 December 2018 USD	31 March 2018 USD
(iv) GADL (International) Limited - Affiliate		
At beginning of the period/year	**-**	33,536,055
Interest expense during the period/year (Note 4)	**-**	41,798
Assigned during the period/year	-	(33,577,853)
At end of the period/year (Note 13)	**-**	-

The loan payable is unsecured, carries interest at the rate of 0.5% per annum and has been assigned to GMR Infrastructure (Overseas) Limited during the year under 31 March 2018.

	31 December 2018 USD	31 March 2018 USD
(c) Amount due from affiliates – GMR Airport Global Limited		
At beginning of the period/year	**-**	1,562,936
Received during the period/year	-	(1,562,936)
At end of the period/year	**-**	-

The amount due from affiliates is towards business support services rendered and has been received during the year ended 31 March 2018.

	31 December 2018 USD	31 March 2018 USD
(d) Amount due to parent – GMR Infrastructure Limited		
At start of the period/year	**200,000**	200,000
Repaid during the period/year	**(200,000)**	-
At end of the period/year (Note 14)	**-**	200,000

The amount due to parent is towards business support services received and has been repaid during the period under review.

16. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Amount due to affiliates – GMR Infrastructure (Overseas) Limited	**31 December 2018 USD**	31 March 2018 USD
At start of the period/year	**800,000**	-
Loan receivable assigned during the period/year	**-**	(25,525,200)
Loan payable assigned during the period/year	**-**	33,577,853
Paid during the period/year	**-**	(33,577,853)
Received during the period/year	**-**	25,525,200
Amalgamated during the period/year	**-**	800,000
At end of the period/year	**800,000**	800,000

The amount due to affiliate is unsecured, interest free and repayable on demand

(f) Key management services	**31 December 2018 USD**	31 March 2018 USD
Expenses including directors' fees incurred by the Company	**59,499**	62,092
Outstanding balance	**16,121**	60,617

The compensation to key management personnel is provided on commercial terms and conditions

17. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed below:

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has assets and liabilities denominated in Great Britain Pound Sterling ("GBP") and EURO ("EUR"). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to GBP and EUR may change in a manner, which has a material effect on the reported value of the Company's assets and liabilities which are denominated in GBP and EUR.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	31 December 2018		31 March 2018	
	Financial assets	**Financial liabilities**	Financial assets	Financial liabilities
Financial assets				
GBP	**206**	-	227	-
EUR	**39**	-	582	-
USD	**23,025,916**	**87,221,214**	56,829,118	128,111,590
	23,026,161	**87,221,214**	56,829,927	128,111,590

Investment in subsidiaries amounting to **USD 120,814,700** (31 March 2018: USD 120,814,700), deposit on shares amounting to **USD 52,775,938**(31 March 2018: USD 292,748,506) and prepayments amounting to **USD 1,225** (31 March 2018: USD 700), have been excluded in the above table.

Sensitivity analysis

The following table indicates the approximate change in the Company's post-tax profit and equity in response to reasonable possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date, with all other variables held constant.

	Increase/(decrease) in Foreign exchange rates	**Effect on post tax profit (loss)/ gain**		**Effect on equity (loss)/ gain**	
		31 December 2018 USD	31 March 2018 USD	**31 December 2018 USD**	31 March 2018 USD
Depreciation of GBP	+5%	**10**	11	10	11
Appreciation of GBP	-5%	**(10)**	(11)	(10)	(11)
Depreciation of EUR	+5%	**2**	29	2	29
Appreciation of EUR	-5%	**(2)**	(29)	(2)	(29)

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company holds significant interest bearing financial assets and liabilities such as cash and cash equivalents, loans to related parties and loans payable on which interest may fluctuate in amount, due to changes in market interest rates.

The Company's interest rate risk arises from interest received on cash and cash equivalents, loans to related parties and interest paid or payable on loans payable. Based on the assumption that the interest rate had been 0.5% higher or lower on the applicable interest rate, post-tax profits and equity would have been **USD 7,262** higher or lower (31 March 2018: USD 15,881).

(iii) Price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

(c) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

The Company has only one type of financial assets that are subject to the expected credit loss model which which includes financial assets carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Financial assets at amortised cost

Financial assets at amortised cost include loans to related parties and to key management personnel. The loss allowance for other financial assets at amortised cost as at 31 March 2018 reconciles to the opening loss allowance on 1 April 2018 and to the closing loss allowance as at 31 December 2018 as follows:

During the period, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets:

	31 December 2018 USD	31 March 2018 USD
Impairment losses on financial assets at amortised cost	**27,518,000**	-
	=========	=========

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves to meet its obligations as they fall due and through financing from related parties.

