

Independent Auditor's Report

To,
The Members

GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED.**Report on the Financial Statements :**

We have audited the accompanying standalone Ind AS financial statements of **GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED**. ("the Company"), which comprise the Balance Sheet as at March 31st, 2019, the Statement of Profit and Loss, (Including 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 (here in after referred to as "Standalone Ind AS financial statements").

Management's responsibility for the financial Statements :

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 financial statements based on our audit. 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 audit in accordance with the Standards on Auditing 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.

An 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 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in effectiveness of such controls. An audit 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 financial statements.

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

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 including the Ind AS, of the state of affair (financial position) of the Company as at 31st March 2019, and its Profit (financial performance including other comprehensive income), its Cash Flow and changes in equity for the year ended on that date.



Report on Other legal and Regulatory requirements :

1. As required by the Companies (Auditor's Report) Order, 2016, ("the order"), issued by the Central Government of India, in terms of subsection (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, We report that :
 - a. we have sought and obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet and Statement of Profit and Loss, including statement of Other Comprehensive Income, the Cash Flow Statement and the changes in equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards 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;
 - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. the Company does not have any pending litigations which would impact its financial position.
 - b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses .
 - c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Hyderabad

Date : 25.04.2019

For **S.Venkatadri & Co.,**

Chartered Accountants

Firm's Regn No.004614S


(K.SRINIVASA RAO)

PARTNER

M.No.201470



Annexure "A" to the Independent Auditor's Report

With reference to the Annexure referred to in paragraph 1 under the heading "Report on other legal & regulatory requirements" of our Report of even date to the members of **GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED.** on the standalone Ind AS financial statements of the Company for the year ended 31st March 2019. We report that

- (i). (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company.
- (ii). The company did not hold any physical inventories during the year and therefore had no stocks of finished goods, stores, spare parts and raw materials during / at the end of the year.
- (iii). The company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 189 of the Companies act 2013.
- iv). According to the information and explanations given to us Company has not given any Loans, guarantees, security and not made any investments hence the provisions of clause (iv) of the order are not applicable to the company.
- v). The Company has not accepted any deposits from the public covered by the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- vi). As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- vii). a.) According to the information and explanations given to us and the records of the company examined by us, in our opinion the Company is generally regular in payment of undisputed statutory dues of Income Tax, Service Tax as applicable with appropriate authorities and there are no undisputed amounts payable as at 31st March 2019, which are outstanding for a period of more than six months from the date they become payable.

b) According to the information and explanations given to us and the records of the company examined by us, Except for the following service tax dues, there are no other dues of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Customs Duty, and Cess which have not been deposited on account of any dispute



Name of the statute	Nature of the dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Service Tax	Penalties	5,22,01,261	2007-08	CESTAT, Bangalore

- viii). The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Govt. or dues to debenture holders.
- ix). The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x). According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi). During the year Company has not paid any Managerial remuneration hence the provisions of clause (xi) of the order is not applicable to the company.
- xii). In Our Opinion and according to the explanations given to us, the company is not a Nidhi company. Accordingly, provisions of clause (xii) of the order are not applicable.
- xiii). According to the information and explanations given to us the company has not done any transactions with related parties .
- xiv). According to the information and explanations given to us, the company has not made any preferential allotment or Private placement of shares or fully or partly convertible debentures during the year.
- xv). The company has not entered into any non-cash transactions with the directors or persons connected with him.
- xvi). The company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

Place : Hyderabad

Date : 25.04.2019

For S.Venkatadri & Co.,
Chartered Accountants
Firm's Regn No.004614S


(K.SRINIVASA RAO)
PARTNER
M.No.201470



Annexure "B" to the Independent Auditors' Report of even date on the Financial Statements of GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED**Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place : Hyderabad

Date : 25.04.2019

For **S.Venkatadri & Co.**,
Chartered Accountants
Firm's Regn No.004614S



(K.SRINIVASA RAO)
P A R T N E R
M.No.201470



Auditor's Report on Quarterly and Year to Date Ind AS Financial Results of GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED

We have audited the accompanying statement of Ind AS financial results of **GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED** ('the Company') for the quarter and year ended March 31, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The quarterly Ind AS financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The Ind AS financial results for the quarter and year ended March 31, 2019 have been prepared on the basis of the Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'), which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Ind AS financial results based on our review of the Ind AS financial results for the nine-month period ended December 31, 2018 which were prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual Ind AS financial statements as at and for the year ended March 31, 2019 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
2. In our opinion and to the best of our information and according to the explanations given to us, these quarterly and year to date Ind AS financial results :
 - i. Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular')., in this regard; and



- ii. Give a true and fair view of the net profit and other financial information for the quarter and the year ended March 31, 2019.
3. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
4. This report is furnished solely to enable GMR Infrastructure Limited (GIL) to prepare consolidated financial results for the quarter and year ended March 31, 2019 for submission to the Board of Directors of GIL in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular') and their auditors in their audit of such consolidated financial results.

Accordingly, this report is not for the use or benefit of any other party nor is it to be copied, made available to or otherwise disclosed to any other party and, we do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Place : Hyderabad

Date : 25.04.2019

For **S.Venkatadri & Co.,**
Chartered Accountants
Firm's Regn No.004614S



(K.SRINIVASA RAO)
P A R T N E R
M.No.201470



Gateways for India Airports Private Limited
Ind AS Balance sheet as at March 31, 2019

	Particulars	Note No	Ind AS	Ind AS
			March 31, 2019	March 31, 2018
I	ASSETS			
(1)	Non-current assets			
	Property, Plant and Equipment		-	-
	Deferred tax assets (Net)	3	1,15,753	1,32,557
	Financial Assets			
	Long Term Loan and Advances	8	2,96,50,000	-
(2)	Current assets			
	(a) Financial assets			
	(i) Current Investments	4	-	2,84,43,103
	(ii) Other Financial Assets	5	3,47,681	-
	(ii) Cash and cash equivalents	6	1,56,971	40,977
	(b) Short-term loans and advances	7	25,00,000	25,00,000
	(c) Current Tax Assets (Net)	9	-	1,58,450
	Total Assets		3,27,70,405	3,12,75,088
II	EQUITY AND LIABILITIES			
(1)	Equity			
	Equity Share capital	10	1,00,000	1,00,000
	Other Equity	11	2,50,67,833	2,42,09,688
(1)	LIABILITIES			
	Current liabilities			
	Other current liabilities	12	75,55,000	69,65,400
	Current Tax Liability (Net)	9	47,572	-
	Total Equity and Liabilities		3,27,70,405	3,12,75,088

Significant accounting policies and notes to accounts forming an integral part of the financial statements

As per our report of even date attached
For S Venkatadri & Co
Chartered Accountants
ICAI Firm Registration No. 004614S

K Srinivasa Rao
Partner
Membership No.: 201470

Place : Hyderabad
Date :



For and on behalf of board of directors
Gateways for India Airports Private Limited

M V Srinivas
Director
DIN: 02477894

Place : New Delhi
Date :

Ravi Majeti
Director
DIN: 07106220

Place : New Delhi
Date :



Gateways for India Airports Private Limited
Statement of profit and loss for the period ended March 31, 2019

Amount in Rs.

