

INDEPENDENT AUDITORS' REPORT**TO THE BOARD OF DIRECTORS OF
GMR MALE INTERNATIONAL AIRPORT PRIVATE LIMITED****Report on the Financial Statements**

We have audited the accompanying Standalone IND AS financial statements of **GMR Male International Airport Private Limited** ('the Company') comprising the Balance Sheet as at December 31, 2018, and the Statement of Profit and Loss including 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.

Management's Responsibility for the Financial Statements

The accompanying IND AS Financial statements have been prepared by the management based on the audited financial statement of the company for the financial year ended 31 December 2018 prepared in accordance with Corporate laws of Maldives after making adjustment as were necessary under IND AS and the Companies Act 2013

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone IND AS financial statements based on the audit report issued by statutory auditors of the company on the underlying IFRS financial statements.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our review of the standalone IND AS Financials Statements 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



The audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. The review also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone IND AS financial statements.

Basis for Qualified Opinion

1. For the purpose of the Business Profit tax computations and the Withholding tax computations of the Company, the Company has taken a position on not to consider some of the transactions and amounts recognized by the company during the periods from 1 April 2013 to 31 May 2017 and during the year ended 31 December 2018. The tax authority of Maldives has disputed over such positions taken by the Company and issued notice of tax assessment on business profit tax and withholding tax together with the applicable fines and penalties. However, the Company is of the view that additional liabilities are not required to be recognized in these financial statements and the Company has disclosed the tax exposure as a contingent liability in the financial statements. Accordingly, the Company has not recognized the additional tax liability in these financial statements. In the absence of comprehensive analysis on the above tax exposures, we are unable to determine whether any adjustments might be necessary to the amounts shown in these financial statements.
2. During the year ended 31 December 2016, the Company has recognized USD 22,960,495 as other income arising from the write-back of consultancy fee payable to GMR Airport (Global) Limited along with the applicable withholding tax payable which needs to be paid. However, we were unable to verify the existence and accuracy of the income recognized from the write-back of the balance in the absence of sufficient and appropriate audit evidence and further, the reversal of the liability of withholding tax is not in line with the requirements of the tax regulations. Accordingly, retained earnings has been overstated as at 31 December 2017 and liabilities have been understated by USD 22,960,495 as the same date.
3. As disclosed in the notes to the financial statements, the company has recognised USD 1,610,001 as an operator fee paid to Malaysia Airports Consultancy services SDN BHD during the period ended 31 December 2017. But as per the agreement entered by the company, the expense is related to the period before 1 January 2017, whereas the Company has erroneously reversed the previously recognized payable balances on this transaction during the year ended 31 December 2016. However, the Company has recognized those expense as current period expense during the period ended 31 December 2017, instead of correcting the prior period error through its retained earnings as required by Ind AS 08 'Accounting Policies, Changes in Accounting Estimates and Errors'. As a result, Loss for the period ended 31 December 2017 has been overstated by USD 1,610,001. Further, the Company has not recognized the withholding tax applicable on the above expense in these financial statements and accordingly, retained earnings balance is overstated and withholding tax payable balance is understated by USD 178,899 as at 31 December 2017.
4. Pursuant to the final arbitration award made by arbitration tribunal on the arbitration against the Government of Maldives, the Company has entered into a retainer agreement with its internal legal advisor who represented the Company in the arbitration during the year ended 31 December 2016 and the Company has agreed to settle USD 156,250 as the success fee for the favourable arbitration award obtained by the Company. However, the Company has not recognized the above success fee expense for the year ended 31 December 2016 and instead, the Company has recognized the success fee expense in the current financial statements as a current expense instead of correcting the prior period error through its prior retained earnings



as required by Ind AS 08 'Accounting Policies, Changes in Accounting Estimates and Errors'. As a result, loss for the year has been increased by USD 156,250.

Other matters

MACL has taken over the control of Ibrahim Nasir International Airport with effect from December 2012 which resulted in the Company's principle activity becoming standstill on that date onwards. The matter had been sought with arbitration tribunal and the arbitration tribunal made its final award and ordered GoM/ MACL to pay the termination claim damages to GMIAL caused by wrongful repudiation of the agreement on 25 October 2016. Pursuant to the final arbitration award, the GoM/ MACL has settled US\$ 271,485,862/- as final termination claim for the takeover of the Airport to the Company and at present, the Board of Directors has not yet made any decision on the future operations of the Company.

