S. Venkatadri & Co.
Chartered Accountants

1408, Babukhan Estate,
Basheer Bagh, Hyderabad - 500 001.

Tel : 23237463, 23210182
Fax : 040 - 23296341

Independent Auditor's Report

To,
The Members of
KAKINADA GATEWAY PORT LIMITED.

Report on the Financial Statements :

We have audited the accompanying financial statements of **KAKINADA GATEWAY PORT LIMITED.**("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss for the year ended 31st March 2019, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 thereunder.

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 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 on 31st March 2019, and its Loss and its Cash Flow for the year ended on that date.

S. Venkatadri & Co. Firm Reg. No. 004614S HYD Chartered Accountants

S. Venkatadri & Co.
Chartered Accountants

1408, Babukhan Estate,
Basheer Bagh, Hyderabad - 500 001.

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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. Further to our comments in the annexure, as required by section 143(3) of the Act, we report that :

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   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".

   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

S. Venkatadri & Co. Firm Reg. No. 004614S HYD. Chartered Accountants

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

S. Venkatadri & Co.
Chartered Accountants
1408, Babukhan Estate,
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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 **KAKINADA GATEWAY PORT LIMITED.** on the financial statements for the year ended 31st March 2019. We report that

I. The company hold fixed assets as at the end of the year and hence provisions of clause 3(i) (a),(b)&(c) of the order are applicable to the 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. Accordingly Clause 3(ii) of the order is not applicable.

III. The company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies act 2013. Accordingly Clause 3(iii) (a) to (c) of the order are not applicable.

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 3(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 thereunder. hence clause 3(v) of the order is not applicable to the company

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 information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable. Duty of Provident Fund, Employees State Insurance, Customs, Duty of Excise are not applicable to the company,

b. According to the information and explanations given to us and the records of the company examined by us there are no dues of Income Tax, Service Tax, Value Added Tax, Sales Tax, Duty of Excise, Duty of customs which have not been deposited on account of any dispute

VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Govt. or dues to debenture holders.

S. Venkatadri & Co. Chartered Accountants

S. Venkatadri & Co.
Chartered Accountants
1408, Babukhan Estate,
Basheer Bagh, Hyderabad - 500 001.
Tel : 23237463, 23210182
Fax : 040 - 23296341

IX. Based upon the audit procedures performed and the information and explanations given by the management, the Company has 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. Based upon the audit procedures performed and the information and explanations given by the management, the company had not paid Managerial remuneration during the year. Accordingly, provisions of clause 3(xii) of the order are not applicable.

XII. In Our Opinion and according to the explanations given to us, the company is not a Nidhi company. Accordingly, provisions of clause 3(xii) of the order are not applicable.

XIII. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

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. Accordingly, provisions of clause 3(xiv) of the order are not applicable.

XV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

XVI. In our opinion, 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

S. Venkatadri & Co.
Chartered Accountants

1408, Babukhan Estate,
Basheer Bagh, Hyderabad - 500 001.

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Annexure "B" to the Independent Auditors' Report of even date on the Financial Statements of KAKINADA GATEWAY PORT 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 **KAKINADA GATEWAY PORT 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.

S. Venkatadri & Co.
Firm Regn. No.
HYD.
Chartered Accountants

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

S. Venkatadri & Co. Firm Reg. No. 004614S HYD. Chartered Accountants

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

KAKINADA SEZ LIMITED

Statement of Standalone Audited Results for Quarter and Year ended March 31, 2019

(In Rs.)

	Particulars	Quarter ended			Year ended	
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
	(Refer Notes Below)	(Refer Note 1)	Unaudited	(Refer Note 1)	Audited	Audited
A	**Continuing Operations**					
1	Income					
	a) Revenue from operations					
	i) Sales/income from operations	32,441,518	34,498,580	5,340,494	127,785,925	21,215,591
	ii) Other operating income	3,286,653	493,200	845,786	4,605,992	1,748,360
	b) Other income					
	Total income	**35,728,170**	**34,991,780**	**6,186,280**	**132,391,916**	**22,963,951**
2	**Expenses**					
	(a) Operating expenses	15,631,465	11,954,999		51,495,176	
	(b) Employee benefits expense	2,690,047	2,746,998	2,385,827	8,540,206	22,954,991
	(c) Finance costs	4,887,439	8,056,929	5,113,905	26,582,473	21,438,381
	(d) Depreciation and amortisation expenses	1,635,885	1,762,238	1,635,885	6,632,423	6,634,423
	(e) Other expenses	11,753,510	3,921,804	1,221,125	20,711,505	15,119,423
	Total expenses	**36,598,346**	**28,442,968**	**10,356,742**	**113,961,783**	**66,147,218**
3	**Profit/(loss) before exceptional items and tax expense from continuing operations (1-2)**	**(870,176)**	**6,548,812**	**(4,170,462)**	**18,430,133**	**(43,183,267)**
4	Exceptional items					
5	**Profit/(loss) from continuing operations before tax expenses (3 ± 4)**	**(870,176)**	**6,548,812**	**(4,170,462)**	**18,430,133**	**(43,183,267)**
6	**Tax expenses of continuing operations**					
	(a) Current tax					
	(b) Deferred tax					
7	**Profit/(loss) after tax from continuing operations (5 ± 6)**	**(870,176)**	**6,548,812**	**(4,170,462)**	**18,430,133**	**(43,183,267)**
8	**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	(5,082,872)	5,375,851	(985,606)	(176,219)	(1,454,804)
9	**Total other comprehensive income, net of tax for the respective periods**	**(5,082,872)**	**5,375,851**	**(985,606)**	**(176,219)**	**(1,454,804)**
10	**Total comprehensive income for the respective periods (7 ± 9) [comprising Profit (loss) and Other comprehensive income (net of tax) for the respective periods]**	**(5,953,048)**	**11,924,663**	**(5,156,068)**	**18,253,914**	**(44,638,071)**
11	Paid-up equity share capital (face value Rs.10/- per share)	**939,943,161**	**939,943,161**	**939,943,161**	**939,943,161**	**939,943,161**
12	Weighted average number of shares used in computing Earnings	**93,994,316**	**93,994,316**	**93,994,316**	**93,994,316**	**93,994,316**
13	**Earnings per equity share (for continuing operations)**					
	Basic & diluted	**(0.06)**	**0.13**	**(0.05)**	**0.20**	**(0.47)**

Nore: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 K.S.Rao & Co
Firm Regn.No: 0031095
Chartered Accountants

K.S.RAO & CO. Chartered Accountants CHENNAI

M.Krishna Chaithanya
Partner
Membership No.231282

Place: Hyderabad
Date: 30th April,2019

For and on behalf of the Board of Directors

B.V.N.Rao
Director
DIN: 00051167

P V S Murthy
Director
DIN No. 06500081

G.V. Suresh Kumar
Company Secretary

Srinivasa Rao Suru
CFO

Place: Hyderabad
Date: 30th April,2019

KAKINADA SEZ LIMITED

KAKINADA SEZ LIMITED
Audited Statement of Assets and Liabilities

(in Rs.)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	56,011,672	25,049,635
Capital work in progress	20,078,134,167	20,633,768,611
Investment property	137,685,825	139,583,853
Other intangible assets	109,925	172,330
Financial assets		
Investments	112,355,365	100,000
Loans	1,623,930	1,731,160
Other Financial Assets	1,966,310	2,318,478
Non-current balance of current tax assets (Net)	21,064,932	8,878,305
Other non-current assets	807,484,040	1,497,484,040
	21,216,436,167	**22,309,086,411**
b) Current assets		
Inventories		
Financial assets		
Loans and advances	83,334	-
Trade receivables	261,835	63,900
Cash and cash equivalents	17,919,714	73,176,202
Other financial assets	491,983	524,129
Other current assets	4,110,553,655	119,439,121
	4,129,310,522	193,203,351
TOTAL ASSETS (a+b)	**25,345,746,688**	**22,502,289,763**
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	939,943,161	939,943,161
Other equity	(124,375,258)	(142,629,173)
Equity contribution from parent company-Related party loan	-	
Total equity	**815,567,903**	**797,313,988**
b) Non-current liabilities		
Financial liabilities		
Borrowings	10,650,667,851	9,125,145,359
Provisions	6,885,065	17,268,320
Other financial liabilities	989,380,308	862,742,310
	11,646,933,224	**10,005,155,990**
c) Current liabilities		
Financial liabilities		
Provisions	2,421,249	622,272
Other financial liabilities	10,640,665,309	8,457,203,518
Trade Payable		
Due to micro enterprises and small enterprises	-	-
Due to others	2,188,817,163	3,199,990,137
Other current liabilities	51,341,844	42,003,861
	12,883,245,565	**11,699,819,787**
TOTAL EQUITY AND LIABILITIES (a+b+c)	**25,345,746,688**	**22,502,289,764**

For K.S.Rao & Co
Firm Regn.No: 0031095
Chartered Accountants

M.Krishna Chaithanya
Partner
Membership No.231282

K.S. RAO & CO. Chartered Accountants CHENNAI

Place: Hyderabad
Date: 30th April,2019

For and on behalf of the Board of Directors

B.V.N.Rao
Director
DIN: 00051167

P V S Murthy
Director
DIN No. 06500081

G.V. Suresh Kumar
Company Secretary

Srinivasa Rao Suru
CFO

Place: Hyderabad
Date: 30th April,2019

KAKINADA SEZ LIMITED

KAKINADA SEZ LIMITED

AUDITED BALANCE SHEET AS AT 31ST MARCH 2019

Amt in Rs.