	Particulars	Note No	Ind AS	Ind AS
			March 31, 2019	March 31, 2018
I	REVENUE			
	Other operating Income	13	24,93,841	18,17,311
	Total Income		24,93,841	18,17,311
II	EXPENSES			
	Finance Cost	14	5,469	876
	Other expenses	15	12,34,880	7,22,540
	Total Expenses		12,40,349	7,23,416
III	Profit/(loss) before exceptional items and tax from continuing		12,53,492	10,93,895
IV	Exceptional items		-	-
V	Profit/(loss) before and tax from continuing operations		12,53,492	10,93,895
	(1) Current tax		3,78,542	1,21,550
	(2) Adjustment of tax relating to earlier periods		-	(1,617)
	(3) Deferred tax		16,804	51,500
	Income tax expense		3,95,347	1,71,433
	Profit/(loss) for the year from continuing operations		8,58,145	9,22,462
	Profit for the year		8,58,145	9,22,462
VI	OTHER COMPREHENSIVE INCOME			
	A. Other comprehensive income to be reclassified to profit or loss in		-	-
	B. Other comprehensive income not to be reclassified to profit or loss		-	-
	Other comprehensive income for the year, net of tax		-	-
VII	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		8,58,145	9,22,462
VIII	Earnings per share for continuing operations			
	of the parent		85.81	92.25
	holders of the parent		85.81	92.25

Significant accounting policies and notes to accounts forming an integral part of the financial statements

As per our report of even date

For S Venkatadri & Co

Chartered Accountants

ICAI Firm Registration No: 004614S


K Srinivasa Rao
Partner
Membership No.: 201470



For and on behalf of board of directors

Gateways for India Airports Private Limited


M V Srinivas
Director
DIN: 02477894


Ravi Majeti
Director
DIN: 07106220

Place : Hyderabad

Date :

Place : New Delhi

Date :

Place : New Delhi

Date :



GATEWAYS FOR INDIA AIRPORTS PRIVATE LIMITED
Cash flow statement for the year ended March 31, 2019

	March 31, 2019 Rupees	March 31, 2018 Rupees
Cash flow from operating activities		
Profit before tax from continuing operations	12,53,492	10,93,895
Profit before tax from discontinuing operations	-	-
Profit before tax	12,53,492	10,93,895
Non-cash adjustment to reconcile profit before tax to net cash flows		
Interest income on mutual fund	(15,18,640)	(5,43,103)
Profit on sale of current investments (other than trade)	-	(12,74,208)
Operating profit before working capital changes	(2,65,148)	(7,23,416)
Movements in working capital :		
Increase/ (Decrease) in Current liabilities	5,89,600	5,79,325
Increase/ (decrease) in other current liabilities	47,573	-
Decrease / (increase) in other current assets	(1,89,231)	-
Decrease / (increase) short term loans and advances	-	-
Cash generated from / (used in) operations	1,82,793	(1,44,091)
Direct taxes paid (net of refunds)	(3,78,542)	(2,80,000)
Net cash flow from/ (used in) operating activities (A)	(1,95,749)	(4,24,091)
Cash flows from investing activities		
Loans and advances given	(2,96,50,000)	-
Purchase of current investments	(2,86,00,000)	(2,79,00,000)
Proceeds from sale/maturity of current investments	5,70,43,103	2,80,99,776
Net cash flow from/ (used in) investing activities (B)	3,11,743	1,99,776
Cash flows from financing activities		
Interest paid	-	-
Net cash flow from/ (used in) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,15,995	(2,24,314)
Cash and cash equivalents at the beginning of the year	40,978	2,65,292
Cash and cash equivalents at the end of the year	1,56,972	40,977
Components of cash and cash equivalents		
Cash on hand	-	-
Balance with schedule banks- in current account	1,56,971	40,977
Total cash and cash equivalents (note 10)	1,56,971	40,977

As per our report of even date

For S Venkatadri & Co

Chartered Accountants

ICAI Firm Registration No.004614S


K Srinivasa Rao
 Partner
 Membership No.: 201470




Place : Hyderabad

Date :

For and on behalf of the board of directors

Gateways for India Airports Private Limited


M V Srinivas
 Director
 DIN: 02477894


Ravi Majeti
 Director
 DIN: 07106220

Place : New Delhi

Date :

Place : New Delhi

Date :



Gateways for India Airports Private Limited

SFS Ind AS Policies

1 Corporate information

Gateways for India Airports Private Limited ('GFIAL' or 'the Company') is a private limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company is wholly owned subsidiary of GMR Infrastructure limited. The Company has been incorporated with the objective of participation in various airport infrastructure related projects. Upon successful award of such bids, separate Special Purpose Vehicles (SPVs) are formed in consortium with other parties for execution of these projects. The expenses incurred by the company towards such projects are charged / recovered from the respective project companies.