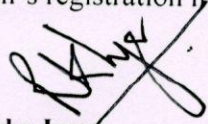
These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

The Underlying Ind AS financial statements of the company for the financial year ended 31 December 2018 prepared in accordance with the applicable Corporate laws of Maldives, have not been audited by us. We have relied upon such audited financial statements and statutory auditors' report for the year ended 31 December 2018 provided to us by the management, for the purpose of expressing our audit opinion and have not performed detailed verification of the underlying transactions which have been covered by the statutory auditors in the course of their audit. Our scope of audit is limited to conversion of underlying audited financial statements into INR based financial statements considering the applicable exchange rate and considering the applicable Ind AS (Indian Accounting Standards).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the mater(s) prescribed in the basis for qualified opinion paragraph, the said IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at December 31, 2018, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

For Raghu Iyer Associate
Chartered Accountants
Firm's registration number: 114240 W


Raghu Iyer
Proprietor Partner
Membership number: 37110



Place: Mumbai
Date :

GMR Male International Airport Private Limited

Statement of Standalone Audited Results for the year ended December 31, 2018

Particulars		For the Quarter ended			For the year ended	
		31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17
(Refer Notes Below)						
A	Continuing Operations					
1	Revenue					
	a) Revenue from operations					
	i) Sales / income from operations	-	-	-	-	-
	ii) Other operating income	-	-	-	-	-
	b) Other income					
	i) Foreign Exchange Fluctuation (Net)	-	-	-	-	-
	ii) Others	80,046	1,966,149	3,141,601	4,449,923	19,610,043
	Total revenue	80,046	1,966,149	3,141,601	4,449,923	19,610,043
2	Expenses					
	(a) Revenue share paid / payable to concessionaire grantors	-	-	-	-	-
	(b) Consumption of fuel	-	-	-	-	-
	(c) Cost of materials consumed	-	-	-	-	-
	(d) Purchases of traded goods	-	-	-	-	-
	(e) (Increase) or decrease in stock-in-trade	-	-	-	-	-
	(f) Sub-contracting expenses	-	-	-	-	-
	(g) Employee benefits expense	20,843,362	28,347,819	42,830,019	60,977,897	52,378,644
	(h) Finance costs	9,352,215	4,253,602	27,639,095	22,819,145	36,663,498
	(i) Depreciation and amortisation expenses	-	-	-	-	-
	(j) Other expenses	49,460,216	2,407,773	1,613,712,904	54,046,023	172,529,100
	Total expenses	79,655,792	35,009,194	1,684,182,018	137,843,066	261,571,242
3	Profit / (loss) from continuing operations before exceptional items and tax expense (1-2)	(79,575,746)	(33,043,045)	(1,681,040,417)	(133,393,143)	(241,961,199)
4	Exceptional items					
5	Profit / (loss) from continuing operations before tax expenses (3 ± 4)					
6	Tax expenses of continuing operations					
	(a) Current tax	(79,575,746)	(33,043,045)	(1,681,040,417)	(133,393,143)	(241,961,199)
	(b) Deferred tax	-	-	-	-	-
7	Profit / (loss) after tax from continuing operations (5 ± 6)	(79,575,746)	(33,043,045)	(1,681,040,417)	(133,393,143)	(241,961,199)
B	Discontinued Operations					
8	Profit / (loss) from discontinued operations before tax expenses					



9	Tax expenses of discontinued operations					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
10	Profit/(loss) after tax from discontinued operations (8 ± 9)	-	-	-	-	-
11	Profit/(loss) after tax for respective periods (7 + 10)	(79,575,746)	(53,043,045)	(1,681,040,417)	(133,393,143)	(241,961,199)
12	Other Comprehensive Income					
	(A) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	(B) (i) Items that will be reclassified to profit or loss					
	(ii) Income tax relating to items that will be reclassified to profit or loss	(140,616,393)	224,048,344	(182,499,146)	334,333,856	(273,257,564)
13	Total other comprehensive income, net of tax for the respective periods	(140,616,393)	224,048,344	(182,499,146)	334,333,856	(273,257,564)
14	Total comprehensive income for the respective periods (11 ± 13) [comprising Profit (loss) and Other comprehensive income (net of tax) for the respective periods]	(220,192,138)	191,005,299	(1,863,539,563)	200,940,713	(515,218,763)
	i) Basic/ Diluted before Exceptional items	(5.75)	4.99	(48.64)	5.24	(13.45)
	ii) Basic/ Diluted after Exceptional items	(5.75)	4.99	(48.64)	5.24	(13.45)
	iii) Basic/ Diluted EPS from continued operations	(5.75)	4.99	(48.64)	5.24	(13.45)
	iv) Basic/ Diluted EPS from discontinued operations					

* Remove if not relevant for your entity

Note 1 -

The figures of the last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financials year and the published unaudited year to date figures for nine months ended for the respective years.

For Raghu Iyer Associates
Chartered Accountant
Firm Regd No. 114240W



[Signature]

Raghu Iyer
Proprietor
Membership Number 37110
Date
Place: Mumbai

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

[Signature]

Director

Director

GMR Male International Airport Private Limited
Statement of standalone assets and liabilities

(in Rs.)