Particulars	Notes	March 31, 2019	March 31, 2018
Assets:			
Non-Current Assets			
Property , Plant and Equipment	3	56,011,672	25,049,635
Investment Property	4	137,685,825	139,583,853
Investment Property under construction	5	20,078,134,167	20,633,768,611
Intangible assets	6	109,925	172,330
Financial Assets			
Investments	7	112,355,365	100,000
Loans	8	1,623,930	1,731,160
Other Financial Assets	9	1,966,310	2,318,478
Deferred Tax Assets (Net)	10	1,061,048	-
Income tax assets (net)	10	20,003,884	8,878,305
Other non-current assets	11	807,484,040	1,497,484,040
		21,216,436,167	**22,309,086,412**
Current Assets			
Financial Assets			
Trade receivables	12	261,835	63,900
Cash and cash equivalents	13	17,919,714	73,176,202
Loans	8	83,334	-
Other Financial Assets	9	491,983	524,129
Other current assets	11	4,110,553,655	119,439,121
		4,129,310,522	193,203,352
Total Assets		**25,345,746,689**	**22,502,289,764**
Equity & Liabilities:			
Equity			
Equity Share Capital	14	939,943,161	939,943,161
Other equity	15	(124,375,258)	(142,629,173)
Liabilities			
Non-Current Liabilities			
Financials Liabilities			
Borrowings	16	10,650,667,851	9,125,145,359
Provisions	17	6,885,065	17,268,320
Deferred Tax Laibility		-	-
Other Non-current Liabilities	19	989,380,308	862,742,310
Current liabilities			
Financial Liabilities			
Borrowings		-	-
Trade Payables			
Due to micro enterprises and small enterprises		-	-
Due to others		2,188,817,163	3,199,990,137
Other financial liabilities	18	10,640,665,309	8,457,203,518
Other current Liabilities	19	51,341,844	42,003,861
Provisions	17	2,421,249	622,272
Total Equity & Liabilities		**25,345,746,689**	**22,502,289,764**
Significant Accounting Policies & Disclosures	1&2		

As per our report of even date

For K.S.Rao & Co
Firm Regn.No: 0031095
Chartered Accountants

M.K. Chaithanya

M.Krishna Chaithanya
Partner
Membership No.231282

K.S. RAO & CO. Chartered Accountants CHENNAI

For and on behalf of the Board of Directors

B.V.N.Rao
Director
DIN: 00051167

P V S Murthy
Director
DIN No. 06500081

G.V. Suresh Kumar
Company Secretary

Srinivasa Rao Suru
CFO

KAKINADA SEZ LIMITED

Place: Hyderabad
Date: 30th April,2019

Place: Hyderabad
Date: 30th April,2019

KAKINADA SEZ LIMITED

Statement of Audited Profit and Loss for the year ended March 31, 2019

Amt in Rs.

Particulars	Notes	01st April-2018 to 31st March, 2019	01st April-2017 to 31st March, 2018
CONTINUING OPERATIONS			
Revenue from operations	20	127,785,925	21,567,763
Other income	21	4,605,992	1,987,721
Total Revenue		**132,391,916**	**23,555,484**
Expenses			
Operating expenses	22	51,495,176	-
Employee Benefits Expense	23	8,540,206	22,954,991
Depreciation	24	6,632,423	6,634,423
Finance Costs	25	26,582,473	22,029,914
Other Expenses	26	20,711,505	15,119,423
Total Expenses		**113,961,783**	**66,738,751**
Profit/(loss) before exceptional items and tax		**18,430,133**	**(43,183,267)**
Exceptional items		-	-
Profit/(loss) before and tax		**18,430,133**	**(43,183,267)**
(1) Current tax		1,061,048	-
Less: MAT Credit Entitlement		(1,061,048)	-
(2) Deferred tax		-	-
Income tax expense		-	-
Profit/(loss) for the year		**18,430,133**	**(43,183,267)**
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		(176,219)	(1,454,804)
Income tax effect			
Other Comprehensive Income for the Year- (B)		**(176,219)**	**(1,454,804)**
Total comprehensive income for the year (A+B)		**18,253,914**	**(44,638,071)**
Earning Per Share		0.20	(0.46)

As per our report of even date

For K.S.Rao & Co
Firm Regn.No: 0031095
Chartered Accountants

M. Chaithanya

K.S. RAO & CO. Chartered Accountants CHENNAI

M.Krishna Chaithanya
Partner
Membership No.231282

Place: Hyderabad
Date: 30th April,2019

For and on behalf of the Board of Directors

B.V.N.Rao
Director
DIN: 00051167

P V S Murthy
Director
DIN No. 06500081

G.V. Suresh Kumar
Company Secretary

3. Srinivasu

Srinivasa Rao Suru
CFO

Place: Hyderabad
Date: 30th April,2019

KAKINADA SEZ LIMITED

KAKINADA SEZ LIMITED

Statement of Cash Flow for the year ended March 31,2019

Amt in Rs.

Particulars	Notes	March 31,2019	March 31,2018
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES			
Profit/(Loss) before Tax		18,253,914	(44,638,071)
Profit / (loss) before tax expenses		**18,253,914**	**(44,638,071)**
Adjustements to reconcile profit before tax to net cash flows:			
Depreciation of investment properties		6,632,423	6,634,423
Finance costs		26,582,473	21,438,381
Proceeds from mutual fund investment,Unwinding of interest on Security deposit		(4,605,992)	(1,748,360)
Operating profit before working capital changes		**46,862,819**	**(18,313,627)**
Movements in working capital :			
Movements in Provision, gratuity and govt. grants		(8,584,278)	4,518,576
Increase/(Decrease) in trade and other receivables and prepayments		(3,246,000,887)	(26,191,171)
Increase in trade and other payables		(683,200,735)	2,054,067,113
Cash generated from operations		**(3,890,923,081)**	**2,014,080,891**
Income Tax paid		-	-
Net cash flow from operating activities (A)		**(3,890,923,081)**	**2,014,080,891**
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES			
Proceeds from mutual fund investment,Unwinding of interest on Security deposit		4,605,992	1,748,360
Purchase of property, plant and equipment &CWIP		(29,001,605)	(2,241,205)
Increase in Investments		(112,255,365)	-
Sale/ (Purchase) of investment Properties		104,559,411	(239,963,230)
Increase/(Decrease) in other receivables due to sale of investments to group company		-	-
Interest received (finance income)			
Net cash flow used in investing activities (B)		**(32,091,568)**	**(240,456,075)**
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES			
Interest Paid		1,682,146,710	(2,599,141,170)
Proceeds from borrowings		959,743,085	6,352,613,275
Repayment of Borrowings		1,292,958,367	(5,524,519,479)
Net cash flow (used in) / from financing activities (C)		**3,934,848,160**	**(1,771,047,374)**
Net (decrease) / increase in cash and cash equivalents (A + B + C)		11,833,512	2,577,442
Cash and cash equivalents at beginning of the year		6,086,202	3,508,760
Cash and cash equivalents at year end		**17,919,714**	**6,086,202**
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash on hand		-	25,780
With banks- on current account		7,304,572	6,036,966
- on deposit account		10,615,142	23,456
Total cash and cash equivalents (note 5)		**17,919,714**	**6,086,202**

Amendment to Ind AS 7

Effective April 1, 2017, the company adopted the amendment to Ind AS 7, which requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance for liabilities arising from financing activities, to meet the disclosure requirement. The reconciliation is given as below:

Particulars	1-Apr-18	Cash Flows	Non Cash changes	Others	31-Mar-19
			Fair Value changes		
Long Term Borrowings	9,125,145,359	1,525,522,492			10,650,667,851
Current maturities of long term borrowings	7,360,112,744	727,178,960			8,087,291,704

For K.S.Rao & Co
Firm Regn.No: 0031095
Chartered Accountants

K.S. RAO & CO. Chartered Accountants CHENNAI

M.Krishna Chaithanya
Partner
Membership No.231282

Place: Hyderabad
Date: 30th April,2019

For and on behalf of the Board of Directors

B.V.N.Rao
Director
DIN: 00051167

P V S Murthy
Director
DIN No. 06500081

G.V. Suresh Kumar
Company Secretary

Srinivasa Rao Suru
CFO

KAKINADA SEZ LIMITED

Place: Hyderabad
Date: 30th April,2019

KAKINADA SEZ LIMITED

Statement of Changes in Equity

Amt in Rs.

Particulars	Equity share capital	Equity contribution from parents - Related	Reserve and surplus Retained earnings	Items of OCI	Total equity
As at 1 April 2017	**939,943,161**	**1,562,768**	**(99,706,024)**	**152,154**	**841,952,059**
Equity contribution from parents - Related party loan		-			-
Profit for the period/movement	-		(43,183,267)	-	**(43,183,267)**
Other comprehensive income	-		-	(1,454,804)	**(1,454,804)**
At 31 March 2018	**939,943,161**	**1,562,768**	**(142,889,291)**	**(1,302,650)**	**797,313,988**
Profit for the period	-		18,430,133	-	18,430,133
Other comprehensive income	-		-	(176,219)	(176,219)
Total comprehensive income	-		-	-	-
At 31 March 2019	**939,943,161**	**1,562,768**	**(124,459,158)**	**(1,478,869)**	**815,567,902**

As per our report of even date

For K.S.Rao & Co
Firm Regn.No: 0031095
Chartered Accountants

M.Krishna Chaithanya
Partner
Membership No.231282

Place: Hyderabad
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CFO

Place: Hyderabad
Date: 30th April,2019

Kakinada SEZ Limited
Notes to the financial statements for the year ended March 31, 2019

1. Corporate information

Kakinada SEZ Ltd ('KSEZ' or 'the Company') is a public limited Company domiciled in India. It is a subsidiary to GMR SEZ & Port Holdings Limited. The Company is developing a special economic zone (SEZ) near Kakinada in East Godavari district of Andhra Pradesh.

The financial statements were approved for issue in accordance with a resolution of the directors on 30th April, 2019.

2. Significant accounting policies

2.1. Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are 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.

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

The financial statements are presented in Indian Rupees (INR).

2.2. Summary of significant accounting policies

a. Current versus non-current classification

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

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.

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KAKINADA SEZ LIMITED

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

Advance tax paid is classified as non-current assets.

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.

b. Fair value measurement of financial instruments

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

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:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the standalone 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

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 standalone 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.

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c. 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.

Income from long term leases

As a part of its business activity, the Company leases /sub-leases land on long term basis to its customers. Leases are classified as finance lease whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease. In some cases, the Company enters into cancellable lease / sub-lease transaction, while in other cases, it enters into non-cancellable lease / sub-lease transaction. The Company recognizes the income based on the principles of leases as set out in Ind AS 17 "Leases" and accordingly in cases where the land lease / sublease transaction are cancellable in nature, the income in the nature of upfront premium received / receivable is recognized on operating lease basis i.e. on a straight line basis over the period of lease / sub-lease agreement /date of memorandum of understanding takes effect over lease period and annual lease rentals are recognized on an accrual basis.

In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognized on finance lease basis i.e. at the inception of lease / sublease agreement / date of memorandum of understanding takes effect over lease period, the income recognized is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land and development costs incurred are expensed off in the statement of profit and loss.