The registered office of the company is located at 6-3-866/1, G2, Greenlands, Begumpet, Hyderabad 500 016

2 Significant Accounting Policies

1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the period ended 31 March 2019 are the first the Company has prepared in accordance with Ind AS. Refer to note 21 for information on how the Company adopted Ind AS.

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

The stand-alone financial statements are presented in Rs.

Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in 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 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
- All other liabilities as non-current.

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

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

2 Fixed Assets

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

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 assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

3 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. 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.

4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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



Gateways for India Airports Private Limited

SFS Ind AS Policies

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

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

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

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

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

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

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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 balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 14.

Financial guarantee contracts: Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.



Gateways for India Airports Private Limited

SFS Ind AS Policies

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.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

5 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.

6 Revenue recognition

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

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

7 Taxes on income

Current income tax

Tax expense comprises current and deferred tax.

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

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

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



Gateways for India Airports Private Limited

SFS Ind AS Policies

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:

- a) 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
- b) 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:

- a) 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
- b) 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

8 Corporate Social Responsibility ('CSR') expenditure

There is no CSR expenditure during the year.



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

Note No	IND AS classification	Ind AS	Ind AS
		March 31, 2019	March 31, 2018
3	Defferred Tax Assets		
	Fixed assets: Impact of difference between tax depreciation and depreciation/	1,15,753	1,32,557
	Net deferred tax Assets	1,15,753	1,32,557
4	Current investments		
	Unquoted mutual funds		
	Aditya Birla -Growth-Regular Plan		
	101,122.638 units of `288.2283 each	-	2,84,43,103
		-	2,84,43,103
5	Other Current Financial Assets		
	Interest accrued from loan to Group Company	3,47,681	
6	Cash and cash equivalents		
	Cash and cash equivalents	-	-
	Balances with banks:		
	- On current accounts	1,56,971	40,977
		1,56,971	40,977
7	Short-term Loans and advances		
	Balances with statutory/ government authorities	-	-
	Advances recoverable in cash or kind	25,00,000	25,00,000
		25,00,000	25,00,000
8	Long Term Loans and advances		
	Loans to Group Companies -Unsecured loan considered as good	2,96,50,000	
		2,96,50,000	
9	Current Tax Assets /(Liability) (net)		
	Advance income-tax (net of provision for taxation)	47,571	1,58,450
		47,571	1,58,450
10	Share capital		
	Authorized shares		
	At 1 April 2018		
	50,000 (March 2018: 50,000) Equity Shares of Rs.10 each	50,000	5,00,000
	Increase/(decrease) during the year	-	-
	At 31 March 2019	50,000	5,00,000
	Issued, subscribed and fully paid-up shares		
	At 1 April 2018		
	Add: Issued during the year	1,00,000	1,00,000
	Less: Forfeited during the year	-	-
	At 31 March 2019	1,00,000	1,00,000
	(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
	Equity Shares		
		March 31, 2019	
		Nos	Rupees
	At the beginning of the period	10,000	1,00,000
	Outstanding at the end of the period	10,000	1,00,000



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

Note No	IND AS classification	Ind AS	Ind AS
		March 31, 2019	March 31, 2018

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

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

	March 31, 2019	March 31, 2018
	` Rupees	` Rupees
GMR Infrastructure Limited, the immediate holding company		
8,649 (March 31, 2018; 8,649) equity shares of `10 each fully paid up	86,490	86,490

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

	March 31, 2019	
	No. in lakhs	% holding in
Equity shares of `10 each fully paid		
GMR Infrastructure Limited, the immediate holding company,	8,649	86%
Fraport AG	1,351	14%

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.