The maturity profile of the financial instruments is summarised as follows:

	Due within 1 year USD	More than 1 year USD	Total USD
31 December 2018			
Loans payable	**84,324,247**	**2,064,319**	**86,388,566**
Accounts payable	**22,367**	**800,000**	**822,367**
	84,346,614	**2,864,319**	**87,210,933**

	Due within 1 year USD	More than 1 year USD	Total USD
31 March 2018			
Loans payable	83,858,173	43,182,570	127,040,743
Accounts payable	1,070,848	-	1,070,848
	84,929,021	43,182,570	128,111,591

(d) Fair values

The carrying amounts of other non-financial assets, financial assets at amortised cost, other non financial assets (excluding prepayments), amount due from parent, cash and cash equivalents, loan payable, derivative financial liability approximate their fair values.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

The following table analyses within the fair value hierarchy the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value, measured at 31 December 2018, is observable:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2018				
Financial assets at fair value through profit and loss	-	**22,988,945**	-	**22,988,945**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 March 2018				
Financial assets at fair value through profit and loss	-	29,224,373	-	29,224,373

(e) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management considers issued and paid up ordinary shares to be comprising the capital of the Company.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

(f) Financial instruments by category

31 December 2018	**Financial assets at fair value through profit or loss USD**	**Fair value at amortised cost USD**	**Total USD**
Financial assets at fair value through profit and loss	**22,988,945**	-	**22,988,945**
Financial asset at amortised cost	-	**-**	**-**
Cash and cash equivalents	-	**37,216**	**37,216**
Total	**22,988,945**	**37,216**	**23,026,161**

31 March 2018	**Financial assets at fair value through profit or loss** USD	**Loans and receivables** USD	**Total** USD
Other non-current financial assets	-	1,265	1,265
Financial assets at fair value through profit and loss	29,224,373	-	29,224,373
Other current assets	-	42,000	42,000
Loans to related parties	-	27,476,000	27,476,000
Cash and cash equivalents	-	86,290	86,290
Total	29,224,373	27,605,555	56,829,928

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category (continued)

	Other financial liabilities at amortised cost	
	31 December 2018	31 March 2018
	USD	USD
Financial liabilities		
Loans payable	**86,388,566**	127,040,743
Accounts payables	**822,367**	1,070,848
Total	**87,210,933**	128,111,591

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	01 April 2018	**Cash changes Financing cash flows**	**31 December 2018**
	USD	**USD**	**USD**
Loan payable	127,040,742	**40,652,176**	**86,388,566**
Accounts payable	1,070,848	**(248,481)**	**822,367**

19. CHANGE IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 Financial Instruments on the Company's financial statements.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 31 March 2018, but are recognised in the opening balance sheet on 1 April 2018.

19. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

Reclassifications and measurements of financial instruments on adoption of IFRS 9

The following table and the accompanying notes below explain the original classification and measurement categories under IAS 39 and the new classification and measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original	New	Difference
Non -Current financial assets					
Listed					
Financial assets at fair value through profit or loss	FVPL	FVPL	22,988,945	22,988,945	-
Current financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	37,216	37,216	-
Loan to related parties	Amortised cost	Amortised cost	-	-	-
Loan to key management personnel	Amortised cost	Amortised cost	-	-	-

Impairment of financial assets

The Company has one type of financial assets that are subject to IFRS 9's new expected credit loss model which include the financial assets carried at amortised cost.

The Company was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Company's retained earnings and equity is disclosed in the table in note 17.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Financial assets at amortised cost

Financial assets at amortised cost are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses. Applying the expected credit risk model resulted in the recognition of a loss allowance of USD Nil on 1 April 2018 (previous loss allowance was nil) for financial assets at amortised cost and a further increase in the allowance by USD Nil in the current reporting period.

20. COMPARATIVES

Further to the board meeting held on 28 September 2018, the Company has changed its reporting date from 31 March to 31 December. Accordingly, the current year figures are for the period from 01 April 2018 to 31 December 2018 and the prior year figures are for the year ended 31 March 2018. Therefore, the figures for the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and related notes are not comparable.

21. PARENT AND ULTIMATE PARENT

The directors consider GMR Infrastructure Limited, a public limited company listed on the Stock Exchange in India and GMR Enterprises Private Limited as the Company's parent and ultimate parent respectively.

22. EVENTS AFTER THE REPORTING DATE

There are no material events after the reporting date which requires amendments to or additional disclosures in the financial statements for the period ended 31 December 2018.