Contract Revenue

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 of this new revenue recognition standard.

Income from management/ technical services

Income from management/ technical services is recognised as per the terms of the agreement on the basis of services rendered.

Interest income

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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 but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

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

d. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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.

Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 income tax asset to be utilized.

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

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

e. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets , its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the standalone balance sheet.

f. Property, plant and equipment

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 March 31, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2015.

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Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. 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.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

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

Category of asset*	**Estimated useful life**
Plant and equipment	4 – 15 years*
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 – 10 years
Computers	3 years

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

*The Company, based on technical assessment made by the technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.
Further, the management has estimated the useful lives of asset individually costing Rs 5,000 or less to be lessthan one year, whichever is lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The 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.

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

g. 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, if any.

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The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	**Useful lives**	**Amortisation method used**	**Internally generated or acquired**
Computer software	Definite (6 years)	Straight-line basis	Acquired

h. Borrowing cost

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.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if 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.

A lease is classified at the inception date as a finance lease or an operating lease.

For arrangements entered into prior toApril 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

<u>Company as a lessee</u>

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

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:

a. 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

b. 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.

j. Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value.

k. Impairment of non-financial assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

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(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss

l. Provisions and contingent liabilities

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.
A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

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Provisions and contingent liability are reviewed at each balance sheet.

m. Retirement and other employee benefits

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

a. The date of the plan amendment or curtailment, and
b. The date that the Company recognises related restructuring costs

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

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

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n. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets andfinancial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Investment in preference shares/debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

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Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

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Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a. 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.

b. De-recognition

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 de-recognition 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 and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone 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.

o. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. 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.

p. Cash and cash equivalents

Cash and cash equivalent in the standalone 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.

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q. Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r. Foreign currencies

In preparing the financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-"First time adoption of Indian Accounting Standard" are recognised directly in equity or added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

s. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

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Notes to the financial statements as at March 31,2019

Note.3

Property , Plant and Equipment (as at 31-March-2019)

Amt in Rs.

Particulars	Land	Buildings	Electrical Equipments	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Total
Gross Block (at cost)								
as at April 1, 2017		**1,884,974**	**20,398,120**	**10,395,056**	**4,389,055**	**826,516**	**564,304**	**38,458,025**
Additions	-	-		648,539	195,892	1,565,983	-	**2,410,414**
Disposals		-	-			-	-	-
as at March 31,2018	-	**1,884,974**	**20,398,120**	**11,043,595**	**4,584,947**	**2,392,499**	**564,304**	**40,868,439**
Gross Block (at cost)								
as at April 1, 2018	-	**1,884,974**	**20,398,120**	**11,043,595**	**4,584,947**	**2,392,499**	**564,304**	**40,868,439**
Additions	1,148,422	27,673,907	4,779,258	2,318,252	117,264	4,400	-	**36,041,503**
Disposals				71,050	35,590	2,100		**108,740**
as on March 31, 2019	**1,148,422**	**29,558,881**	**25,177,378**	**13,290,797**	**4,666,621**	**2,394,799**	**564,304**	**76,801,202**
Depreciation								
as at April 1, 2017	-	**1,753,033**	**2,039,812**	**3,578,466**	**3,372,930**	**233,407**	**215,392**	**11,193,040**
Charge for the year	-	114,656	1,836,334	1,234,235	788,428	547,717	104,394	**4,625,764**
Disposals	-							-
as at March 31,2018	-	**1,867,689**	**3,876,146**	**4,812,701**	**4,161,358**	**781,124**	**319,786**	**15,818,804**
as at April 1, 2018	-	**1,867,689**	**3,876,146**	**4,812,701**	**4,161,358**	**781,124**	**319,786**	**15,818,804**
Charge for the year	-	796,477	2274977.84	1,500,233	207,175	196,206	104,394	5,079,463
Disposals	-			71,050	35,588	2,100		108,738
as on March 31, 2019	-	**2,664,166**	**6,151,124**	**6,241,884**	**4,332,946**	**975,230**	**424,180**	**20,789,529**
Net Block as at March 31, 2018	-	**17,285**	**16,521,974**	**6,230,894**	**423,589**	**1,611,375**	**244,518**	**25,049,635**
Net Block as on March 31, 2019	**1,148,422**	**26,894,715**	**19,026,254**	**7,048,913**	**333,675**	**1,419,569**	**140,124**	**56,011,672**

* Borrowing cost that are attributable to the buildings during the period of construction amounting to Rs. 25,04,828/- has been capitalised.

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Note.4

Investment Property (as at 31-March-2019)

Amt in Rs.

Particulars	Land	Buildings	Total
Gross Carrying Amount			
As at April 01, 2017	-	-	-
Additions during the year	10,563,577	128,653,904	139,217,481
Expenses capitalised during the year	8,951,875		8,951,875
Impairment loss	-		-
Disposals	-		-
As at March 31, 2018	**19,515,452**	**128,653,904**	**148,169,356**
Acquisitions during the year		2,043,146	2,043,146
Expenses capitalised during the year	-		-
Impairment loss	-		-
Disposals	-		-
as on March 31, 2019	**19,515,452**	**130,697,050**	**150,212,502**
Accumulated depreciation			
As at April 01, 2017	-	4,288,463	4,288,463
Charge for the year	-	4,297,040	4,297,040
Disposals	-		-
As at March 31, 2018	-	**8,585,503**	**8,585,503**
Charge for the year	-	3,941,173	3,941,173
Disposals	-		-
as on March 31, 2019	-	**12,526,677**	**12,526,677**
Net block			
As at March 31, 2018	**19,515,452**	**120,068,401**	**139,583,853**
As at March 31, 2019	**19,515,452**	**118,170,373**	**137,685,825**

Notes:

(a) Information regarding income and expenditure of Investment property:

Amt in Rs.

Particulars	31-Mar-19	31-Mar-18
Rental income derived from investment property	23,155,925	21,567,763
Less: Direct operating expenses (including repairs and maintenance) generating rental income	8,540,206	22,954,991
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	26,582,473	22,029,914
Profit / (loss) arising from investment properties before depreciation	(11,966,754)	(23,417,141)
Less: Depreciation for the year	3,941,173	4,297,040
Profit / (loss) arising from investment properties	**(15,907,927)**	**(27,714,182)**

(b) Reconciliation of fair value

	in Rs. Cr
As at April 01, 2017	14.98
Fair value difference	
Purchases during the year	2.01
As at March 31, 2018	**16.99**
Fair value difference	-
Purchases during the year	
As at March 31, 2019	**16.99**

(c) Description of valuation techniques used and key inputs to valuation on investment properties:

Investment Properties	Valuation technique	Significant unobservable inputs		Range (weighted average)
			March 31, 2019	March 31, 2018
The Company's investment properties consist of Lands as on 31-March-2019 is 10.31 Ac (as on 31-Mar-2018 is 10.31 acres) located in village Kotha Moolapeta of Uppada Kothapalli Mandal , Near Kakinada, East Goadavari District,Andhapradesh. These valuations are based on valuations performed independent valuer.	GLR (Guide Line Rate) method	Nil	36 L - 40 L	36 L - 40 L

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Notes to the financial statements as at March 31,2019

Note.5

Details of Investment Property under construction as at 31st March,2019

Amt in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Land and Land Related Expenses	5,530,116,766	5,886,693,794
Rehabilitation Expenses	1,156,346,484	727,654,906
Interest & Finance Charges	11,701,055,009	12,145,497,619
Rates & Taxes	39,851,659	9,821,574
Consultancy Charges	474,438,655	580,978,433
Infrastructure Development-Levelling , Road etc	246,654,294	237,719,645
Overhead Cost	929,671,300	1,045,402,640
(i)	**20,078,134,167**	**20,633,768,611**
Less: Other income		
Interest income on bank deposits	-	-
Interest Receivable Loans	-	-
Miscellaneous income (net of expenses directly at	-	-
(ii)	-	-
Total - (iii) = (i) - (ii)	**20,078,134,167**	**20,633,768,611**
Less: Apportioned over the cost of tangible assets	-	-
(iv)	-	-
Total - (v) = (iii) - (iv)	**20,078,134,167**	**20,633,768,611**

(i) Disclosure as per Ind AS 23

(a) the amount of borrowing costs capitalised during the period - Rs. 218,92,28,030/-

(b) the capitalisation rate @11.38% is used to determine the amount of borrowing costs eligible for capitalisation.

(ii) Reconciliation of fair value	**in Rs. Cr**
As at April 01, 2017	3,296.89
Fair value difference	
Purchases during the year	0.05
Transfer to Invesment property	(2.01)
As at March 31, 2018	**3,294.93**
Fair value difference	(89.53)
Purchases during the year	-
Transfer to Invesment property	-
As at March 31, 2019	**3,205.40**

(iii) Description of valuation techniques used and key inputs to valuation on investment properties:

Investment Properties	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			March 31, 2019	March 31, 2018
The Company's investment properties consist of Lands as on 31-March-2019 is 8229.32 Ac (as on 31-Mar-2018 is 8229.32 acres) located in village Ponnada,Ramanakka peta, Komaragiri,Kotha Moolapeta of Uppada Kothapalli Mandal and Villages Kodhada, K.Perumallapuram and AV Nagarama of Thognadi Mandal, Village Bhimavaram (2Ac) , Samalkot Mandal ,Near Kakinada, East Goadavari District,Andhapradesh. These valuations are based on valuations performed independent valuer.	GLR (Guide Line Rate) method	Nil	36 L- 40 L	36 L- 40 L

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(iv) Details of Charges created on assets

(a) First pari passu charge has been created on land for the term loan availed by the Company from IFCI to the extent of Rs.150 Crores.

(b) First pari passu charge has been created on land for the term loan availed by GMR Infrastructure Limited from LIC of India to the extent of Rs.600 Crores.

(c) Subservient charge has been created on land for the Term Loan availed by GMR Infrastructure Limited from ICICI Bank Ltd to the extent of Rs.1000 Crores.

(d) Subservient charge has been created on land for the Term Loan of Rs. 214 Cr and NCDs of Rs. 830 Cr outstanding availed by GMR Infrastructure Limited from ICICI Bank Ltd.

(e) First charge has been created on land for the coprorate loan of Rs. 250 Cr availed by GMR Infrastructure Limited from IFCI Ltd.