11 Other Equity

Surplus in the statement of profit and loss

At 1 April 2018	2,42,09,689	2,32,87,226
(Loss)/Profit for the year	8,58,145	9,22,462
At 31 March 2019	2,50,67,834	2,42,09,688

12 Other current liabilities

Non trade payables	29,500	29,500
Statutory Dues	-	-
TDS Payable	1,00,000	59,000
Others	74,25,500	68,76,900
	75,55,000	69,65,400



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

13 Other operating income

	Amount in Rs.	
	March 31, 2019	March 31, 2018
	In Rs.	In Rs.
Profit on sale of current investments (other than trade)	-	12,74,208
Profit on Sale of Mutual Funds	15,18,640	5,43,103
Interest Income	9,75,201	
	24,93,841	18,17,311

14 Finance costs

	March 31, 2019	March 31, 2018
	In Rs.	In Rs.
Bank and other finance charges	5,469	876
	5,469	876

15 Other expenses**

	March 31, 2019	March 31, 2018
	In Rs.	In Rs.
Rates and taxes	2,200	11,200
Legal and professional fees	23,180	3,510
Payment to auditors* (refer details below)	29,500	29,500
Tour & Travel Expenses	-	88,330
Business support services	11,80,000	5,90,000
	12,34,880	7,22,540

Payment to auditors

	March 31, 2019	March 31, 2018
	In Rs.	In Rs.
As auditor:		
Audit fee	29,500	29,500
In other capacity:		
Other services (certification fees)	-	-
	29,500	29,500



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

16. Statement of changes in equity

a. Equity share capital:

6,035,945,275 equity shares of Re.1 each

	No.	Rs.
At 1 April 2018	10,000	1,00,000
At 31 March 2019	10,000	1,00,000

b. Other equity


Amount in Rs.

Particulars

Retained earnings	Other Comprehensive Income	Total equity
----------------------	----------------------------------	--------------


As at 1 April 2018	2,42,09,688	-	2,42,09,688
Profit for the year	8,58,145	-	8,58,145
Additions during the year	-	-	-
As at 31 March 2019	2,50,67,833	-	2,50,67,834

As per our report of even date attached
For S Venkatadri & Co
Chartered Accountants
ICAI Firm Registration No.004614S


K Srinivasa Rao
Partner
Membership No.: 201470

Place : Hyderabad
Date :

For and on behalf of board of directors
Gateways for India Airports Private Limited


M V Srinivas
Director
DIN: 02477894

Place : New Delhi
Date :


Ravi Majeti
Director
DIN: 07106220

Place : New Delhi
Date :



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

17. Other Equity

Particulars	March 31, 2019	March 31, 2018
Surplus in the statement of profit and loss		
Balance as per last financial statements	2,42,09,688	2,32,87,226
Add: Net profit for the year	8,58,145	9,22,462
Net surplus in the statement of profit and loss	2,50,67,833	2,42,09,688
Total reserves and surplus	2,50,67,833	2,42,09,688



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

19. Significant accounting judgements, estimates and assumptions

ESTIMATES AND ASSUMPTIONS

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

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

Contingent Liabilities

Contingent Liabilities Not Provided for On Account Of:

Penalties Raised by Service Tax Dept., for the Year 2007-08 disputed by the company and pending before CESTAT Bangalore.,Rs. 5,22,01,261/- (Previous Year Rs.5.22.01.261)

Fair value measurement of financial instruments

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



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

20. Earnings Per Share (EPS)

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

Particulars	Amounts in Rs.	
	March 31, 2019	March 31, 2018
Profit attributable to equity holders of the parent	8,58,145	9,22,462
Continuing operations	-	-
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	8,58,145	9,22,462
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	8,58,145	9,22,462
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	10,000	10,000
Effect of dilution:	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	10,000	10,000
Earning Per Share (Basic) (Rs)	85.81	92.25
Earning Per Share (Diluted) (Rs)	85.81	92.25
Face value per share (Rs)	10.00	10.00



Gateways for India Airports Private Limited
Notes to accounts for the year ended March 31, 2019

21. Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018

As at March 31, 2019

As at March 31, 2019

	(Rs.)				
Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Investments (other than investments in associates and joint ventures)	-	-	-	-	-
(ii) Cash and cash equivalents		-	1,56,971	1,56,971	1,56,971
Other Financials Assets			3,47,681	3,47,681	3,47,681
Total	-	-	5,04,652	5,04,652	5,04,652

As at March 31, 2018

As at March 31, 2018

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	(Rs. in crore)
					Total Fair value
Financial assets					
(i) Investments (other than investments in associates and joint ventures)	2,84,43,103	-	-	2,84,43,103	2,84,43,103
(ii) Cash and cash equivalents	-	-	40,977	40,977	40,977
Total	2,84,43,103	-	40,977	2,84,84,080	2,84,84,080



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

(b) Fair value hierarchy

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

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

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

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

Particulars	(Rs. in crore)			
	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2019				
Financial assets				
Investments (other than investments in associates and joint ventures)	-	-		
Financial liabilities				
Principal and interest rate swap	-			
Call spread option	-			
Foreign exchange forward contracts	-			
March 31, 2018				
Financial assets				
Investments (other than investments in associates and joint ventures)	2,84,43,103.00	2,84,43,103.00		
Principal and interest rate swap	-			
Financial liabilities				
Principal and interest rate swap	-			
Foreign exchange forward contracts	-			

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivative contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

(iv) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(v) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018 and March 31, 2019.



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

22. Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

(a) Market risk- 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 and short-term debt obligations with floating interest rates.

Interest rate risk

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, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
March 31, 2019		Amt in lacs
	+50	0
	-50	0
March 31, 2018		
	+50	-
	-50	-

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. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 28,864,070 and Rs. 28,484,080 as at March 31, 2019 and March 31, 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments and other financial assets.

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. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security.

The Company's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2019 and March 31, 2018.

With respect to trade receivables / unbilled revenue, the Company has constituted the terms to review the receivables on a periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Credit risk from balances with bank 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. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Excessive risk concentration

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

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

23. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long-term and short-term bank borrowings and issue of non-convertible / convertible debt securities and strategic partnership with investors.

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference share, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

(Rs. in crore)		
Particulars	March 31, 2019	March 31, 2018
Borrowings other than convertible preference shares	-	-
Total debt (i)	-	-
Capital components		
Equity share capital	1,00,000	1,00,000
Other equity	2,50,67,833	2,42,09,688
Total Capital (ii)	2,51,67,833	2,43,09,688
Capital and borrowings (iii = i + ii)	2,51,67,833	2,43,09,688
Gearing ratio (%) (i / iii)	0.00%	0.00%

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

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

Significant accounting policies and notes to accounts forming an integral part of the financial statements

As per our report of even date

For S Venkatadri & Co
Chartered Accountants
ICAI Firm Registration No.004614S

K Srinivasa Rao
Partner
Membership No.: 201470



For and on behalf of board of directors

Gateways for India Airports Private Limited


M V Srinivas
Director
DIN: 02477894


Ravi Majeti
Director
DIN: 07106220

Place : Hyderabad
Date :

Place : New Delhi
Date :

Place : New Delhi
Date :



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

24. Standard (Ind AS) issued not effective

A) Indian Accounting Standards (Ind AS) issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Gateways for India Airports Private Limited
Notes to the financial statements as at March 31, 2019

24. Standard (Ind AS) issued not effective

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

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

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

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

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

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

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

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss
- separately recognise any changes in the asset ceiling through other comprehensive income.

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

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

Annual Improvements to Ind AS

- **Ind AS 23, 'Borrowing Cost'**- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- **Ind AS 103, 'Business Combination'**- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.
- **Ind AS 111, 'Joint arrangements'**- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.
- **Ind AS 12, 'Income Taxes'**- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

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

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

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