Particulars	As at Dec, 2018 (Unaudited)	As at Dec, 2017 (Audited)
1 ASSETS		
Current assets		
Financial assets		
Loans	6,711,970,261	5,352,598,324
Cash and cash equivalents	5,761,671	9,455,940
Other current assets	22,515,625	1,558,561,176
	6,740,247,556	6,920,615,440
Assets classified as held for disposal		
TOTAL ASSETS	6,740,247,556	6,920,615,440
2 EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,096,745,309	1,947,246,091
Other equity	4,592,423,947	4,391,483,234
Total equity	6,689,169,256	6,338,729,325
Current liabilities		
Financial liabilities	51,078,300	573,300,115
Other current financial liabilities		8,586,000
Provisions	51,078,300	581,886,115
TOTAL EQUITY AND LIABILITIES	6,740,247,556	6,920,615,440

For Raghu Iyer Associates
Chartered Accountant
Firm Regd No. 114240W

Raghu Iyer
Proprietor
Membership Number 37110
Date
Place: Mumbai



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

Director

Director

GMR Male International Airport Private Limited
Balance Sheet as at Dec 31, 2018

	Notes	Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
ASSETS					
Current assets					
Financial assets					
(i) Trade receivables	3	-	-	-	9,455,940
(ii) Cash and cash equivalents	4	82,575	5,761,671	145,925	5,352,598,324
(iii) Loans & Advances	5	96,194,486	6,711,970,261	82,601,826	
Other current assets					
Other current assets	6	322,689	22,515,625	24,051,870	1,558,561,176
		96,599,750	6,740,247,556	106,799,621	6,920,615,440
		96,599,750	6,740,247,556	106,799,621	6,920,615,440
TOTAL ASSETS					
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	7	30,050,094	2,096,745,309	30,050,094	1,947,246,091
Other Equity	8	65,817,613	4,592,423,947	67,769,803	4,391,483,234
Total equity		95,867,707	6,689,169,256	97,819,897	6,338,729,325
Liabilities					
Current liabilities					
Financial Liabilities					
Other financial liabilities	9	732,043	51,078,300	8,847,224	573,300,115
Provisions	10			132,500	8,586,000
		732,043	51,078,300	8,979,724	581,886,115
		732,043	51,078,300	8,979,724	581,886,115
		96,599,750	6,740,247,556	106,799,621	6,920,615,440
TOTAL EQUITY AND LIABILITIES					

Corporate Information 1
Significant Accounting Policies 2

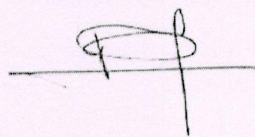
The accompanying notes are an integral part of the financial statements.
As per report of even date attached

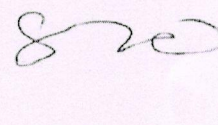
For Raghu Iyer Associates
Chartered Accountant
Firm Regd No. 114240W

Raghu Iyer
Proprietor
Membership Number 37110
Date
Place: Mumbai



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


Director


Director

GMR Male International Airport Private Limited
Statement of profit and loss for the period ended Dec 31,2018

Particulars	Notes	Year ending		Year ending	
		Ind AS 31 Dec 18	Ind AS 31 Dec 18	Ind AS 31 Dec 17	Ind AS 31 Dec 17
		Amount in USD	Amount in Rs	Amount in USD	Amount in Rs
Income					
Other income	11	65,124	4,449,923	296,852	19,610,043
Total Income		65,124	4,449,923	296,852	19,610,043
Expenses					
Employee benefit expenses	12	892,403	60,977,897	792,895	52,378,644
Finance costs	13	333,955	22,819,145	555,003	36,663,498
Other expenses	14	790,956	54,046,023	2,611,703	172,529,100
Total Expenses		2,017,314	137,843,066	3,959,601	261,571,242
Profit/(loss) before exceptional items and tax		(1,952,190)	(133,393,143)	(3,662,749)	(241,961,199)
Exceptional items		-	-	-	-
Profit/(loss) before and tax		(1,952,190)	(133,393,143)	(3,662,749)	(241,961,199)
(1) Current tax		-	-	-	-
(2) Adjustment of tax relating to earlier periods		-	-	-	-
(3) Deferred tax		-	-	-	-
Income tax expense		-	-	-	-
Profit/(loss) for the year		(1,952,190)	(133,393,143)	(3,662,749)	(241,961,199)
Other comprehensive income for the year, net of tax		-	-	-	-
Items to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		-	334,333,856	-	(273,257,564)
		-	334,333,856	-	(273,257,564)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(1,952,190)	200,940,713	(3,662,749)	(515,218,763)
Earnings per share for continuing operations					
Basic, profit from continuing operations attributable to equity holders of the parent			5.24		(13.45)
Diluted, profit from continuing operations attributable to equity holders of the parent			5.24		(13.45)