(v) The company had given the land on finance lease to various parties during the current year. The corresponding land and development costs incurred and transferred to statement of profit and loss from the Investment in progress is as follows:

Breakup of cost :	2018-19
SGA-Land Purchase	7,026,000
Land Compensation (Additional)	4,684,000
Interest on Unsecured Loans-others	34,927,090
Overhead & Other expenses	4,858,086
Total	**51,495,176**

Note: 6

Other Intangible assets as at 31st March,2019 **Amt in Rs.**

	Total
Cost as at April 1, 2017	**567,209**
Additions during the year	-
Disposals	-
As at March 31,2018	**567,209**
Additions during the year	-
Disposals	-
As at March 31,2019	**567,209**
Accumulated Amortisation	
As at April 1 2017	**196,594**
Charge for the year	198,285
Disposals	-
As at March 31,2018	**394,879**
Charge for the year	62,405
Disposals	
Accumulated amortisation as at March 31,2019	**457,284**
Net Block	
As at March 31,2018	**172,330**
As at March 31,2019	**109,925**

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Notes to the financial statements As at March 31,2019

Note.7

Investments

Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Non-Current balance		
Investments at Cost		
Unquoted Equity Instruments - Subsidiaries		
10000 equity shares of Rs.10/- each in Kakinada Gateway Port Ltd	100,000	100,000
Ind AS component of Corporate guarantee provided to Subsidiary	112,255,365	-
	112,355,365	**100,000**
Current balance		
Investments in Mutual Funds	-	-
	-	-
Total	**112,355,365**	**100,000**

The company has invested in equity shares of Kakinada Gateway Port Limited (KGPL) (100% subsidiary) and the 9994 shares are pledged with Yes Bank Limited against the loan taken by KGPL.

Note.8

Loans

Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Non Current Balance of Loans		
Deposit - Porperty lease	1,544,000	1,651,230
Deposit-Others	79,930	79,930
Total Non Current Balance of Loans	**1,623,930**	**1,731,160**
Current Balance of Loans		
Loans to Employees -considered good - secured		
Loans to Employees -considered good - unsecured	83,334	3,753
Total Current Balance of Loans	**83,334**	**3,753**
Total Loans	**83,334**	**3,753**

Note.9

Other Financial Assets

Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Non-current balance of Other Financial Assets		
Unbilled rent	1,966,310	2,318,478
Total non-current balances of Other Financial Assets	**1,966,310**	**2,318,478**
Current Balances of Other financial assets		
Non Trade Receivable	8,126	79,950
Unbilled rent	352,173	352,173
Loans to Employees	3,753	3,753
Interest accrued on fixed deposits	127,931	88,253
Total current balances of Other Financial Assets	**491,983**	**524,129**
Total Other Financial Assets	**2,458,293**	**2,842,607**

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Note.10

(a) Deferred Tax Assets

Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
MAT Credit Entitlement (2018-19)	1,061,048	-
Less: MAT Credit Utilised	-	-
Total	**1,061,048**	-

(b) Current Income Tax

Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Taxes Recoverable	21,064,932	8,878,305
Less: Tax liability	(1,061,048)	-
Total	**20,003,884**	**8,878,305**

Note.11

Other Assets

Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Non-current balance		
Capital advances (Unsecured, considered good)		
To related parties	500,000,000	500,000,000
To others	251,906,222	941,906,222
	751,906,222	**1,441,906,222**
Others		
Income Tax paid under protest (Refer Note (a) below)	50,258,819	50,258,819
Security Deposits – Unsecured considered good	5,318,999	5,318,999
	55,577,818	**55,577,818**
Total non-current Other Assets	**807,484,040**	**1,497,484,040**
Current balance		
Advances recoverable in cash or kind - Unsecured considered good	16,231,678	2,363,730
Balance with Statutory /Government authorities	93,552,907	114,142,216
Prepaid Expenses	3,004,856	2,933,174
Assets held for Sale - Refer Note. 33(b)	3,997,764,213	-
Total other current assets	**4,110,553,655**	**119,439,121**
Total Other Assets	**4,918,037,695**	**1,616,923,161**

(a) The Company has paid Income Tax under Protest of Rs. 5.02 Crores. Provision has not been made for the same, since the company has contested the same in an appeal before the Hon'ble High Court of Andhra Pradesh. This Rs.5.02 Crores consists of Rs.4.84 Crores for regular tax assessments and Rs. 0.19 Crores for penalty . The appeal is admitted by the Hon'ble High Court and the hearings are in progress.

(b) The amount shown under "Balance with statutory/Government authorities" is towards Service tax input credit out of which 6.62 Cr has been disallowed by the department and the company has gone for appeal by adjusting 49.69 Lac as deposit out of the input credit. The company is confident of obtaining the decision in it's favour hence no provision is made.

Note.12

Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Trade Receivables		
Trade Receivables – considered good - secured	-	-
Trade Receivables – considered good - unsecured	261,835	63,900
Total	**261,835**	**63,900**
Current Portion	261,835	63,900
Non Current Portion	-	-

Note.13

Cash and Cash Equivalents

Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Cash on hand	-	25,780
Balances with banks - in current accounts	7,304,572	6,036,966
Balances with banks - in deposits		
Bank Deposits	10,615,142	67,113,456
Total	**17,919,714**	**73,176,202**

A charge has been created over :

a) Deposits of Towards margin money for the bank guarantee obtained from Central Bank Of India for submitting to Income tax authorities (0.92Cr)

b) Towards margin money for the bank guarantee obtained from Bank of India for submitting to Mines department for the quarry (0.14 Cr)

Note.14

Share Capital

Amt in Rs.

Particulars	Ind AS As at March 31,2019 Number of shares	Ind AS As at March 31,2019 Rs	Ind AS as at March 31,2018 Number of shares	Ind AS as at March 31,2018 Rs
Authorised share capital				
as at April 01,2017				
- Equity Shares of Rs. 10 each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Increase/(decrease) during the year	-	-	-	-
At 31 March 2018	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Increase/(decrease) during the year	-	-	-	-
At 31 March 2019	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Issued equity capital				
as at April 01,2017				
- Equity Shares of Rs. 10 each fully paid up				
beginning of the period	82,708,275	827,082,750	82,708,275	827,082,750
issued during the period	-	-	-	-
At 31 March 2018	82,708,275	827,082,750	82,708,275	827,082,750
- Equity Shares of Rs. 10 each - Rs.1 Paid up				
beginning of the period	112,860,411	112,860,411	112,860,411	112,860,411
issued during the period	-	-	-	-
At 31 March 2019	112,860,411	112,860,411	112,860,411	112,860,411
Total	195,568,686	939,943,161	195,568,686	939,943,161

a) Terms and rights attached with the Shares:The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

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

Amt in Rs.

Particulars	As at March 31,2019 Number of shares	As at March 31,2019 Rs	as at March 31,2018 Number of shares	as at March 31,2018 Rs
4,21,81,220 (31st March'18: 4,21,81,220) Equity Shares of Rs. 10 each	42,181,220	421,812,200	42,181,220	421,812,200
5,75,58,810 (31st March'18: 5,75,58,810) Equity Shares of Re.1 each	57,558,810	57,558,810	57,558,810	57,558,810
Total		479,371,010		479,371,010

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

Particulars	As at March 31,2019 Number of shares	As at March 31,2019 % of Holding	as at March 31,2018 Number of shares	as at March 31,2018 % of Holding
Equity Shares - Face Value Rs. 10 each paid up Rs. 10:				
GMR SEZ & Port Holdings P Ltd., and its nominees	42,181,220	51.00%	42,181,220	51.00%
Kakinada Infrastructure Holdings Private Limited	34,700,000	41.95%	34,700,000	41.95%
Veda Infra-Projects (India) Private Limited	5,300,000	6.41%	5,300,000	6.41%
Equity Shares - Face Value Rs. 10 each paid up Rs. 1:				
GMR SEZ & Port Holdings Private Limited	57,558,810	51.00%	57,558,810	51.00%
Kakinada Infrastructure Holdings Private Limited	31,300,000	27.73%	31,300,000	27.73%
Veda Infra-Projects (India) Private Limited	23,450,000	20.78%	23,450,000	20.78%
	112,308,810		112,308,810	

Note.15

Other Equity

Amt in Rs.

Particulars	Ind AS	Ind AS
	As at March 31,2019	as at March 31,2018
Surplus in the statement of profit and loss		
Opening	(144,191,941)	(99,553,869)
During the period	18,253,914	(44,638,071)
Total	(125,938,026)	(144,191,941)
Equity contribution from parents - Related party loan		
Opening	1,562,768	1,562,768
During the period	-	-
Total	1,562,768	1,562,768
Total	(124,375,258)	(142,629,173)

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Note.16

Borrowings

Amt in Rs.

Particulars	Ind AS As at March 31,2019		Ind AS as at March 31,2018	
	Non Current Balances	Current Maturities	Non Current Balances	Current Maturities
Term loans				
Indian rupee term loan from banks (secured)	-	-	-	-
Indian rupee term loan from FIs (secured)	-	187,400,430	187,400,431	748,589,386
Loans from related parties				
Loan from a group company (unsecured)	10,650,667,851	7,899,891,274	8,937,744,928	6,611,523,358
Total	10,650,667,851	8,087,291,704	9,125,145,359	7,360,112,744

Current maturities of longterm debt had been included under Other Financial Liabilities - Note No.18

(a) Secured Loan From Banks:

Term Loan from IFCI Limited (Secured) of Rs. 18.74 Cr (Mar 31, 2018: Rs.93.60 Cr) is secured by pari passu first charge on Land to the extent of 8,236.50 Acres along with escrow of receivables from land leasing of 916 Acres under Phase-I. Further, secured by an irrevocable and unconditional guarantee given by GMR Infrastructure Ltd. The loan is repayable in 8 equal quarterly installments starting from 30th September 2017 (The end of 27 months from the 1st drawdown date) and carries an interest rate of 10.75% p.a. plus spread of 3.00% p.a. i.e. effective rate of 13.75% p.a. payable monthly. Two Quarterly installment is falling due for repayment within the next twelve months, out of which one installment of Rs.18.75 Cr is overdue, hence shown under trade payables and balance amount of Rs.18.74 Cr is categorized as current maturities of borrowings under Note.18.