Corporate Information 1
Significant Accounting Policies 2

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



As per report of even date attached

For Raghu Iyer Associates
Chartered Accountant
Firm Regd No. 114240W

Raghu Iyer
Proprietor
Membership Number 37110
Date
Place: Mumbai



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

 
Director Director

GMR Male International Airport Private Limited

Cash Flow for the year ended Dec 31, 2018

Particulars	For the Year ended 31 Dec, 2018 (INR)	For the Year ended 31 Dec, 2017 (INR)
	Rs	Rs
Cash flow from Operating activities		
(Loss)/Profit before tax	(133,393,143)	(241,961,199)
Adjustments for		
Write back of retirement Benfiti Obligation	-	(1,189,080)
Interest expense	22,754,027	36,663,498
Interest Income		
	(110,639,116)	(206,486,781)
Changes in;		
Trade and Other Receivable		(15,972,978)
(Increase) Decrease in Loan and Advances	(1,359,371,937)	-
(Increase) Decrease in Other current assets	1,536,045,551	-
(Increase) Decrease in Other Financial Assets		
Trade and Other Payables		(8,043,664)
(Increase) Decrease in Provisions	(8,586,000)	-
Change in Opening reserve due to Exchange fluctuations		
Amounts due from a related party	-	1,504,846,800
Amounts due to a related party	-	108,219,629
(Increase) Decrease in Other current liabilities		
(Increase) Decrease in Other financial liabilities	(522,221,815)	-
(Increase) Decrease in provisions		
Cash flow generated from operating activities	(354,134,200)	1,382,563,006
Net Cash flow from operating activities	(464,773,316)	1,382,563,006
Cash flow from Investing Activities		
Advances Repaid by the Shareholder	-	38314800
Advances Given by the Shareholder	-	1459926066
Interest received		
Net Cash flow from Investing activities	-	(1,421,611,266)
Cash flow from financing activities		
Loans and Borrowings Repayments during the year		
Interest paid	(22,754,027)	-
Loans and Borrowings Obtained during the year		
Net cash used in Financing activities	(22,754,027)	-
Net Decrease in cash and cash equivalents	(487,527,343)	(39,048,260)
Foreign Currency Translation Reserve	483,833,074	65,798
Cash and cash equivalents at the Beginning of the year	9,455,940	48,438,402
Cash and cash equivalents at the End of the year	5,761,671	9,455,940
Cash and cash equivalents at the End of the year	5,761,671	9,455,940

 Corporate Information
 Significant Accounting Policies

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

As per report of even date attached

For Raghu Iyer Associates

Chartered Accountant

Firm Regd No. 114240W

 Raghu Iyer
 Proprietor
 Membership Number 37110
 Date
 Place: Mumbai

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

Director

Director



GMR Male International Airport Private Limited

Statement of change in equity for period ended Dec 31, 2018

(Amount in Rupees)

Particulars	Equity share capital	Attributable to the equity holders of the parent		Total Equity
		Reserves and surplus	Foreign currency translation reserve	
		Retained earnings		
As at 1st Jan 2018	1,947,246,091	4,603,113,985	(211,630,751)	6,338,729,325
Profit / Addition for the period		(133,393,143)		(133,393,143)
Exchange differance on foregin currency convertible	149,499,218		334,333,856	483,833,074
At 31st Dec 2018	2,096,745,309	4,469,720,842	122,703,105	6,689,169,256
At at Jan 2017	2,064,140,957	4,845,075,184	61,626,813	6,970,842,954
Profit / Addition for the period		(241,961,199)		(241,961,199)
Exchange differance on foregin currency convertible	(116,894,866)		(273,257,564)	(390,152,430)
At 31st Dec 2017	1,947,246,091	4,603,113,985	(211,630,751)	6,338,729,325

* Change in equity share capital is mainly due to change in foreign exchange rates used for translating in current financial year.

Corporate Information

1

Significant Accounting Policies

2

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

As per report of even date attached

For Raghu Iyer Associates

Chartered Accountant

Firm Regd No. 114240W

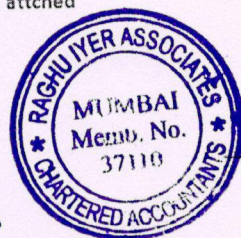
Raghu Iyer

Proprietor

Membership Number 37110

Date

Place: Mumbai



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

Director

Director

GMR Male International Airport Private Limited
Notes to the financial statements as at Dec 31, 2018 - Ind AS

3 Trade receivables

	Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
Trade receivables-Credit Impaired	3,611,308	251,979,016	6,766,368	464,781,818
Less: Provision for Credit impaired	(3,611,308)	(251,979,016)	(6,766,368)	(464,781,818)
Total	-	-	-	-

4 Cash and short-term deposits

	Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
Balances with banks:				
- On current accounts	82,575	5,761,671	145,925	9,455,940
	82,575	5,761,671	145,925	9,455,940

5 Loans & Advances

	Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
Receivable from Holding/Group Companies (Loans given unsecured considered good)	96,113,886	6,706,346,396	82,520,001	5,347,296,065
Deposit-others	-	-	68,080	4,411,584
Advances recoverable in cash or kind	80,600	5,623,865	-	-
Advances to employees	-	-	13,745	890,676
	96,194,486	6,711,970,261	82,601,826	5,352,598,324

6 Other current assets

	Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
Prepaid expenses	-	-	22,435	1,453,788
Government Authorities	322,689	22,515,625	322,162	20,876,098
Advances for capital goods	-	-	23,448,885	1,519,487,748
Other advances	-	-	-	-
Receivable from MACL	-	-	258,388	16,743,542
	322,689	22,515,625	24,051,870	1,558,561,176



7 Share capital

Authorized shares

75,000,000 Equity Shares of MVR 10/- each
(Previous Year 65,000,000 EQS of MVR10/Each @12.75)

Issued, subscribed and fully paid-up shares

(i) 38,313,870 Equity Shares of MVR 10/- each fully paid up

Total issued, subscribed and fully paid-up share capital

	31 Dec 2018	31 Dec 2017
	In USD	In USD
		In INR
	48,638,132	48,638,132
		3,151,750,973
	30,050,094	30,050,094
		1,947,246,091
	30,050,094	30,050,094
		1,947,246,091

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

	31 Dec 2018	31 Dec 2017
	No of Shares	No of Shares
At the beginning of the period	38,313,870	38,313,870
Outstanding at the end of the period	38,313,870	38,313,870
		In INR
		1,947,246,091
		1,947,246,091

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of MVR 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in US dollars. The dividend if any, proposed by the Board of directors is subject to the approval of the shareholders in ensuing Annual General meeting

In event of liquidation of the Company, the holders of equity shares would 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

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

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

Name of the Company	31 Dec 2018		31 Dec 2017	
	No of shares	% holding in	No of shares	% holding in
GMR Infrastructure (Mauritius) Limited	29,452,500	76.87%	23,100,000	
GMR Infrastructure Overseas Limited	154	0.0004%	120	
GMR Holding (Mauritius) Limited	8,861,216	23.1280%	38,452	
GMR Airport (Global) Limited				

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

Equity shares of MVR 10 each fully paid

GMR Infrastructure (Mauritius) Limited
GMR Infrastructure (Overseas) Limited
GMR Holding (Mauritius) Limited
Malaysia Airports (Labuan) Private Limited

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

	31 Dec 2018	31 Dec 2017
	No of shares	No of shares
	% holding in	% holding in
	29,452,500	29,452,500
	76.87%	76.87%
	8,861,216	8,812,378
	23.13%	23.00%



GMR Male International Airport Private Limited
Notes to the financial statements as at Dec 31, 2018 - Ind AS

8 Other equity

	Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
Foreign Currency Translation Gain/(Loss)				
Balance as per the last financial statements		(211,630,751)		61,626,813
Add: during the year		334,333,856		(273,257,564)
Closing Balance	-	122,703,105		(211,630,751)
Surplus in the statement of profit and loss				
At Beginning	67,769,803	4,603,113,985	71,432,552	4,845,075,184
(Loss)/Profit for the year	(1,952,190)	(133,393,143)	(3,662,749)	(241,961,199)
Net surplus in the statement of profit and loss	65,817,613	4,469,720,842	67,769,803	4,603,113,985
	65,817,613	4,592,423,947	67,769,803	4,391,483,234

10 Provisions

	Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in Rs	Ind AS 31 Dec 17 Amount in Rs
Provision for Expense	-	-	132,500	8,586,000
	-	-	132,500	8,586,000

9 Other financial liabilities

	Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
Current				
Current maturities of long-term borrowings	-	-	5,576,529	361,359,079
Trade creditor & Non trade payables	732,043	51,078,300	195,661	12,678,833
Deposits Received	-	-	18,967	1,229,062
Payable to Related companies	-	-	2,567,943	166,402,706
Retention money	-	-	330,484	21,415,363
WHT and Fine Payable	-	-	142,385	9,226,548
Other payables	-	-	5,588	362,102
Advance received from customers	-	-	9,667	626,422
Total current other financial liabilities	732,043	51,078,300	8,847,224	573,300,115



GMR Male International Airport Private Limited
Notes to the financial statements as at Dec 31, 2018 - Ind AS