(b) Unsecured Loans from Related Parties:

(i) Intercorporate Loans of Rs. 1014.07 Crs (31Mar'18: 979.68 Cr) from GMR Infrastructure Ltd at an interest rate of 12.25% payable on Annual basis, of which Rs. 380.35 Crs is falling due for repayment within the next twelve months hence it is categorized as current maturities of borrowings under Note.18

(ii) Intercorporate Loans of Rs. 14.00 Crs (31 Mar'18: Rs. 14.00 Cr) from GMR Highways Limited at an interest rate of 12.25% p.a., payable on Annual basis, repayable in 3 years, further extended for a period of 3 years (i.e. repayment starting from Mar' 2022) and categorized as Non-current balances of borrowings under Note.16

(iii)) Intercorporate Loans of Rs. 158.50 Crs (31 Mar'18: Rs.158.50 Cr) from GMR Highways Limited at an interest rate of 12.50% p.a., payable on yearly basis, repayable in 3 years (i.e. repayment starting from June' 2020) and categorized as non-current balances of borrowings under Note.16

(iv) Intercorporate Loans of Rs. 103.25 Crs (31 Mar'18: Nil) from GMR Highways Limited at an interest rate of 12.25% p.a., payable on yearly basis, repayable in 3 years (i.e. repayment starting from March' 2021) and categorized as non-current balances of borrowings under Note.16

v) Intercorporate Loan of Rs. 3.09 Crs (31 Mar'18: Rs. 4.29) from Kakinada Refinery and Petrochemicals Private Limited at an interest rate of 12.25% p.a., payable on yearly basis, repayable end of 3rd year (repayment starting from Oct' 2019) and which is falling due for repayment within the next twelve months, hence it is categorized as current maturities of borrowings under Note.18

vi) Intercorporate Loan of Rs. 15.00 Crs (31 Mar'18: Rs. 15 Crs) from GMR Genco Assets Limited at an interest rate of 12.25% p.a., payable on Annual basis, repayable end of 3rd year (repayment starting from Sep' 2019), of which Rs. 10.00 Crs is falling due for repayment within the next twelve months hence it is categorized as current maturities of borrowings under Note.18

vii) Intercorporate Loan of Rs. 25.10 Crs (31 Mar'18: Rs. 0) from GMR Aerostructures Services Limited at an interest rate of 12.25% p.a., payable on annual basis, repayable end of 5th year (repayment starting from June' 2022) and categorized as non-current maturities of borrowings under Note.16

viii) Intercorporate Loan of Rs. 125.00 Crs (31 Mar'18: Rs. 0) from GMR Generation Assets Limited at an interest rate of 12.50% p.a., payable along with principal, repayable end of 3rd year (repayment starting from June' 2020) and categorized as non-current maturities of borrowings under Note.16

ix) Intercorporate Loan of Rs. 75.00 Crs (31 Mar'18: Rs. 0) from GMR Pochanpalli Expressways Limited at an interest rate of 9.50% p.a., payable on annual basis, repayable end of 11 months (repayment starting from March' 2020) which is falling due for repayment within the next twelve months, hence it is categorized as current maturities of borrowings under Note.18

x) Intercorporate Loan of Rs. 150.00 Crs (31 Mar'18: Rs. 150.00 Cr) from GMR SEZ & Port Holdings Limited at interest free loan, extended for a further period of 11th months of which is falling due for repayment within the next twelve months and categorized as current maturities of borrowings under Note.18

xi) Intercorporate Loan of Rs. 5.00 Crs (31 Mar'18: Rs. 0) from Raxa Security Services Limited at an interest rate of 12.50% payable on annual basis, repayable end of 3rd year and categorized as non-current maturities of borrowings under Note.16

xii)) Intercorporate Loan of Rs. 3.35 Crs (31 Mar'18: Rs. 0) from Raxa Security Services Limited at an interest rate of 12.50% payable on annual basis, repayable on 30th Sep, 2019 and categorized as current maturities of borrowings under Note.18

xiii) Intercorporate Loan of Rs. 163.20 Crs (31 Mar'18: Nil) from GMR Kishangarh Udaipur Ahmedabad Expressways Limited at an interest rate of 12.25% payable on annual basis, repayable on April, 2019 and are categorized as current maturities of borrowings under Note.18

xiv) Intercorporate Loan of Rs. 0.50 Crs (31 Mar'18: Nil) from Honeyflower Estates Pvt Ltd at an interest rate of 12.25% payable on annual basis, repayable end of 3rd year (repayable starting from Nov' 2021) and categorized as non-current balances of borrowings under Note.16

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Note.17

Provisions — Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Non-current Provisions		
Provision for employee benefits		
Provision for gratuity	1,371,534	5,256,505
Provision for leave benefits	5,513,531	12,011,815
Provision for other employee benefits	-	-
Total non-current provisions	**6,885,065**	**17,268,320**
Current Provisions		
Provision for employee benefits		
Provision for leave benefits	2,421,249	622,272
Provision for other employee benefits	-	-
Total current provisions	**2,421,249**	**622,272**
Total provisions	**9,306,314**	**17,890,592**

Note.18

Other Financial Liabilities — Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Other financial liabilities at amortised cost		
Current maturities of long-term borrowings	8,087,291,704	7,360,112,744
Interest accrued but not due on borrowings	2,500,428	7,108,048
Interest accrued and due on borrowings	2,335,826,542	1,066,932,350
Security deposit from vendors	2,172,670	1,898,741
Non trade payables	212,873,964	21,151,635
Total	**10,640,665,309**	**8,457,203,518**

Note.19

Other Liabilities — Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Non-Current balance		
Defferred revenue	21,833,824	12,370,442
Security deposit from client	858,474,576	850,371,869
Finance liability on CG given on behalf of Subsidiary	109,071,908	-
	989,380,308	**862,742,310**
Current balance		
Defferred revenue	596,618	595,542
TDS Payable	41,988,953	25,084,244
Other statutory dues	5,256,273	324,074
Security deposit from client	3,500,000	16,000,000
	51,341,844	**42,003,861**
Total	**1,040,722,152**	**904,746,171**

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Note.20

Revenue from operations Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Operating Income		
Income from Leases	127,785,925	21,567,763
Total	**127,785,925**	**21,567,763**

(a) Income from lease includes Rs.10,46,30,000 received against the finance leases entered by the company during the current year

The company has given land on finance lease to various parties with lease terms between 60 and 99 years. The company has also received one-time upfront premium against such leases which are non refundable. Upfront premium accrued under such lease have been recognised as income in the statement of profit and loss.

(b) The Company has given certain land portions on operating lease. These lease arrangements range for a period between 5 and 60 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

Minimum Lease Payments receivable on Investment property leased to tenants under long term non-cancellable operating leases:

Particulars	31-Mar-19	31-Mar-18
Within one year	21,981,636	21,981,636
After one year but not more than five years	85,982,544	85,982,544
More than five years	55,777,199	77,110,835
Total	**163,741,379**	**185,075,015**

Note.21

Revenue from Other Income Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Other Income		
Income from Mutual Funds investment	1,030,223	1,595,410.56
Unwinding of interest on Security Deposits	392,312	392,310.00
Corporte guarantee income	3,183,457	-
Total	**4,605,992**	**1,987,721**

Note.22

Operating expenses Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Cost of asset given under finance lease	**51,495,176**	
Total	**51,495,176**	-

Note.23

Employee Benefit expenses Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Salaries, wages and bonus	8,142,525	21,109,810
Contribution to provident and other funds	323,302	1,380,005

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Gratuity expenses	70,500	312,093
Staff welfare expenses	3,879	153,082
Total	**8,540,206**	**22,954,991**

Note.24

Depreciation — Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Depreciation		
On Buildings	4,297,040	4,297,040
On Office Equipment	499,049	501,049
On Electrical Equipments	1,836,334	1,836,334
	6,632,423	**6,634,423**

Note.25

Finance Cost — Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Finance Cost		
Interest & Finance Charges	26,582,473	22,029,914
	26,582,473	**22,029,914**

Note.26

Other Expenses — Amt in Rs.

Particulars	Ind AS As at March 31,2019	Ind AS as at March 31,2018
Expenses		
Statutory Auditor's Remuneration		
Statutory audit fee	256,203	251,250
Tax audit fee	75,001	
Reimbursement-Expenses-Statutory Auditor - Fares	29,296	59,019
Business Promotion Expenses	6,470,557	4,127,501
Book & Periodicals	81,371	57,354
Advertisement Expenses	403,061	66,674
Membership Fee	106,834	70,400
Seminars & Conference	42,494	462,237
Sitting fees	31,396	185,300
Rates & Taxes & other exp.	1,012,623	91,720
Community services	4,209,166	4,936,940
Travel Expenses	378,741	2,926,074
Communication	24,929	80,573
Consultancy	167,838	970,663
Office Maintenance	168,811	805,312
Printing and Stationery	3,514	28,407
Total	**13,461,835**	**15,119,423**

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27 **Commitments and Contingencies**

I. Leases

Operating lease: Company as lessee

The company has entered into commercial leases on certain motor vehicles , Office premises and items of machinery. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Amt in Rs.

Lease rental charged to CWIP	31-Mar-19	31-Mar-18
Lease rentals under cancellable leases and non-cancellable leases	8,136,518	9,714,113

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

Amt in Rs.

	31-Mar-19	31-Mar-18
Within one year	2,500,000	2,500,000
After one year but not more than five years	7,500,000	7,500,000
More than five years	-	-
Total	10,000,000	10,000,000

II. Contingent Liabilities

Claims made against the company not acknowledged as debts

Amt in Rs.

	31-Mar-19	31-Mar-18
Income Tax Demand from the Department under the Income Tax Act, 1961 (net of amount paid)	45,046,557	31,039,117
	45,046,557	31,039,117

	31-Mar-19	31-Mar-18
Corporate guarantee given by the company on behalf Subsidiary (KGPL) to YES Bank Ltd	5,000,000,000	-
Corporate guarantee given by the company on behalf GMR Infrastructure Ltd to IFCI Ltd	2,500,000,000	-

III. Commitments

Amt in Rs.

	31-Mar-19	31-Mar-18
a.Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	35,232,113	462,421

28

(a) Sundry Creditors includes Rs NIL (Previous Year Rs. NIL) pertaining to Small Scale Industrial Undertakings (SSI) to the extent such parties have been identified from the available information/documents. There are no SSI units to whom the company owes a sum exceeding Rs 1.00 Lakhs and outstanding for more than 30 days (but not over due) as at 31st March 2019.