11 Other income

Write back of Retirement benefit obligation
Write back of payables
Service Claim

Year ending		Year ending	
Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
-	-	18,000	1,189,080
65,124	4,449,923	20,464	1,351,852
-	-	258,388	17,069,111
65,124	4,449,923	296,852	19,610,043

12 Employee benefit expenses*

Salaries, wages and bonus
Staff welfare expenses
Others

Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
892,016	60,951,453	792,205	52,333,062
-	-	39	2,576
387	26,444	651	43,005
892,403	60,977,897	792,895	52,378,644

13 Finance costs

Bank Charges
Interest on Shareholders loan

Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
953	65,118	-	-
333,002	22,754,027	555,003	36,663,498
333,955	22,819,145	555,003	36,663,498

14 Other expenses

Communication Expenses
Consultancy
Operator fee
Travelling & Conveyance
Office maintenance
Repairs & Maintenance - Office Equipment
Other Administrative Expenses

Ind AS 31 Dec 18 Amount in USD	Ind AS 31 Dec 18 Amount in Rs	Ind AS 31 Dec 17 Amount in USD	Ind AS 31 Dec 17 Amount in Rs
1,065	72,771	1,961	129,544
451,075	30,821,955	897,231	59,271,080
-	-	1,610,001	106,356,666
62,575	4,275,750	85,168	5,626,198
-	-	7,367	486,664
-	-	9,975	658,949
276,241	18,875,548	-	-
790,956	54,046,023	2,611,703	172,529,100



GMR Male' International Airport Private Limited

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

1. Corporate Information

GMR Male' International Airport Private Limited (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company. It was incorporated on 9th August 2010 and commercial operations were commenced from 25th November 2010.

This is in pursuance with the agreement entered with Government of the Republic of Maldives and between Consortium of GMR Infrastructure Limited and Malaysia Airports Holding Berhad for the rehabilitation, expansion, modernization, operation and maintenance of Ibrahim Nasir International Airport (Formally known as Male' International Airport) on a "Build, Operate and Transfer" basis and subsequently agreement was novated to GMR Male' International Airport Private Limited.

However, pursuant to the notices of Ministry of Finance and Treasury ("MoFT") and Maldives Airport Company Limited ("MACL"), dated 27th November 2012 and further to MoFT's letter dated 7th December 2012, MoFT and MACL have taken over the control of Ibrahim Nasir International Airport operations with effective from 8th December 2012.

On 25th October 2016, arbitration tribunal made its final award and ordered GoM/ MACL to pay the termination claim damages to GMIAL caused by wrongful repudiation of the agreement and declared that GMIAL is entitled to be indemnified against any liability for interest or other charges (normal or penal), which may accrue on Axis Bank debt and if Maldives parties deduct any sum from the award as taxes, GMIAL shall receive sum it would have received if the payment had not been liable to tax. Further, pursuant to the final arbitration award, the GoM has settled US\$ 271,485,862/- as the final termination claim for the takeover of the Airport to the Company.

The principal activity of the Company was to operate the Ibrahim Nasir International Airport up to the date of handing over of the airport to MACL.

2. Significant Accounting Policies

Basis of Preparation

The financial statement of the company has been prepared in accordance with general accepted accounting principles in India (Ind AS). The company has converted these financial statements to comply in all material respects with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. Accounting policies have been consistently applied by the company. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(a) Functional and Presentation Currency

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



GMR Male' International Airport Private Limited

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

(b) Foreign Currency Transactions

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

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

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

3. Significant Notes and Accounting Policies

Pursuant to the notices of Government of Maldives through Ministry of Finance and Treasury ("GoM") and MACL, dated 27th November 2012 and further to GoM's letter dated 7th December 2012, GoM and MACL took over the control of the Airport on 8th December 2012. Both GoM and MACL, in their notices dated 27th November 2012, have stated that the Concession Agreement is void ab initio. However, the Company is of the view that the Concession Agreement remained in force and hence the actions of GoM and MACL amounted to repudiator breaches of the terms of the Concession Agreement. The Company is seeking damages from GoM/MACL. An arbitration is ongoing to determine the validity of the Concession Agreement and the compensation/damages payable to the Company.

Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Current versus non-current classification

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



GMR Male' International Airport Private Limited

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

c. Property, plant and equipment

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 are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

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



GMR Male' International Airport Private Limited

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

d. Depreciation on Property, plant and equipment

Depreciation and amortization commences once the assets are available for use. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The depreciation periods are as follows:

Asset category	Useful life in years	
	Minimum	Maximum
Lease hold improvements	3	16
Buildings	3	20
Plant and machinery	3	16
Furniture and fixtures	3	20
Computer equipment's, office equipment	3	20
Motor vehicles	4	8
Other tangible fixed assets	5	10

The useful lives, depreciation and amortization methods, and residual values are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Cost relating to software licences, which are acquired, are capitalized and amortised over the useful life of 6 years as estimated by the management.

f. 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 respective 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.

g. 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.



GMR Male' International Airport Private Limited

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

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

(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 period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, 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.

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

h. 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



GMR Male' International Airport Private Limited

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

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 Company 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators."

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, 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 unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i. Provisions, Contingent liabilities, Contingent assets, and Commitments

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

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

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;



GMR Male' International Airport Private Limited

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

- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Below are the contingent liabilities to be recognised as on date

Claim made by GMR Infrastructure (Mauritius) Ltd and GADL yet to recognise in the financials as the same is yet to finalise and agreed upon.

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

Contingent assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

j. 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.

The Company initially recognizes receivable and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of balance sheet when an only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following financial assets (non-derivative):

- Receivable
- Cash and Cash Equivalents

i. Receivables

Receivables are financial assets with fixed or determinable payments that they are not quoted in an active market. Such assets are recognised initially at fair value less any directly attributable



GMR Male' International Airport Private Limited

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

transaction costs. Subsequent to initial recognition receivable are measured at amortised cost using the effective interest method, less any impairment losses.

Receivables comprise amount due from related party, loan given to related party and trade and other receivables.

ii. 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.

k. 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 best economic interest.

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

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

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

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

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



GMR Male' International Airport Private Limited

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

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

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

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

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

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

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

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

I. Revenue recognition Under Ind AS 115 for companies where there is no contract with customer

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

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



GMR Male' International Airport Private Limited

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

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (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.

Dividends

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

m. Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 and other tax laws prevailing in respective tax jurisdictions where the entities in group operates.

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.

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) When the deferred tax liability arises from the initial recognition of goodwill or 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 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:



GMR Male' International Airport Private Limited

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

- 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.

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

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

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

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.

n. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.



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

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.

20. Earnings per share (EPS):

The following reflects the profit and shares data used in the basic and diluted EPS calculations

Particulars	31-Dec-18	31-Dec-17
Profit/(Loss) for the year	(13,33,93,143)	(24,19,61,199)
Net profit/(Loss) for calculating basic and diluted EPS	(13,33,93,143)	(24,19,61,199)
Weighted average number of equity shares for calculating basic and diluted EPS	3,83,13,870	3,83,13,870
Basic and diluted EPS (Rs.)	(3.48)	(6.32)

21. Details of transactions with related parties

A. Names of related parties and related party relationship

Description of Relationship	Name of the Related Parties
Holding Company	GMR Infrastructure(Overseas) Limited
Ultimate Holding Company	GMR Airports Limited GMR Infrastructure Limited GMR Enterprises Private Limited
Associate Company	GADL International Limited Delhi International Airport Limited GMR Infrastructure (Mauritius) Limited GMR Holding(Mauritius) Limited Ellan Vannin International Holdings Limited GMR Infrastructure (Overseas) Limited Malaysia Airport Holding Berhad(MAHB) Malaysia Airports Consultancy Services SDN BHD



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B. Transaction during the year and balances outstanding at the end of the year:

Amount in Rs.

Company Name	Nature of Relation	Nature of Transaction	Transactions during the		As at	
			Income/(Expenditure)	31-Dec-17	31-Dec-18	31-Dec-17
GADL International Limited	Associated Company	Fund Transfer	-	(1,504,846,800)	3,282,13,576	1,519,487,748
GMR Infrastructure (Mauritius) Limited	Associate Company	Advance Given	-	-	58,373,76,570	3,915,216,000
		Settlements	-	(38,314,800)	-	-
Delhi International Airport Limited	Associated Company	Expenses Incurred	-	-	-	(13,604,760)
GMR Infrastructure (Overseas) Limited	Holding Company	Advance Given	-	-	5,407,56,250	-
Ellan Vannin International Holdings Limited	Associated Company	Write-back of payables	-	-	-	1,432,080,065
		Advance Given	-	-	-	-
GMR Airports Limited	Ultimate Holding Company	Expenses Incurred	-	1,459,926,066	-	-
Malaysia Airports Consultancy Services SDN BHD	Associated Company	Operator Fee	-	(3,967,233)	-	(48,145,817)
		Write-back of payables	-	(106,356,600)	-	(104,716,930)
			-	-	-	-

Note: Transactions during the year are converted using average rate, whereas the closing balances are converted using closing rate.