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st march 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(b) The trade payable amount of Rs.218.88 Cr includes Rs.171 Cr payable towards Land additional package payments & 42.87 Cr of Rehabilitation & Resettlement Expenses.

29

The Company is in the process of acquiring land for implementing a Multi Product Special Economic Zone within the meaning of Special Economic Zone Act 2005. The Company has obtained an initial Notification from the Ministry of Commerce, Government of India vide Notification No. 635(E) dated 23rd April 2007 for an extent of 1035.6688 hectares, the formal approval for the same is initially given for 3 years from June 2006. The said formal approval is extended till August 2016. The company has obtained further notification from Government of India vide Notification No. 342(E) dated 6th February'2013 for an extent of 1013.64 hectares and the formal approval has been given initially for 3 years from February 2012 ,which on application by the company has been extended further upto February 2016. The companiy's proposal for merger of both approvals is approved by Ministry of Commerce in Dec' 2015, subsequently in January,2016, the company's first SEZ client started operations and the SEZ became operational,hence extension of formal approval is no longer required. Out of 2049.3088 hectares land covered in the existing notification, the company applied for de-notification of 170.0015 hectares during the year and got the approval from Ministry of commerce and industry. Subsequent to denotification as stated above, 1879.3073 hectares of land is covered under SEZ notified area.

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30 Land acquisition for SEZ Project comprises direct purchases, Land acquired from APIIC, and Land awarded by Government of Andhra Pradesh (GOAP) through notification. The Land acquired through awards by GOAP includes, payment towards structures, standing crops, solatium and interest from the date of notification till the date of award. All the above costs are treated as part of land acquisition cost.

31 In respect of ongoing land acquisition process, there are claims of different types pending before various judicial forums such as, disputes between claimants, or writ petitions filed against property acquisitions of land etc. As these cases are subject to judicial verdicts which are pending, the final impact if any on financial statements of company towards the ongoing project execution is not determinable as on the date of Balance Sheet.

32 Further to the acquisition of land for development of Special Economic Zones the company has initiated various rehabilitation and resettlement initiatives to relocate the inhabitants residing in the land acquired. The amount of expenditure incurred by the company towards rehabilitation and resettlement initiatives amounting to Rs. 72,93,40,125/-(31st March 2018: Rs.72,76,54,906/-) is treated as part of land acquisition cost and is grouped along with capital work-in-progress. The company had estimated that additional cost of Rs.42.86 Crores is likely to be incurred towards rehabilitation and resettlement as required under Ind AS 37 , provision has been made in this regard

33 (a) The company incurred a sum of Rs.273.93 Cr (Previous Year Rs. 226.42 Cr) towards expenditure in respect of ongoing SEZ project under execution by the company. This expenditure is directly connected with land acquisitions which is the primary asset of the project. Other expenditure incurred which is not directly connected with the ongoing land acquisitions is treated as period cost and charged off to the profit and loss account.

(b) Kakinada SEZ Limited was declared as the selected bidder under Swiss challenge proposal to construct, develop, operate, manage and maintain the Greenfield commercial Port through Public-Private Partnership (PPP) mode in accordance with the terms of the APIDE Act 2001 on Design, Build, Finance, Operate and transfer ("DBFOT") in Kona village, Thondangi Mandal of East Godavari District of Andhra Pradesh vide G.O.Ms. No. 20 dated 26.6.2018 issued by Government of Andhra Pradesh. The Swiss challenge proposal stipulates that the Port shall be established and operated through a Port SPV, which shall be a 100% wholly owned subsidiary of Kakinada SEZ Limited. Kakinada Gateway Port Limited has been incorporated as the SPV and a subsidiary of Kakinada SEZ Limited to establish and operate the port. Consequent to the above, Kakinada Gateway Port Limited has executed a concession agreement with Director of Ports, Government of Andhra Pradesh on 21.11.2018 for setting up of Port.
Kakinada SEZ Limited has obtained approvals and incurred expenditure towards the preliminary and other incidental requirements for the Port totaling to Rs.399.74 Crores. The company intends to transfer the above said costs to Kakinada Gateway Port Limited by way Business transfer agreement entered into between the two parties to transfer the port business after obtaining necessary approvals form the shareholders in General Meeting. Considering the management's intention to transfer the aforesaid port project to its wholly owned subsidiary, the relevant project cost including overheads, interest costs and advances amounting to 399.74 crore had been classified as 'Asset Held for Sale'.

34 The expenditure during the previous year in respect of the project includes Rs.313,14,14,000/- towards non-prejudicial additional compensation for Land owners and farmers announced by special officer for land acquisition to hasten the proposed project activities, this is in addition to the statutory compensation already paid. An amount of Rs. 141,75,68,230/- has been paid by the company in this regard. For the remaining amount of Rs. 171,38,45,770/- provision is shown in non - trade payables (Note 18 - Other Financial Liabilities).

35 **The following is the computation of Earnings Per Share (EPS):**

Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. 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 number of equity shares outstanding during the period is 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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the convertible securities) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Amt in Rs.

Particulars	31-Mar-19	31-Mar-18
Profit/(Loss) attributable to equity holders	18,430,133	(43,183,267)
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	93,994,316	93,994,316
Earning Per Share (Basic) (Rs)	0.20	(0.46)
Face value per share (Rs)	10	10

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Note 36
Related Party Transactions

(A) List of Related Party with whom transactions has taken place

Disclosures in respect of related parties as defined in Ind AS 24, with whom transactions have taken place during the year, are given below:

List of Related Parties

Name of the Company	Nature of Relationship
GMR Enterprises Pvt. Ltd. (GEPL)	Ultimate Holding Company
GMR SEZ and Port Holding Ltd. (GSPHL)	Holding Company
GMR Infrastructure Limited (GIL)	Holding Company's Holding Company
GMR Energy Limited (GEL)	Fellow Subsidiary of Holding company
GMR Kakinada Energy Pvt. Ltd. (GKEPL)	Fellow Subsidiary of Holding company
GMR Krishnagiri SIR Limited (GKSL)	Fellow Subsidiary of Holding company
GMR Hyderabad International Airport Ltd. (GHIAL)	Fellow Subsidiary of Holding company
GMR Hospitality & Retail Ltd (GHRL)	Fellow Subsidiary of Holding company
GMR Aviation Private Limited (GAPL)	Fellow Subsidiary of Holding company
Raxa Security Services Limited (RAXA)	Fellow Subsidiary of Holding company
GMR Varalaxmi Foundation (GVF)	Group Company
GMR Airport Developers Limited (GADL)	Fellow Subsidiary of Holding company
GMR Highways Ltd (GHL)	Fellow Subsidiary of Holding company
GMR Vemagiri Power Generation Limited	Fellow Subsidiary of Holding company
Kakinada Gateway Port Limited	Wholly owned Subsidiary
GMR Kamalanga Energy Limited (GKEL)	Fellow Subsidiary of Holding company
GMR Chattishgarh Energy Ltd (GCEL)	Fellow Subsidiary of Holding company
Gmr Hyderabad Vijayawada Express Ways Pvt Ltd (GHVEPL)	Fellow Subsidiary of Holding company
GMR Gujarat Solar Power Private LTD (GGSPPL)	Fellow Subsidiary of Holding company
GMR Family Fund Trust (GFFT)	Enterprise where key managerial personnel and their relatives exercise significant
Dhruvi Securities Pvt Ltd	Fellow Subsidiary of Holding company
GMR Generation Assets Ltd	Fellow Subsidiary of Holding company
GMR Aerostructures Services Limited	Fellow Subsidiary of Holding company
GMR Genco Assets Limited	Fellow Subsidiary of Holding company
Delhi International Airport Pvt Ltd	Fellow Subsidiary of Holding company
GMR Coastal Energy Pvt Ltd	Fellow Subsidiary of Holding company
Kakinada Infrastructure Holdings Pvt. Ltd. (KIHPL)	Significant Influence
Padma Priya Properties Pvt Ltd	Fellow Subsidiary of Holding company
GMR Energy Trading Limited	Fellow Subsidiary of Holding company
GMR POCHANPALLI EXPRESSWAYS LTD	Fellow Subsidiary of Holding company
GMR Kishangarh Udaipur Ahmedabad Expressways Ltd (GKUAEL	Fellow Subsidiary of Holding company
Honey flower Estates Pvt Ltd	Fellow Subsidiary of Holding company

Details relating to Key Managerial Personnel

	Mr.G.MallikarjunaRao ,Director
	Mr.BVN Rao,Director
	Mr.G.K.Kiran Kumar,Director
	Mr. P Ramakanth Reddy,Additional Director
	Mr. P V S Murthy,Additional Director
	Mr. C R M Naidu, Manager
	Mr. Srinivasa Rao Suru, CFO
	Mr. G V Suresh Kumar, Company Secretary

Salaries of Key Managerial Personnel

For the Year 2018-19

Amount in Rs.

Sl.No	Particulars of Remuneration	Mr. Srinivasa Rao Suru, CFO	Mr. C R M Naidu, Manager	Mr. G V Suresh Kumar, Company Secretary	Total
	(a) short-term employee benefits	3,925,046	3,196,767	2,388,771	9,510,584
	(b) post-employment benefits	-	-	-	-
	(c) other long-term benefits;	-	-	-	-
	(d) termination benefits;	286,814	233,597	179,376	699,787
	(e) share-based payment.	-	-	-	-
	Total	4,211,860	3,430,364	2,568,147	10,210,371

For the Year 2017-18

Amount in Rs.

Sl.No	Particulars of Remuneration	Mr. Srinivasa Rao Suru, CFO	Mr. C R M Naidu, Manager	Mr. G V Suresh Kumar, Company Secretary	Total
	(a) short-term employee benefits	3,446,546	2,825,122	2,158,577	8,430,245
	(b) post-employment benefits	-	-	-	-
	(c) other long-term benefits;	-	-	-	-
	(d) termination benefits;	261,120	212,670	167,186	640,975
	(e) share-based payment.	-	-	-	-
	Total	3,707,665	3,037,792	2,325,763	9,071,220

I.	Transactions with Related Parties	Amt in Rs.	
Sl. No.	Particulars	2018-2019	2017-2018
A)	Transactions during the year		
1	Loan from Group companies		
	GMR Infrastructure Limited	1,305,692,290.00	929,390,000
	GMR Highways Limited	1,351,600,000	1,585,000,000

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	GMR Genco Assets Limited	-	150,000,000
	GMR Aerostructures Services Limited	-	251,000,000
	GMR Generation Assets Ltd	-	1,250,000,000
	Dhruvi Securities Pvt Limited	-	750,000,000
	Raxa Security Services Limited	-	83,500,000
	GMR SEZ and Port Holding Ltd	-	1,500,000,000
	GMR POCHANPALLI EXPRESSWAYS LTD	750,000,000	-
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	1,631,956,915	-
2	**Loan repaid to group companies**		
	GMR Highways Limited	319,122,786	-
	Dhruvi Securities Pvt Limited	750,000,000	-
	GMR Infrastructure Limited	961,835,581	4,545,352,809
	Kakinada Refinery & Petrochemicals Pvt Ltd	12,000,000	-
3	**Security Charges**		
	Raxa Security Services Limited	15,455,626	16,096,363
4	**Interest on group company loans**		
	Dhruvi Securities Pvt Ltd	87,847,603	62,609,247
	GMR Infrastructure Limited	1,191,884,814	1,337,939,859
	GMR Highways Limited	359,189,517	167,228,767
	GMR Genco Assets Limited	18,375,000	18,375,000
	Kakinada Refinery & Petrochemicals Pvt Ltd	5,082,253	5,259,459
	GMR Aerostructures Services Limited	30,747,500	24,236,138
	GMR Generation Assets Ltd	156,250,000	117,979,452
	Raxa Security Services Limited	10,437,500	2,543,664
	GMR SEZ & Port Holdings Limited	-	122378000
	GMR POCHANPALLI EXPRESSWAYS LTD	3,123,288	0
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	187,361,643	0
	Honeyflower Estates Pvt Ltd	204,726	0
5	**Interest on security deposit**		
	GMR Energy Trading Limited	104,125,000	2768836
6	**Rent**		
	GMR Hyderabad International Airport Ltd	1,296,761	3,014,083
7	**Bus Hire, Electricity & IT & Communication Charges**		
	GMR Hyderabad International Airport Ltd	1,554,115	1,493,268
8	**Boarding & Lodging**		
	GMR Hospitality & Retail Ltd (GHRL)	595,091	427951.47
9	**Reimbursement of Expenses to**		
	GMR Enterprises Pvt. Ltd. (GEPL)	1,000	1,000
	GMR Varalaxmi Foundation	1,733,406	5,096,646
	GMR Infrastructure Limited	2,082,807	21108939.73
	GMR Krishnagiri SEZ Limited	-	75803
	Delhi International Airport Limited	-	559035
	GMR Airport Developers Private Limited	-	2,396,943
	GMR Hyderabad International Airport Ltd	2,740	27,885
	GMR SEZ and Port Holding Ltd	50,000	-
10	**Reimbursement of Expenses by**		
	-GMR Hyderabad Vijayawada express way Pvt Ltd	-	4052
11	**Asset Purchase from**		
	- GMR Energy Limited	-	270,000
A)	**Outstanding balances at the Period Ended**		
1	Issued Capital		
	- GMR SEZ and Port Holding Ltd	479,371,010	479,371,010
2	Land Aggregation & Material Supply		
	- GMR Enterprises Private Limited	500,000,000	500,000,000
3	Loan from Group companies		
	-GMR Infrastructure Limited	10,140,690,636	9,796,833,928
	-GMR Highways Limited	2,757,477,214	1,725,000,000
	GMR Genco Assets Limited	150,000,000	150,000,000
	Kakinada Refinery & Petrochemicals Pvt Ltd	30,934,359	42,934,359
	GMR Aerostructures Services Limited	251,000,000	251,000,000
	GMR Generation Assets Ltd	1,250,000,000	1,250,000,000
	Dhruvi Securities Pvt Limited	-	750,000,000
	GMR SEZ and Port Holdings Ltd	1,500,000,000	1,500,000,000
	- Raxa Security Services Limited	83,500,000	83,500,000
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	1,631,956,915	-
	Honeyflower Estates Pvt Ltd	5,000,000	-
	GMR POCHANPALLI EXPRESSWAYS LTD	750,000,000	-
4	Creditors/Payable		
	-GMR Infrastructure Limited	1,193,901,906	672,964,067
	- GMR Hyderabad International Airport Ltd	3,953,328	3,904,222
	- Raxa Security Services Limited	-	4,187,228
	- GMR Highways Limited	344,582,791	1,520,749,217
	- GMR Enterprises Pvt Ltd	1,120	1,120
	- GMR AIRPORT DEVELOPERS LIMITED	-	3,990,970
	- GMR Genco Assets Limited	39,001,315	22,463,815
	- Kakinada Refinery & Petrochemicals Pvt Ltd	3,674,028	4,938,163
	GMR Aerostructures Services Limited	51,945,075	21,812,525
	GMR Generation Assets Ltd	271,425,514	116,738,014
	Dhruvi Securities Pvt Limited	-	56,348,322

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	Raxa Security Services Limited	12,799,164	2,518,227
	GMR Energy Trading Limited	105,575,702	2,491,952
	Honeyflower Estates Pvt Ltd	184,253	-
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	168,625,479	-
	GMR POCHANPALLI EXPRESSWAYS LTD	146,128,408	
	GMR Varalakshmi Foundation Limited	432,818	-
5	Security Deposit Payable		
	- GMR Energy Trading Limited	850,000,000	850,000,000
6	Debtors/Receivable		
	GMR Infrastructure Limited	-	2,899,648
	GMR Hyderabad Vijayawada express way Pvt Ltd	-	4,052
	DELHI INTERNATIONAL AIRPORT LIMITED	14,650	
7	Investments		
	Kakinada Gateway Port Limited	100,000	100,000
8	Security Deposit receivable		
	- Raxa Security Services Limited	4,200,000	4,200,000
9	Directors sitting fee paid		
	Mr. Kodukula Somayajulu	15,000	120,000
	Mr.Vijayabhaskar Pedumallu		60,000

B) Securities Provided to Group Companies

Sl. No.	Counter Party Group Company	Code No.	Nature of Transaction
1	GMR Infastructure Limited	IC6100	Security provided by way of Pari passu First charge on the land of Kakinada SEZ Ltd for the Term loan availed by them from LIC of India to the extent of Rs. 600 Cr
2	GMR Infastructure Limited	IC6100	Security provided by way of Subservient charge on the land of Kakinada SEZ Ltd for the Term Loan availed by them from ICICI Bank to the extent of Rs. 1000 Cr
3	GMR Infastructure Limited	IC6100	Security provided by way of Subservient charge on the land of Kakinada SEZ Ltd against the NCDs of GIL and Term Loan availed by GIL from ICICI Bank to the extent of Rs. 1044 Cr.
4	GMR Infastructure Limited	IC6100	Security provided by way of first pari passu charge on the land of Kakinada SEZ Ltd against the corporate loan availed by GIL from IFCI Limited to the extent of Rs.250Cr.
5	GMR Infastructure Limited	IC6100	Corporate guarnatee given to IFCI against the corporate loan of Rs. 250 Cr availed by GIL
6	Kakianda Gateway Port Limited	IC5700	Corporate guarantee given to Yes Bank Limited against the corporate loan of Rs. 500 Cr availed by KGPL

C) Transactions with Group Companies absorbed into Investment Property Under Development/Assets/Liabilities

Sl. No.	Counter Party Group Company	Nature ofTransaction	2018-2019	2017-2018
1	GMR Infrastructure Limited	Share of corporate Exp	2,082,807	21,108,940
2	GMR Krishnagiri SEZ Ltd	SGA - Inland Travel - Other Expenses	-	75,803
3	GMR Hyderabad International Airport Limited	Various Expenses	2,853,616	4,535,236
4	GMR Airport Developers Limited	SGA-Salaries&Allowances-Variable Pay	-	2,396,943
5	GMR SEZ & PORT HOLDINGS PRIVATE LIM	SGA-Consultancy Charges - Others	50,000	122,378,000
6	GMR Hospitality & Retail Ltd	SGA - Inland Travel - Other Expenses	507,502	224,090
7	Raxa Security Services Limited	Security Charges	14,742,093	16,096,363
8	DELHI INTERNATIONAL AIRPORT PVT LTD	Travel expenses of Mr.Prasanna Sir	-	559,035
	GMR Enterprises Pvt Ltd	Logo fees	1,000	-
9	GMR Highways Limited	Interest on Loan	359,189,517	167,228,767
10	GMR Infrastructure Limited	Interest on Loan	1,191,884,814	1,337,939,859
11	GMR KISHANGARH UDAIPUR AHMEDAB	Interest on Loan	187,361,643	-
12	GMR Genco Assets Limited	Interest on Loan	18,375,000	18,375,000
13	Kakinada Refinery & Petrochemicals Pvt Ltd	Interest on Loan	5,082,254	5,259,459
14	GMR Aerostructures Services Limited	Interest on Loan	30,747,500	24,236,138
15	GMR Generation Assets Ltd	Interest on Loan	156,250,000	117,979,452
16	Dhruvi Securities Pvt Limited	Interest on Loan	87,847,603	62,609,247
17	Raxa Security Services Limited	Interest on Loan	10,437,500	2,543,664
18	GMR Energy Trading Limited	Interest on Loan Security Deposit	104,125,000	2,768,836
19	Honeyflower Estates Pvt Ltd	Interest on Loan	204,726	
20	GMR POCHANPALLI EXPRESSWAYS LTD	Interest on Loan	3,123,288	
	Total		2,174,865,863	1,906,314,832

D) Transactions with Group Companies asorbed into P&L

Sl. No.	Counter Party Group Company	Nature ofTransaction	2018-2019	2017-2018
1	GMR Hospitality & Retail Limited	SGA - Inland Travel - Other Expenses	87,590	203,861
2	GMR Varalaxmi Foundation	CSW Expenses	1,733,406	5,096,646
3	GMR Enterprises Pvt Ltd	Copy right -use of logo GMR-artistic work 2016-17	-	1,000
4	Raxa Security Services Limited	Security Charges	713533	
	Total		2,534,529	5,301,507

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Note.37

Gratuity and other post-employment benefit plans

(i) Defined Benefit Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is a funded Gratuity Scheme.

Amounts in Rupees

	3/31/2019	3/31/2018
Gratuity Plan:		
Defined benefit obligation (DBO)	(5,913,304)	(9,493,548)
Fair value of plan assets (FVA)	4,541,770	4,237,043
Net defined benefit asset/(liability)	**(1,371,534)**	**(5,256,505)**

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

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2019

Particulars	3/31/2019	3/31/2018
Current Service Cost	885,603	2,327,501
Net Interest Cost	397,013	98,122
	1,282,616	2,425,623

Amount recognised in Other Comprehensive Income for the year ended 31st March, 2019

	Gratuity	
Particulars	3/31/2019	3/31/2018
Actuarial (gain)/ loss on obligations	176,219	1,454,804

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2019 are as follows:

Particulars	3/31/2019	3/31/2018
Opening defined obligation	9,493,548	6,667,074
Current service cost	885,603	682,300
Interest cost on the DBO	721,510	422,455
Past service cost plan amendments	-	1,645,201
Acquistion (credit)/cost	(5,278,488)	46,511
Actuarial (gain)/ loss - experience	91,131	1,731,371
Actuarial (gain)/ loss - demographic assumptions	-	-
Actuarial (gain)/ loss - Financial assumptions	-	(267,348)
Benefits paid from plan assets	-	(1,434,016)
Actuarial (gain)/ loss on obligations		
Defined benefit obligation	**5,913,304**	**9,493,548**

Changes in the fair value of the plan assets for the year ended 31st March, 2019 are as follows:

Particulars	3/31/2019	3/31/2018
Fair value of assets at the end of the prior period	4,237,043	5,232,659
Acquisition adjustment	-	-
Interest income on plan assets	324,497	324,333
Employer contributions	65,318	104,848
Return on plan assets greater/ (lesser) than discount rate	-85,088	9,219
Benefits paid	-	-1,434,016
Fair value of assets at the end of the current period	**4,541,770**	**4,237,043**

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

Particulars	Gratuity	
	31-Mar-19	31-Mar-18
Discount rate (in %)	7.60%	7.60%
Salary Escalation (in %)	6%	6%

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Gratuity Plan

	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	7.60%	7.60%	6%	6%
	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Impact on defined benefit obligation	-	-	-	-

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

The following payments are expected contributions to the defined benefit plan in future years:

	31-Mar-19	31-Mar-18
Within the next 12 months (next annual reporting period)	954,430	635,590

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

(ii) Liability towards leave encashment based on actuarial valuation amounts to Rs. 79,34,780/- as at March 31, 2019 (March 31, 2018: Rs. 1,26,34,087/-)

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Note.38
Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. 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 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.

	At 31 March 2019	At 31 March 2018
Borrowings	18,737,959,555	16,485,258,103
Less: cash & cash equivalents	17,919,714	73,176,202
Net Total debt	**18,720,039,841**	**16,412,081,901**
Capital Components		
share Capital	939,943,161	939,943,161
Other equity	(124,375,258)	(142,629,173)
Total Capital	**815,567,903**	**797,313,988**
Capital and net debt	**19,535,607,743**	**17,209,395,889**
Gearing ratio (%)	**96%**	**95%**

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

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

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Note.39

Notes to the financial statements as at March 31,2019

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.
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(b) Market risk- Foreign currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

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.166,66,46,578/- and Rs. 170,37,15,335/- 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.

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.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through convertible debentures, non-convertible debentures, bonds and other debt instruments. The Group invests its surplus funds in bank fixed deposit and in mutual funds, which carries no or low market risk.

The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, sale of assets and strategic partnership with investors etc.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(Rs. in crore)

Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31, 2019				
Borrowings (other than convertible preference shares)	8,087,291,704	10,650,667,851	-	**18,737,959,555**
Other financial liabilities	2,338,326,970	2,172,670	-	**2,340,499,640**

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Non Trade payables	2,451,030	2,401,691,127	-	**2,404,142,157**
Total	**10,428,069,704**	**13,054,531,649**	-	**23,482,601,353**
Borrowings (other than convertible preference shares)				
Related Party- Entity wise	**7,899,891,274**	**10,650,667,851**	-	**18,550,559,125**
GMR Infrastructure Limited	3,803,500,000	6,337,190,637		10,140,690,637
GMR Highways Limited		2,757,477,214		2,757,477,214
GMR Genco Assets Limited	150,000,000			150,000,000
Kakinada Refinery & Petrochemicals Pvt Ltd	30,934,359			30,934,359
GMR Aerostructures Services Limited	-	251,000,000		251,000,000
GMR Generation Assets Ltd	-	1,250,000,000		1,250,000,000
GMR Pochanpalli Expressways Limited	750,000,000			750,000,000
GMR SEZ and Port Holdings Ltd	1,500,000,000	-		1,500,000,000
Raxa Security Services Limited	33,500,000	50,000,000		83,500,000
GMR Kishangarh Udaipur Ahmedabad Expressways Limited	1,631,956,915			1,631,956,915
Honey flower Estates Pvt Ltd		5,000,000		5,000,000
Others (from Banks, financial institution and others)	**187,400,430**	-		**187,400,430**
Total	**8,087,291,704**	**10,650,667,851**	-	**18,737,959,555**
Other financial liabilities				
Related Party- Entity wise	**2,335,826,542**		-	**2,335,826,542**
GMR Infrastructure Limited	1,191,884,813			1,191,884,813
GMR Highways Limited	344,582,791			344,582,791
GMR GENCO ASSETS LIMITED	39,001,315			39,001,315
Kakinada Refinery and Petro chemicals Pvt Limited	3,674,028			3,674,028
GMR Generation Assets Ltd	271,425,514			271,425,514
GMR HYDERABAD AIRPORT RESOURCE				-
Raxa Security Services Limited	12,799,164			12,799,164
GMR Energy Trading Limited	105,575,702			105,575,702
'GMR Aerostructures Services Limited	51,945,075			51,945,075
'Homeyflower Estates Pvt Ltd	184,253			184,253
GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	168,625,479			168,625,479
'GMR POCHANPALLI EXPRESSWAYS LTD	146,128,408			146,128,408
Others	2,500,428	2,172,670	-	4,673,098
Total	**2,338,326,970**	**2,172,670**	-	**2,340,499,640**
				2,340,499,641
Trade payables				
Related Party- Entity wise	**2,451,030**	**3,953,328**	-	**6,404,358**
GMR Hyderabad International Airport Ltd		3,953,328		**3,953,328**
GMR Enterprises Pvt Ltd	1,120			**1,120**
GMR Varalakshmi Foundation Limited	432,818			**432,818**
GMR AIRPORT DEVELOPERS LIMITED Total				-
GMR ENERGY TRADING LTD Total				-
GMR ENTERPRISES PRIVATE LIMITED Total				-
GMR HIGHWAYS LIMITED Total				-
GMR HOSPITALITY AND RETAIL LTD. Total				-
GMR HYDERABAD INTERNATIONAL AIRPORT Total				-
GMR INFRASTRUCTURE LIMITED Total	2,017,092			**2,017,092**
RAXA SECURITY SERVICES LIMITED Total				-
Others		**2,397,737,799**		**2,397,737,799**
	2,451,030	**2,401,691,127**	-	**2,404,142,157**

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Note : 40

Disclosures on Financial instruments

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

(a) Financial assets and liabilities

As at March 31, 2019

Particulars	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Cash and cash equivalents	-	-	17,919,714	17,919,714	17,919,714
(ii) Trade Receivables			261,835	261,835	261,835
(iii) Loans	-	-	83,334	83,334	83,334
(iv) Other financial assets			78,039,995	78,039,995	78,039,995
Total	-	-	**96,304,879**	**96,304,879**	**96,304,879**
Financial liabilities	-	-	-	-	-
(i) Borrowings			10,650,667,851	10,650,667,851	10,650,667,851
(ii) Trade payables			2,188,817,163	2,188,817,163	2,188,817,163
(iii) Other financial liabilities			9,492,570,298	9,492,570,298	9,492,570,298
Total	-	-	**22,332,055,312**	**22,332,055,312**	**22,332,055,312**

As at March 31, 2018

(Rs. in crore)

Particulars	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Cash and cash equivalents	-	-	73,176,202	73,176,202	73,176,202
(ii) Trade Receivables			63,900	63,900	63,900
(iii) Loans	-	-	3,753	3,753	3,753
(iv) Other financial assets			67,298,730	67,298,730	67,298,730
Total	-	-	**140,542,585**	**140,542,585**	**140,542,585**
Financial liabilities	-	-	-	-	-
(i) Borrowings			9,125,145,359	9,125,145,359	9,125,145,359
(ii) Trade payables			3,199,990,137	3,199,990,137	3,199,990,137
(iii) Other financial liabilities			6,161,959,552	6,161,959,552	6,161,959,552
Total	-	-	**18,487,095,048**	**18,487,095,048**	**18,487,095,048**

Note - 41

1 Significant accounting judgements, estimates and assumptions

(i) ESTIMATES AND ASSUMPTIONS

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

(ii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed .

(iii) Taxes

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

The company has Rs10,99,50,858/- (31 March 2018: 6,30,91,493/-) of tax losses carried forward. These losses relate a history of losses, expire in 8 years and may not be used to offset taxable income elsewhere in the company in view of availing tax deduction under Section 80IAB of the Income Tax Act, 1961. Deferred tax has to be recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period.The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the company has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

(iv) Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note .37

(v) Contingencies

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

(vi) 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.

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

(viii) The company being a developer of SEZ, is eligible for claiming deduction of the profits from SEZ development activity under Section 80 IAB of Income tax act for a period of 10 consecutive years in the block of 15 years from date of notification of SEZ. The company was first notified as an SEZ on 23rd April 2007 and became operational in 2016 and accordingly the benefit of claiming deduction under Sec 80 IAB will be available till FY 2021-22.

RAO & CO. Chartered Accountants CHENNAI

KAKINADA SEZ LIMITED

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Recent accounting pronouncements

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.

B) 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.

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

This amendment enables entities to measure certain pre-payable financials 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 settlement by using the updated assumptions from the date of the change
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
- separately recognise any changes in the asset ceiling through other comprehensive income.

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

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

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.

For K.S.Rao & Co
Firm Regn.No: 0031095
Chartered Accountants

M.Krishna Chaithanya
Partner
Membership No.231282

Place: Hyderabad
Date: 30th April,2019

For and on behalf of the Board of Directors

B.V.N.Rao
Director
DIN: 00051167

P V S Murthy
Director
DIN No. 06500081

G.V. Suresh Kumar
Company Secretary

Srinivasa Rao Suru
CFO

Place: Hyderabad
Date: 30th April,2019