GMR Male' International Airport Private Limited

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

20. Fair values

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

Financial assets not measured at fair value	Amount in Rs.	
	As at	
	31-Dec-18	31-Dec-17
Receivables	22,329,886	250,756,300
Advances given to shareholders	6706,346,396	5,347,296,065
Amount due from a related party	-	1,519,487,748
Cash and Cash equivalents	57,61,671	9,455,940
	6,728,676,282	7,126,996,053

Financial liabilities not measured at fair value	Amount in Rs.	
	As at	
	31-Dec-18	31-Dec-17
Trade and other payables	510,78,300	44,897,782
Amount due to a related party	-	166,402,706
Shareholder's loan	-	361,359,079
	510,78,300	572,659,567

21. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. 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 that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

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



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Notes to Ind AS financial statements for the year ended December 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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

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

Interest Risk	Amount in Rs.	
	As at	
Fixed Rate Instruments	31-Dec-18	31-Dec-17
Financial Liabilities	-	(253,368,000)
	-	(253,368,000)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

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.

Trade receivables- Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are Companyed into homogenous Companies and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets .

Financial instruments 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 credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits



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are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Credit Risk:	Amount in Rs.	
Financial Assets	As at	
	31-Dec-18	31-Dec-17
Trade and other receivables	22,329,886	250,756,300
Amount due from a related party	6706,346,396	5,347,296,065
Advances given to shareholders	-	1,519,487,748
Cash at bank	57,61,671	9,455,940
	6,728,676,282	7,126,996,053

Impairment Losses	Amount in Rs.	
Financial Assets	As at	
	31-Dec-18	31-Dec-17
Trade and other receivables		
Book Value	25,19,79,016	248,060,747
Impairment losses	(25,19,79,016)	(248,060,747)
	-	-

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

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

Liquidity Risk	Amount in Rs.	
Financial Liability	As at	
	31-Dec-18	31-Dec-17
Trade and other payables	510,78,300	44,897,782
Amounts due to related parties	-	166,402,706
Shareholders's loan	-	361,359,079
	510,78,300	572,659,567

Note: All the above financial liabilities are to be repaid in a span of 1-12 months.



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

Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

Exposure to Currency Risk	Amount in Rs.	
	As at	
	31-Dec-18	31-Dec-17
Cash and Cash equivalents	57,61,671	281,038
Trade and other receivables	-	-
Trade and other payables	-	-
	57,61,671	281,038

22. Capital management

The Company's objective when managing capital are to safeguard the Company's ability to continue as going concern in order to provide return for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue of new shares or sell assets to reduce debt.

23. Going Concern

The GoM/MACL has taken over the Airport on 8th December 2012, which resulted in the Company's principle becoming standstill from that date and the dispute was referred in arbitration. The tribunal declared that the GoM and MACL are jointly and severally liable in damages to GMIAL for loss caused by wrongful repudiation of the agreement and further on 25th October 2016, arbitration tribunal made its final award and ordered GoM/MACL to pay the termination claim damages to GMIAL caused by the wrongful repudiation of the agreement, which was settled by the GoM to the Company during the period ended 31st December 2016. As present, the Board of Directors has not yet made any decision on the future operations of the Company, as the Management of the Company look-forward to initiate recovery proceedings against long outstanding receivables and to settle the liabilities. However, the financial statements as at and for the year ended 31st December 2017 have been prepared on a going concern basis.

24. Arbitration Claim against Maldives Airport Company Limited

Pursuant to the final termination claim awarded on 25th October 2016, the Company has initiated arbitration proceedings against Maldives Airport Company Limited ("MACL") with regard to the following matters:

- Payment of the shortfall of Airport Development Charge (ADC) and Insurance Surcharge (IS) that was not set off and could not be deducted from the concession fees;
- Payment for the services provided by the Company to MACL during the course of the Concession agreement which have invoice but not paid for;



GMR Male' International Airport Private Limited

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

- iii. Payment for the inventory items handed over to MACL after the termination of the Concession agreement and payment for the value of employee insurance assigned to MACL after termination of the Concession Agreement.

The hearing was concluded on 19th January 2018 and the final award will be awarded on a later date.

25. Contingent Liability

Further to the arbitration proceed initiated by the Company against MACL as disclosed in Note 27 to these financial statements, MACL together with its defence too has made a counter claim against the Company on the payments made by MACL for services provided by the Company to MACL during the course of the Concession Agreement. Although the liability is not admitted, if the defence against the counter claim is unsuccessful, the Company will be required to settle the counter claim. However, based on the present facts of the case and according to the discussion held with the external legal counsel, the management believes that the defence against the counter claim will be successful.

Other than disclosed above, there were no other material contingent liabilities as at the reporting date which require disclosure in the financial statements.

26. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning or after 1st April 2018. None of these is expected to have a significant effect on the financial statement of the Company.

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

Corporate Information	1
Significant Accounting Policies	2

As per report of even date attached
For Raghu Iyer & CO.,
Chartered Accountant

Firm Regd No:114240W



For GMR Male International Airport Ltd

Director

Director

Place:

Date: