

**INDEPENDENT AUDITOR'S REPORT****To The Members of GMR Hyderabad Aviation SEZ Limited.****Report on the Ind AS Financial Statements****Opinion**

1. We have audited the accompanying Ind AS financial statements of **GMR Hyderabad Aviation SEZ Limited.** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements for the year ended 31<sup>st</sup> March, 2020 give the information required by the Companies Act, 2013('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs(financial position) of the company as at 31<sup>st</sup> March, 2020, and its loss(financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion:**

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



**Emphasis of Matter Paragraph**

4. We draw attention to the Note 36(i) to the Ind AS Financial Statements regarding the recoverability of dues from GMR Air Cargo and Aerospace Engineering Limited (GACAEL) formally known as GMR Aerospace Engineering Limited (GAEL), a wholly owned subsidiary of the Company's holding company, M/s GMR Hyderabad International Airport Limited (GHIAL) and GMR Aero Technic Limited (GATL), which is a wholly owned subsidiary of GACAEL.

Our opinion is not qualified on the above said matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

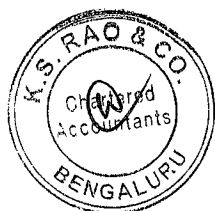
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Ind AS Financial Statements:**

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 judgements 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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements:**

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



15. 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, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the board of directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2020 from being appointed as directors in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Appendix B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - (Refer Note 40 to the Ind AS financial statements).
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;



iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2020.

For K.S Rao & Co.,  
Chartered Accountants  
ICAI Firm Registration No: 003109S



Hitesh Kumar P

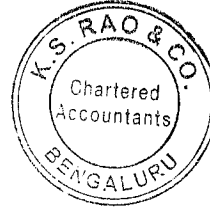
Partner

Membership No. 233734

UDIN No: 20233734AAAACU9341

Place: Bengaluru

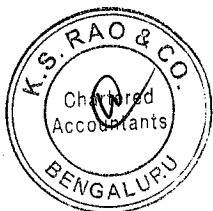
Date: 1<sup>st</sup> June , 2020



**Appendix - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31<sup>st</sup> March, 2020 we report that:

- (i) In respect of the Company's fixed assets (Property, Plant and Equipment)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment).
  - (b) The Management has not conducted any physical verification of fixed assets (Property, Plant and Equipment) during the year. However, the Company has the program of physical verification of fixed assets (Property, Plant and Equipment) at reasonable intervals of time and to deal with material discrepancies identified on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties been taken on lease and disclosed as fixed assets in the Ind AS financial statements, the lease agreements are in the name of the company.
- (ii) The activities of the Company did not involve purchase of inventory and sale of goods during the year and accordingly Clause (ii) of the paragraph 3 of the Order is not applicable to the Company for the year.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses from (iii) (a) to (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under



section 148(1) of the Act, for any of the services rendered by the Company.

- (vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at 31<sup>st</sup> March, 2020 for a period of more than six months from date they become payable.
- b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute.
- (viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank and government. The Company has not issued any debentures during the year and does not have any outstanding dues in respect of debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management, the provisions of the section 197 of the Act read with Schedule V to the Act are complied.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.





- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K.S Rao & Co.,  
Chartered Accountants  
ICAI Firm registration no: 003109S

*Hitesh Kumar P*

Hitesh Kumar P

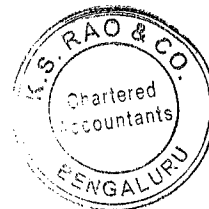
Partner

Membership number: 233734

UDIN No. 20233734AAAACU9341

Place: Bengaluru

Date: 01<sup>st</sup> June , 2020



**Appendix - B to the Independent Auditors' Report****Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **GMR Hyderabad Aviation SEZ Limited** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

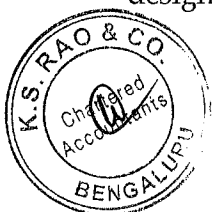
**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements 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 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements.**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statements.**

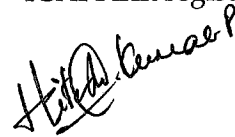
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March 2020, based on the internal financial controls with reference to financial statements 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.

For K.S Rao & Co.,  
Chartered Accountants  
ICAI Firm registration no: 003109S



**Hitesh Kumar P**

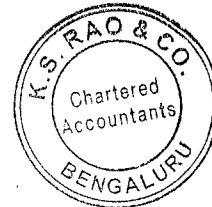
Partner

Membership number: 233734

UDIN No. 20233734AAAACU9341

Place: Bengaluru

Date: 01<sup>st</sup> June, 2020



GMR HYDERABAD AVIATION SEZ LIMITED  
CIN No. UAS209TG2007PLC056527  
BALANCESHEET AS ON MARCH 31 2020

| Particulars  | Notes | ₹ in Lakh               |                         |
|--|-------|-------------------------|-------------------------|
|  |       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Non-current assets</b>  |       |                         |                         |
| (a) Property, Plant and Equipment  | 3     | 8,657.55                | 7,161.37                |
| (b) Right-of-Use   | 4     | 21.18                   | -                       |
| (c) Capital work-in-progress   | 5     | 867.78                  | 1,482.18                |
| (d) Income Tax Asset   |       | 122.13                  | 115.09                  |
| (e) Other non-current assets   | 6     | 934.96                  | 220.42                  |
|  |       | <u>10,603.60</u>        | <u>8,979.07</u>         |
| <b>Current assets</b>  |       |                         |                         |
| (a) Financial Assets   |       |                         |                         |
| (i) Investments  | 7     | 420.39                  | 440.85                  |
| (ii) Trade receivables   | 8     | 6,414.54                | 5,835.94                |
| (iii) Cash and cash equivalents  | 9a    | 75.78                   | 33.63                   |
| (iv) Bank balances other than (iii) above  | 9b    | 2,024.46                | 297.00                  |
| (v) Other Financial Asset  | 10    | 5.60                    | 519.58                  |
| (b) Other current assets   | 11    | 152.09                  | 9.74                    |
|  |       | <u>9,092.86</u>         | <u>7,136.79</u>         |
| <b>Total Assets</b>  |       | <u><b>19,696.46</b></u> | <u><b>16,115.80</b></u> |
| <b>EQUITY AND LIABILITIES</b>  |       |                         |                         |
| <b>Equity</b>  |       |                         |                         |
| (a) Equity Share capital   | 12    | 5,160.00                | 5,160.00                |
| (b) Other Equity   | 13    | (427.21)                | 9.24                    |
|  |       | <u>4,732.79</u>         | <u>5,169.24</u>         |
| <b>Liabilities</b>   |       |                         |                         |
| <b>Non-current Liabilities</b>   |       |                         |                         |
| (a) Financial Liabilities  |       |                         |                         |
| (i) Borrowings   | 14    | 7,105.36                | 5,747.16                |
| (ii) Other financial liabilities   | 15    | 380.16                  | 215.15                  |
| (b) Provisions   | 16    | 6.97                    | -                       |
| (c) Lease liabilities  | 17    | 21.61                   | -                       |
| (d) Deferred tax liabilities (Net)   | 18    | 454.98                  | 312.29                  |
| (e) Other Non Current Liabilities  | 19    | 4,588.93                | 4,095.97                |
|  |       | <u>12,558.01</u>        | <u>10,370.57</u>        |
| <b>Current Liabilities</b>   |       |                         |                         |
| (a) Financial Liabilities  |       |                         |                         |
| (i) Trade payables   |       |                         |                         |
| (a) Total outstanding dues of micro enterprises and small enterprises                      |       | -                       | -                       |
| (b) Total outstanding dues of Creditors other than micro enterprises and small enterprises | 20    | 715.62                  | 133.88                  |
| (ii) Other financial liabilities   | 21    | 1,502.89                | 279.14                  |
| (b) Lease Liabilities  |       | 0.01                    | -                       |
| (c) Provisions   | 22    | 0.21                    | -                       |
| (d) Other current liabilities  | 23    | 186.92                  | 162.97                  |
|  |       | <u>2,405.65</u>         | <u>575.99</u>           |
| <b>Total Equity and Liabilities</b>  |       | <u><b>19,696.46</b></u> | <u><b>16,115.80</b></u> |

The accompanying notes are an integral part of the Financial Statements.

2.3

As per our report of even date

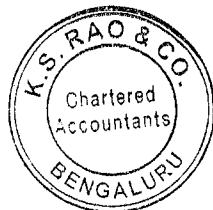
For K.S. Rao & Co.,  
Chartered Accountants  
Firm Registration No. 0031095  
*Hitesh Kumar P*  
Hitesh Kumar P  
Partner  
ICAI Membership No. 233734

For and on behalf of the Board of Directors of  
GMR Hyderabad Aviation SEZ Limited

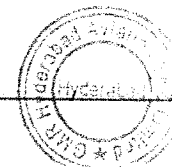
*Pradeep Panicker P. Anand*  
Pradeep Panicker      Anand Kumar Polamada  
Director                      Director  
DIN : 02790418              DIN : 08540411

*Sandip Sinha Ray K. Srinivasulu*  
Sandip Sinha Ray      Kandi Srinivasulu  
Chief Financial Officer      Company Secretary  
M.No: ACS23267

Place : Bengaluru  
Date: June 01 2020



Place : Hyderabad  
Date: June 01 2020



GMR HYDERABAD AVIATION SEZ LIMITED  
CIN No.U45209TG2007PLC056527  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31 2020

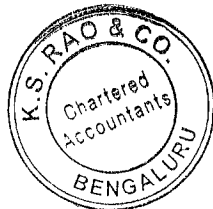
| Particulars  | Notes | ₹ in Lakh                            |                                      |
|--|-------|--------------------------------------|--------------------------------------|
|  |       | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| I. Revenue from Operations   | 24    | 1,751.27                             | 1,198.70                             |
| II. Other Income   | 25    | 163.39                               | 240.06                               |
| III. <b>Total Income (I + II)</b>  |       | <b>1,914.66</b>                      | <b>1,438.76</b>                      |
| IV. Expenses   |       |                                      |                                      |
| a. Concession Fees   |       | 264.21                               | 246.16                               |
| b. Employee Benefit Expenses   | 25    | 52.11                                | -                                    |
| c. Finance Cost  | 26    | 620.90                               | 593.59                               |
| d. Depreciation and amortisation expense   | 27    | 652.37                               | 602.02                               |
| e. Other expenses  | 28    | 618.83                               | 320.83                               |
| <b>Total expenses (IV)</b>   |       | <b>2,208.42</b>                      | <b>1,762.59</b>                      |
| V. Profit/(Loss) before tax (III - IV)   |       | <b>(293.76)</b>                      | <b>(323.83)</b>                      |
| VI. Tax Expenses:  |       |                                      |                                      |
| a. Current Tax   |       |                                      |                                      |
| i. Relating to current period  |       | -                                    | -                                    |
| ii. Relating to prior periods  |       | -                                    | -                                    |
| b. Deferred tax liability /(Asset)   |       |                                      |                                      |
| i. On Temporary Differences  | 29    | 142.69                               | 50.44                                |
| ii. MAT Credit entitlement   |       | -                                    | -                                    |
| <b>Total Tax Expenses (VI)</b>   |       | <b>142.69</b>                        | <b>50.44</b>                         |
| VII. Profit/(Loss) for the year (V - VI)   |       | <b>(436.45)</b>                      | <b>(374.27)</b>                      |
| VIII. Other Comprehensive Income   |       |                                      |                                      |
| i. Items that will not be reclassified subsequently to profit or loss            |       | -                                    | -                                    |
| ii. Income tax relating to items that will not be reclassified to profit or loss |       | -                                    | -                                    |
| <b>Total Other Comprehensive Income for the year (VIII)</b>                      |       | <b>-</b>                             | <b>-</b>                             |
| IX. <b>Total Comprehensive Income for the year (VII + VIII)</b>                  |       | <b>(436.45)</b>                      | <b>(374.27)</b>                      |
| X. Earnings per equity share from Continuing operations:                         | 30    |                                      |                                      |
| Basic and Diluted  |       | <b>(0.85)</b>                        | <b>(0.73)</b>                        |

The accompanying notes are an integral part of the Financial Statements.

2.3

As per our report of even date

For K.S. Rao & Co.,  
Chartered Accountants  
Firm Registration No. 003109S  
*Hitesh Kumar P*  
Hitesh Kumar P  
Partner  
ICAI Membership No. 233734



Place : Bengaluru  
Date: June 01, 2020

For and on behalf of the Board of Directors of  
GMR Hyderabad Aviation SEZ Limited

*Pradeep Panicker*      *P. Anand*

Pradeep Panicker  
Director  
DIN : 02730418

Anand Kumar Polamada  
Director  
DIN : 08540411

*Sandip Sinha Ray*  
Sandip Sinha Ray  
Chief Financial Officer

*K. Srinivasulu*  
Kandi Srinivasulu  
Company Secretary  
M.No: ACS23267

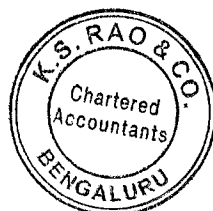
Place : Hyderabad  
Date: June 01, 2020



GMR HYDERABAD AVIATION SEZ LIMITED  
CIN No.U45209TG2007PLC056527  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakh

| Particulars   | For the year ended March 31, 2020 | For the Year ended March 31, 2019 |
|---|-----------------------------------|-----------------------------------|
| <b>I. Cash flow from operating activities:</b>                                  |                                   |                                   |
| A. Profit/(Loss) before tax   | (293.76)                          | (323.83)                          |
| B. Adjustments to reconcile (loss) / profit before tax to net cash flows        |                                   |                                   |
| a. Depreciation and amortization expenses                                       | 652.37                            | 602.02                            |
| b. Excess provisions/ Credit Balances written back                              | (0.02)                            | (0.57)                            |
| c. Interest Income  | (20.93)                           | (17.51)                           |
| d. Income from Investments:   |                                   |                                   |
| i. Change in fair value   | 0.45                              | 3.08                              |
| ii. Gains on sale of Investments  | (77.85)                           | (118.60)                          |
| e. Amortisation of Deferred Income  | (58.69)                           | (34.09)                           |
| f. Interest paid on borrowings (finance cost)                                   | 579.03                            | 567.63                            |
| g. Amortisation of Upfront fee  | 7.07                              | 10.28                             |
| h. Notional Interest on Security deposit  | 27.76                             | 15.57                             |
| i. Income from straightlining of lease revenue                                  | (274.79)                          | -                                 |
| j. Rentals reversed as per IND AS 116   | (2.78)                            | -                                 |
| k. Interest expense on Lease liability  | 2.77                              | -                                 |
|   | <b>834.40</b>                     | <b>1,027.81</b>                   |
| C. Adjustment for changes in working capital:                                   |                                   |                                   |
| a. Decrease / (increase) in trade receivables                                   | (578.60)                          | (762.63)                          |
| b. Decrease / (increase) in other current assets                                | (142.35)                          | 15.12                             |
| c. Decrease / (increase) in other Non-current assets                            | (16.15)                           | (7.44)                            |
| d. Decrease / (increase) in other financial assets                              | 499.01                            | (499.01)                          |
| e. (Decrease) /increase in trade payables                                       | 581.75                            | (595.23)                          |
| f. (Decrease) /increase in other financial liabilities                          | 1,057.43                          | 62.00                             |
| g. (Decrease) /increase in Non-current liabilities                              | 551.66                            | 325.85                            |
| h. (Decrease) /increase in other current liabilities                            | 24.15                             | 36.45                             |
| i. (Decrease) /increase in provisions   | 6.97                              | -                                 |
|   | <b>1,983.88</b>                   | <b>(1,424.88)</b>                 |
| D. Cash generated from operations (A+B+C)                                       | <b>2,524.52</b>                   | <b>(720.91)</b>                   |
| Less: Direct taxes paid (net of refunds)  | (7.03)                            | (51.08)                           |
| <b>Net cash flow from / (used in) operating activities (I)</b>                  | <b>2,517.49</b>                   | <b>(771.99)</b>                   |
| <b>II. Cash flows from investing activities</b>                                 |                                   |                                   |
| a. Purchase of fixed assets, including CWIP                                     | (1,751.14)                        | (479.38)                          |
| b. Proceeds from sale of financial instruments (Investments)                    | 11,361.01                         | 8,285.62                          |
| c. Purchase of financial instruments (Investments)                              | (11,341.00)                       | (6,522.00)                        |
| d. Profit on Sale of Current Investments  | 77.85                             | -                                 |
| e. Interest Income received   | 43.32                             | -                                 |
| <b>Net cash flow from/ (used in) investing activities (II)</b>                  | <b>(1,609.96)</b>                 | <b>1,284.24</b>                   |
| <b>III. Cash flows from financing activities</b>                                |                                   |                                   |
| a. Proceeds from borrowings   | 1,441.12                          | -                                 |
| b. Repayment of borrowings  | -                                 | (60.00)                           |
| c. Interest paid for the year   | (579.03)                          | (567.63)                          |
| <b>Net cash flow (used in) financing activities (III)</b>                       | <b>862.10</b>                     | <b>(627.63)</b>                   |
| <b>IV. Net Increase/ (decrease) in cash and cash equivalents (I + II + III)</b> | <b>1,769.62</b>                   | <b>(115.38)</b>                   |
| Cash and cash equivalents at the beginning of the year                          | 330.63                            | 446.01                            |
| <b>V. Cash and cash equivalents at the end of the period</b>                    | <b>2,100.25</b>                   | <b>330.63</b>                     |



GMR HYDERABAD AVIATION SEZ LIMITED  
 CIN No. U45209TG2007PLC056527  
 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

| Particulars  | ₹ in Lakh                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended March<br>31, 2020 | For the Year ended<br>March 31, 2019 |
| <b>VI. Components of cash and cash equivalents:</b>                    |                                      |                                      |
| a. Cash on hand  | -                                    | -                                    |
| b. Cheques, Drafts and Stamps on hand                                  | -                                    | -                                    |
| c. With banks:   |                                      |                                      |
| i. On Current Account  | 75.78                                | 33.63                                |
| ii. On Deposit Account having original maturity less than three months | 2,024.46                             | 297.00                               |
| <b>Total cash and cash equivalents</b>                                 | <b>2,100.24</b>                      | <b>330.63</b>                        |

**Summary of Significant Accounting Policies**

The accompanying notes are an integral part of the Financial Statements.

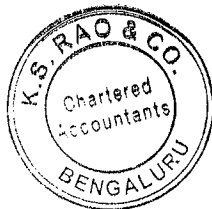
As per our report of even date

For K.S. Rao & Co.,  
 Chartered Accountants  
 Firm Registration No. 0031095

*Hitesh Kumar P*

Hitesh Kumar P  
 Partner  
 ICAI Membership No. 233734

Place : Bengaluru  
 Date: June 01, 2020



For and on behalf of the Board of Directors of  
 GMR Hyderabad Aviation SEZ Limited

*Pradeep Panicker - P. Anand*

Pradeep Panicker  
 Director  
 DIN : 02730418

*Sandip Sinha Ray*  
 Sandip Sinha Ray  
 Chief Financial Officer

Anand Kumar Polamada  
 Director  
 DIN : 08540411

*K.S. Sreenivasulu*  
 Kandi Sreenivasulu  
 Company Secretary  
 M.No: ACS23267

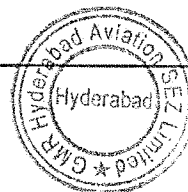
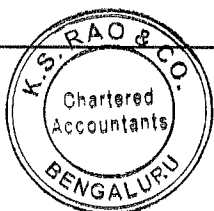
Place : Hyderabad  
 Date: June 01 2020





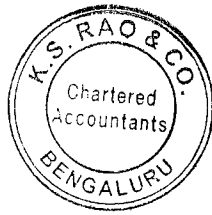
**GMR HYDERABAD AVIATION SEZ LIMITED**  
**CIN No.U45209TG2007PLC056527**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

| Note No.   | Particulars  | ₹ in Lakh            |                      |
|--|--|----------------------|----------------------|
|  |  | As at March 31, 2020 | As at March 31, 2019 |
| <b>6</b>   | <b>Other Non Current Assets</b>                              |                      |                      |
|  | <i>A. Capital Advances - Unsecured, Considered Good</i>      |                      |                      |
|  | i. Related parties   | -                    | -                    |
|  | ii. Others   | 573.20               | 149.60               |
|  | <b>Total</b>   | <b>573.20</b>        | <b>149.60</b>        |
|  | <b>Other Non Current Assets</b>                              |                      |                      |
|  | a. Balance with Statutory Authorities                        | 78.99                | 70.82                |
|  | b. Lease Equilisation Receivable                             | 274.79               | -                    |
|  | C Prepaid Expenses   | 7.98                 | -                    |
|  | <b>Total</b>   | <b>934.96</b>        | <b>220.42</b>        |
| <b>7</b>   | <b>Investments - Current</b>                                 |                      |                      |
|  | <i>Investments in Mutual Funds</i>                           |                      |                      |
|  | SBI Liquid Fund Regular Growth                               | 420.39               | 440.85               |
|  | March-20: 12,920.172 Units (Mar-19: 15116.578 Units)         |                      |                      |
|  | <b>Total</b>   | <b>420.39</b>        | <b>440.85</b>        |
| <b>8</b>   | <b>Trade Receivables</b>                                     |                      |                      |
|  | <i>Unsecured, Considered Good</i>                            |                      |                      |
|  | a. Related Parties   | 5,731.51             | 5,689.50             |
|  | b. Others  | 683.03               | 146.44               |
|  | Less: Expected Credit Loss on above                          | -                    | -                    |
|  | <b>Total</b>   | <b>6,414.54</b>      | <b>5,835.94</b>      |
| No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. |  |                      |                      |
| <b>9</b>   | <b>Cash and Bank Balances</b>                                |                      |                      |
|  | <b>a. Cash and cash equivalents</b>                          |                      |                      |
|  | <i>Balances in Bank a/c's</i>                                |                      |                      |
|  | Current Accounts   | 75.78                | 33.63                |
|  | Deposits with original maturity of less than three months    | -                    | -                    |
|  | <b>Total</b>   | <b>75.78</b>         | <b>33.63</b>         |
|  | <b>b. Bank Balances other than Cash and Cash equivalents</b> |                      |                      |
|  | Deposits with less than three months maturity*               | 2,024.46             | 297.00               |
|  | <b>Total</b>   | <b>2,024.46</b>      | <b>297.00</b>        |
| * Debt Service Reserve is maintained in the form of fixed Deposit as per the term loan agreement with Aditya Birla Finance Limited.  |  |                      |                      |
| <b>10</b>  | <b>Other financial assets - Current</b>                      |                      |                      |
|  | a. Interest accrued on bank deposits                         | 5.60                 | 20.57                |
|  | b. Non Trade Receivable                                      | -                    | -                    |
|  | i. Related parties   | -                    | 498.50               |
|  | c. Un-billed revenue   | -                    | -                    |
|  | i. Related parties   | -                    | -                    |
|  | ii. Others   | -                    | 0.51                 |
|  | <b>Total</b>   | <b>5.60</b>          | <b>519.58</b>        |
| <b>11</b>  | <b>Other Current Assets:</b>                                 |                      |                      |
|  | a. Advance for Purchases and Expenses                        | 18.24                | 5.79                 |



**GMR HYDERABAD AVIATION SEZ LIMITED**  
**CIN No.U45209TG2007PLC056527**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

| Note No. | Particulars                        | ₹ in Lakh               |                         |
|----------|------------------------------------|-------------------------|-------------------------|
|          |                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| b.       | Balance with Statutory Authorities | 2.91                    | 2.99                    |
| c.       | Prepaid Expenses                   | 130.94                  | 0.96                    |
|          | <b>Total</b>                       | <b>152.09</b>           | <b>9.74</b>             |



**GMR HYDERABAD AVIATION SEZ LIMITED**  
**CIN No.U45209TG2007PLC056527**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

| Note No.  | Particulars   | ₹ in Lakh            |                      |
|-----------|---|----------------------|----------------------|
|           |   | As at March 31, 2020 | As at March 31, 2019 |
| <b>12</b> | <b>Equity Share Capital:</b>  |                      |                      |
|           | <b>A. Authorised Share Capital:</b>   |                      |                      |
|           | 7,50,00,000 Equity Shares of Rs. 10/- each  | 7,500.00             | 5,500.00             |
|           | <b>B. Issued, Subscribed and Fully Paid up share capital:</b>   |                      |                      |
|           | 5,16,00,000 Equity Shares of Rs. 10/- each  | 5,160.00             | 5,160.00             |
|           | <b>C. Reconciliation of the shares outstanding at the beginning and at the end of year:</b>   |                      |                      |
|           | In no. of Shares  |                      |                      |
|           | At the beginning of the year  | 5,16,00,000          | 5,16,00,000          |
|           | Share Capital Issued during the year  | -                    | -                    |
|           | Outstanding at the end of the year  | 5,16,00,000          | 5,16,00,000          |
|           | In value of Shares  |                      |                      |
|           | At the beginning of the year  | 5,160.00             | 5,160.00             |
|           | Share Capital Issued during the year  | -                    | -                    |
|           | Outstanding at the end of the year  | 5,160.00             | 5,160.00             |
|           | <b>D. Rights attached to the Equity Shares:</b>   |                      |                      |
|           | The company has only one class of equity shares having a face value of Rs. 10/- per share with one vote per each 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. The distribution will be in proportion to the number of equity shares held by the shareholders. |                      |                      |
|           | <b>E. Shares held by Holding Company:</b>   |                      |                      |
|           | M/s. GMR Hyderabad International Airport Limited  | 5,16,00,000          | 5,16,00,000          |
|           | <b>F. Details of Shareholders holding more than 5% shares in the company:</b>   |                      |                      |
|           | <b>Equity Shares:</b>   |                      |                      |
|           | a. M/s. GMR Hyderabad International Airport Limited   | 100%                 | 100%                 |
|           | As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.  |                      |                      |
| <b>13</b> | <b>Other Equity</b>   |                      |                      |
|           | <b>Retained Earnings</b>  |                      |                      |
|           | At the beginning of the year  | 9.24                 | 383.51               |
|           | Ind As 116 Adjustment   | -                    | -                    |
|           | Profit for the year   | (436.45)             | (374.27)             |
|           | At the end of the year  | (427.21)             | 9.24                 |

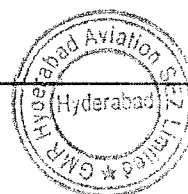
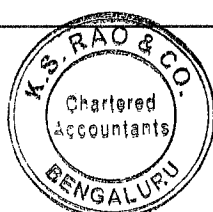


**GMR HYDERABAD AVIATION SEZ LIMITED**  
**CIN No.U45209TG2007PLC056527**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

₹ in Lakh

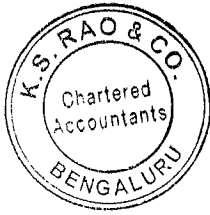
| Note No.  | Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------|---|-------------------------|-------------------------|
| <b>14</b> | <b>Borrowings - Non Current</b>   |                         |                         |
|           | Term loan from a Bank (Secured)   |                         |                         |
|           | Term loan from financial institutions (Secured)   | 7,285.36                | 5,837.16                |
|           | Less: Current Maturities  | 180.00                  | 90.00                   |
|           | <b>Total</b>  | <b>7,105.36</b>         | <b>5,747.16</b>         |
|           | 1. During the FY17-18, the company has taken Term loan from Aditya Birla Finance Limited (ABFL) at an interest rate of 9.4 % p.a., i.e., 1 year MCLR plus 1.2% margin, repayable over 51 structured quarterly Installments beginning from September 2017.   |                         |                         |
|           | 2. The Term loan is secured by first ranking charge on Leasehold rights, title, interest and benefit in respect of Sub-lease Land together with all buildings, structures etc on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. |                         |                         |
|           | 3. Durin the Year the company has taken loan from HSBC at an interest rate of 9%p.a i.e 1 Year MCLR plus 0.75% margin repayable over 20 Quarterly Installments begining from June 2021.   |                         |                         |
| <b>15</b> | <b>Other financial liabilities - Non - Current:</b>   |                         |                         |
|           | A. <i>Security Deposits</i>   |                         |                         |
|           | a. Related Parties  | -                       | 11.00                   |
|           | b. Others   | 318.45                  | 204.15                  |
|           | B. Non Trade Payables   |                         |                         |
|           | a. Related Parties  | -                       | -                       |
|           | b. Others   | -                       | -                       |
|           | C. Retention money from Vendors   | 61.71                   | -                       |
|           | <b>Total</b>  | <b>380.16</b>           | <b>215.15</b>           |
| <b>16</b> | <b>Provisions</b>   |                         |                         |
|           | Provision for Gratluty  | 0.60                    | -                       |
|           | Provision for Leave Encashment  | 6.37                    | -                       |
|           | <b>Total</b>  | <b>6.97</b>             | <b>430.30</b>           |
| <b>18</b> | <b>Deferred Taxes:</b>  |                         |                         |
|           | A. <i>Net deferred tax recognised in Balance Sheet</i>  |                         |                         |
|           | a. Fair value of financial (assets)/liabilities   | 0.09                    | 0.21                    |
|           | b. Difference in WDV of fixed assets  | 488.39                  | 430.57                  |
|           | c. Tax Holiday Reversals  | (3.30)                  | (88.29)                 |
|           | d. Mat Credit entitlement   | (30.20)                 | (30.20)                 |
|           | <b>Total</b>  | <b>454.98</b>           | <b>312.29</b>           |
|           | B. <i>Movement in Deferred Taxes</i>  |                         |                         |
|           | a. Deferred tax (asset)/liability - Profit and loss   | 142.69                  | 50.44                   |
|           | b. Deferred tax (asset)/liability - Other comprehensive Income  | -                       | -                       |
|           | c. MAT Credit utilised during the year  | -                       | -                       |
|           | d. MAT Credit entitled during the year  | -                       | -                       |
|           | <b>Total</b>  | <b>142.69</b>           | <b>50.44</b>            |

The Company is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations under Section 80-IAB of the Income Tax Act, 1961, with regard to income from SEZ operations. The company had commenced its commercial operations in 2010-11. Management, based on the projected future taxable income, expects to avail such tax holiday from the Financial year 2020-21 which lasts up to Financial year 2023-24. Accordingly, the company has recognised deferred tax liability on temporary differences as on March 31, 2019 after considering the deferred tax reversals during the tax holiday period.



GMR HYDERABAD AVIATION SEZ LIMITED  
 CIN No.U45209TG2007PLC056527  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| Note No. | Particulars                      | ₹ in Lakh            |                      |
|----------|----------------------------------|----------------------|----------------------|
|          |                                  | As at March 31, 2020 | As at March 31, 2019 |
| 19       | Other Non - current liabilities: |                      |                      |
|          | A. Un-earned revenue             | 3,470.00             | 3,294.47             |
|          | B. Deferred Income               | 1,118.93             | 801.50               |
|          | <b>Total</b>                     | <b>4,588.93</b>      | <b>4,095.97</b>      |



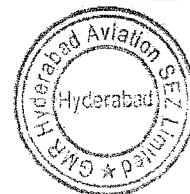
## GMR HYDERABAD AVIATION SEZ LIMITED

CIN No.U45209TG2007PLC056527

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakh

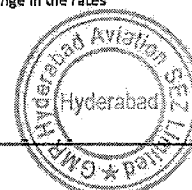
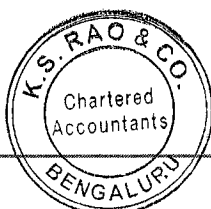
| Note No.  | Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------|---|-------------------------|-------------------------|
| <b>20</b> | <b>Trade Payables - Current:</b>  |                         |                         |
|           | A. Total outstanding dues of micro enterprises and small enterprises                      | -                       | -                       |
|           | B. Total outstanding dues of Creditors other than micro enterprises and small enterprises | -                       | -                       |
|           | a. Related Parties  | 98.53                   | 12.15                   |
|           | b. Others   | 617.09                  | 121.73                  |
|           | <b>Total</b>  | <b>715.62</b>           | <b>133.88</b>           |
| <b>21</b> | <b>Other financial liabilities - Current:</b>   |                         |                         |
|           | A. <i>Security Deposits</i>   |                         |                         |
|           | a. Related Parties  | -                       | -                       |
|           | b. Others   | -                       | -                       |
|           | A. Current maturities of long term borrowings   | 180.00                  | 90.00                   |
|           | B. Non Trade Payables   |                         |                         |
|           | a. Related Parties  | -                       | 9.13                    |
|           | b. Others   | 1,088.37                | 75.02                   |
|           | C. Retention money from Vendors   | 234.52                  | 104.99                  |
|           | <b>Total</b>  | <b>1,502.89</b>         | <b>279.14</b>           |
| <b>22</b> | <b>Provisions</b>   |                         |                         |
|           | Provision for Super Annuation fund  | 0.21                    | -                       |
|           | <b>Total</b>  | <b>0.21</b>             | <b>-</b>                |
| <b>23</b> | <b>Other current liabilities:</b>   |                         |                         |
|           | A. <i>Advance from Customers</i>  |                         |                         |
|           | A. Un-earned revenue  | 76.63                   | 77.97                   |
|           | B. <i>Statutory Liabilities</i>   |                         |                         |
|           | a. GST Payable  | 2.48                    | 1.10                    |
|           | b. Withholding Taxes Payable  | 37.86                   | 34.67                   |
|           | C. Deferred Income  | 69.95                   | 49.24                   |
|           | <b>Total</b>  | <b>186.92</b>           | <b>162.97</b>           |



GMR HYDERABAD AVIATION SEZ LIMITED  
CIN No.U45209TG2007PLC056527  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

|           |  | ₹ in Lakh                         |                                   |
|-----------|--|-----------------------------------|-----------------------------------|
| Note No.  | Particulars  | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| <b>24</b> | <b>Revenue from Operations:</b>  |                                   |                                   |
|           | <b>A. Sale of Services</b>   |                                   |                                   |
|           | Rental   | -                                 | 1,160.94                          |
|           | Income From Sub lease  | 1,673.37                          | -                                 |
|           | <b>B. Other Operating Income</b>   |                                   |                                   |
|           | a. IT services   | -                                 | -                                 |
|           | b. Common Area Maintenance   | 77.90                             | 37.76                             |
|           | <b>Total</b>   | <b>1,751.27</b>                   | <b>1,198.70</b>                   |
|           | <i>Income from sublease of assets has accounted as per Ind AS 116 "Leases" for the year ended March 31, 2020. Comparatives are accounted for as per Ind AS 17.</i> |                                   |                                   |
| <b>25</b> | <b>Other Income:</b>   |                                   |                                   |
|           | <b>A. Interest Income</b>  |                                   |                                   |
|           | i. Deposit with Banks  | 20.93                             | 17.51                             |
|           | ii. Others   | 6.14                              | 26.02                             |
|           | <b>B. Amortisation of Deferred Rental Income</b>   | 58.69                             | 34.09                             |
|           | <b>C. Other Non-operating Income (Net of Expenses)</b>   |                                   |                                   |
|           | a. Income from Investments   |                                   |                                   |
|           | i. Change in Fair Value  | (0.45)                            | (3.08)                            |
|           | ii. Gain on Sale of Investments  | 77.85                             | 118.60                            |
|           | b. Provisions written back:  |                                   |                                   |
|           | i. Excess provisions/ Credit Balances written back   | 0.02                              | 0.57                              |
|           | <b>D. Miscellaneous Income</b>   | 0.21                              | 46.35                             |
|           | <b>Total</b>   | <b>163.39</b>                     | <b>240.06</b>                     |
| <b>25</b> | <b>Employee Benefit Expenses</b>   |                                   |                                   |
|           | a. Salaries wages and bonus  | 43.29                             | -                                 |
|           | b. Contribution to provident and other funds   | 1.85                              | -                                 |
|           | c. Gratuity expenses   | 0.60                              | -                                 |
|           | d. Leave Encashment expenses   | 6.37                              | -                                 |
|           | <b>Total</b>   | <b>52.11</b>                      | <b>-</b>                          |
| <b>26</b> | <b>Finance Costs</b>   |                                   |                                   |
|           | a. Interest on Borrowings  | 579.06                            | 577.92                            |
|           | b. Bank Charges  | 0.02                              | 0.10                              |
|           | c. Amortisation of interest on Security Deposits   | 27.76                             | 15.57                             |
|           | d. Interest on Lease liability   | 2.77                              | -                                 |
|           | e. Interest Others   | 0.03                              | -                                 |
|           | f. Other Borrowing Cost  | 11.25                             | -                                 |
|           | <b>Total</b>   | <b>620.90</b>                     | <b>593.59</b>                     |
| <b>27</b> | <b>Depreciation and amortisation expense:</b>  |                                   |                                   |
|           | Depreciation on Property, Plant and Equipment  | 651.93                            | 602.02                            |
|           | Depreciation on ROU Assets   | 0.44                              | -                                 |
|           | <b>Total</b>   | <b>652.37</b>                     | <b>602.02</b>                     |
| <b>28</b> | <b>Other expenses</b>  |                                   |                                   |
|           | a. Power and Water*  | 114.32                            | -                                 |
|           | b. Rental expenditure  | -                                 | 2.78                              |
|           | c. Repairs and maintenance   | 45.16                             | 47.72                             |
|           | d. Payments to Auditors  |                                   |                                   |
|           | i. as auditors   | 2.50                              | 2.60                              |
|           | ii. for other Services   | 0.10                              | 0.04                              |
|           | e. Rates and Taxes   | 25.15                             | 3.80                              |
|           | f. Others  |                                   |                                   |
|           | Insurance  | 4.40                              | 3.24                              |
|           | Travelling and Conveyance  | 8.69                              | 7.00                              |
|           | Legal and professional charges   | 341.53                            | 216.80                            |
|           | Communication Cost   | 0.44                              | 0.09                              |
|           | Printing and Stationery  | 0.18                              | 0.01                              |
|           | Directors sitting fee  | -                                 | 0.02                              |
|           | Subscription fee   | 0.61                              | 1.77                              |
|           | Security Charges   | 33.17                             | 19.63                             |
|           | Manpower outsourcing Charges   | 9.18                              | 6.02                              |
|           | Exchange difference (net)  | -                                 | 0.03                              |
|           | Advertisement and Sales Promotion  | 22.35                             | 4.23                              |
|           | Miscellaneous expenses   | 11.06                             | 5.03                              |
|           | <b>Total</b>   | <b>618.83</b>                     | <b>320.82</b>                     |

\* Power and water charges disclosed are net of recoveries from customers. During the previous year the amounts are disclosed in other income as the recoveries are higher than the expenditure. In current year, due to change in the rates charged to customers, expenditure is in excess of recoveries.



GMR HYDERABAD AVIATION SEZ LIMITED  
CIN No. U45209TG2007PLC056527

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

| A. Equity Share Capital               |                              | ₹ in Lakh               |                        |  |
|---------------------------------------|------------------------------|-------------------------|------------------------|--|
| Particulars                           | At the beginning of the year | Changes during the year | At the end of the year |  |
| i. For the year ended March 31, 2020  | 5,160.00                     | -                       | 5,160.00               |  |
| ii. For the year ended March 31, 2019 | 5,160.00                     | -                       | 5,160.00               |  |

| B. Other Equity                         |                   | ₹ in Lakh |  |  |
|---|-------------------|-----------|--|--|
| Particulars                             | Retained Earnings | Total     |  |  |
| I. Balance as at March 31, 2019         | 9.24              | 9.24      |  |  |
| Profit/ (Loss) for the year             | (436.45)          | (436.45)  |  |  |
| Other Comprehensive income for the year | -                 | -         |  |  |
| II. Balance as at March 31, 2020        | (427.21)          | (427.21)  |  |  |

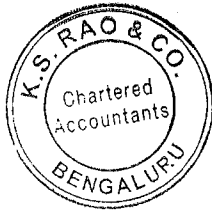
The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For K.S. Rao & Co.,  
Chartered Accountants  
Firm Registration No. 0031095

Hitesh Kumar P  
Partner  
ICAI Membership No. 233734

Place : Bengaluru  
Date: June 01 2020



For and on behalf of the Board of Directors of  
GMR Hyderabad Aviation SEZ Limited

*Pradeep Panicker* - *P. Anand*

Pradeep Panicker  
Director  
DIN : 02730418

*Sandip Sinha Ray*  
Sandip Sinha Ray  
Chief Financial Officer

Anand Kumar Polamada  
Director  
DIN : 08540411

*Kandi Sreenivasulu*  
Kandi Sreenivasulu  
Company Secretary  
M.No: ACS23267

Place : Hyderabad  
Date: June 01 2020





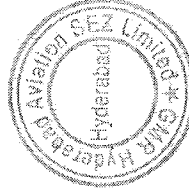
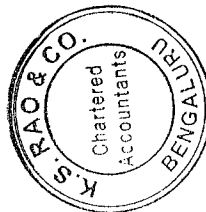
GMR HYDERABAD AVIATION SEZ LIMITED  
CIN No. U45209TG007PLC056527  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

3 PROPERTY, PLANT AND EQUIPMENT  
For the year ended March 31, 2020

| Sl. No. | Particulars               | Gross Block      |                 |             | Depreciation Block |                  |                | Net Block    |                  |                  |
|---------|---------------------------|------------------|-----------------|-------------|--------------------|------------------|----------------|--------------|------------------|------------------|
|         |                           | As at 01.04.2019 | Additions       | Deletions   | As at 31.03.2020   | Up to 01.04.2019 | for the period | on Deletions | As at 31.03.2020 | As at 31.03.2019 |
| 01      | Buildings                 | 3,466.41         | 1,412.33        | 7.42        | 4,871.33           | 825.25           | 235.43         | -            | 1,060.69         | 3,810.64         |
| 02      | Taxiways                  | 84.33            | -               | -           | 84.33              | 14.67            | 3.10           | -            | 17.76            | 66.57            |
| 03      | Leasehold Improvements    | 3,293.20         | 125.32          | -           | 3,418.52           | 510.00           | 120.42         | -            | 630.42           | 2,788.10         |
| 04      | Plant and Machinery       | 1,071.47         | 96.67           | -           | 1,168.14           | 166.16           | 86.18          | -            | 252.34           | 915.80           |
| 05      | Electrical Equipment      | 1,274.24         | 454.78          | -           | 1,729.02           | 540.66           | 188.57         | -            | 729.22           | 999.80           |
| 06      | Data processing equipment | 6.69             | 42.95           | -           | 49.65              | 4.41             | 10.06          | -            | 14.47            | 35.17            |
| 07      | Furniture and fixtures    | 34.83            | 23.30           | -           | 58.13              | 13.59            | 5.24           | -            | 18.83            | 39.30            |
| 08      | Office Equipment          | 15.78            | 0.17            | -           | 15.94              | 10.84            | 2.94           | -            | 13.78            | 21.24            |
|         | <b>Grand Total</b>        | <b>9,246.95</b>  | <b>2,153.52</b> | <b>7.42</b> | <b>11,395.06</b>   | <b>2,085.58</b>  | <b>651.93</b>  | <b>-</b>     | <b>2,737.51</b>  | <b>8,657.55</b>  |

For the year ended March 31, 2019

| Sl. No. | Particulars               | Gross Block      |                 |           | Depreciation Block |                  |               | Net Block    |                  |                  |
|---------|---------------------------|------------------|-----------------|-----------|--------------------|------------------|---------------|--------------|------------------|------------------|
|         |                           | As at 01.04.2018 | Additions       | Deletions | As at 31.03.2019   | Up to 01.04.2018 | for the year  | on Deletions | As at 31.03.2019 | As at 31.03.2018 |
| 01      | Buildings                 | 2,885.69         | 580.72          | -         | 3,466.41           | 599.20           | 226.05        | -            | 825.25           | 2,641.16         |
| 02      | Taxiways                  | 84.33            | -               | -         | 84.33              | 11.00            | 3.67          | -            | 14.67            | 69.67            |
| 03      | Leasehold Improvements    | 3,263.56         | 29.63           | -         | 3,293.20           | 363.68           | 146.32        | -            | 510.00           | 2,783.20         |
| 04      | Plant and Machinery       | 420.98           | 650.48          | -         | 1,071.47           | 100.06           | 66.10         | -            | 166.16           | 905.31           |
| 05      | Electrical Equipment      | 1,012.65         | 261.60          | -         | 1,274.24           | 388.12           | 152.54        | -            | 540.66           | 733.59           |
| 06      | Data processing equipment | 6.69             | -               | -         | 6.69               | 3.50             | 0.91          | -            | 4.41             | 2.28             |
| 07      | Furniture and fixtures    | 34.83            | -               | -         | 34.83              | 9.92             | 3.67          | -            | 13.59            | 21.24            |
| 08      | Office Equipment          | 14.95            | 0.83            | -         | 15.78              | 8.08             | 2.76          | -            | 10.84            | 4.94             |
|         | <b>Grand Total</b>        | <b>7,723.69</b>  | <b>1,523.27</b> | <b>-</b>  | <b>9,246.95</b>    | <b>1,483.55</b>  | <b>602.02</b> | <b>-</b>     | <b>2,085.58</b>  | <b>7,161.37</b>  |



GMR HYDERABAD AVIATION SEZ LIMITED  
 CIN No.1452097G2007PLC056627  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4 RIGHT OF USE ASSETS  
 For the year ended March 31, 2020

| Sl. No. | Particulars | Gross Block      |                  | Depreciation Block |                             | Net Block        |                  | ₹ in lakh |
|---------|-------------|------------------|------------------|--------------------|-----------------------------|------------------|------------------|-----------|
|         |             | As at 01.04.2019 | As at 31.03.2020 | Up to 01.04.2019   | for the period on Deletions | As at 31.03.2020 | As at 31.03.2019 |           |
| 01      | Lease asset | 21.63            | 21.63            | -                  | 0.44                        | 0.44             | 21.18            | 21.63     |
|         | Grand Total | 21.63            | 21.63            | -                  | 0.44                        | 0.44             | 21.18            | 21.63     |



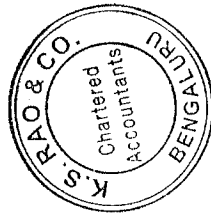
GMR HYDERABAD AVIATION SEZ LIMITED  
 CIN No. U45209TG2007PLC056527

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

17 Lease liabilities

For the year ended March 31, 2020

| Sl. No. | Particulars                    | As at 01.04.2019                         | Interest expense | Payments    | As at 31.03.2020 |
|---------|--------------------------------|--|------------------|-------------|------------------|
| 01      | Lease Liability                | 21.63                                    | 2.77             | 2.78        | 21.62            |
|         | <b>Grand Total</b>             | <b>21.63</b>                             | <b>2.77</b>      | <b>2.78</b> | <b>21.62</b>     |
|         | <b>Current and Non Current</b> | <b>As at 31.03.2020 As at 01.04.2019</b> |                  |             |                  |
|         | Current                        |  |                  | 0.01        | 8.34             |
|         | Non Current                    |  |                  | 21.61       | 21.61            |



**GMR HYDERABAD AVIATION SEZ LIMITED**  
**CIN No.U45209TG2007PLC056527**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**5 CAPITAL WORK IN PROGRESS**

For the year ended March 31, 2020

₹ In Lakh

| Sl.No | Particulars                       | As at<br>01.04.2019 | Additions       | Deletions       | As at<br>31.03.2020 |
|-------|-----------------------------------|---------------------|-----------------|-----------------|---------------------|
| 01    | Project Capital work in Progress* | 1,082.54            | 1,332.45        | 1,957.93        | 457.06              |
| 02    | Other Expenses                    |                     |                 |                 |                     |
|       | (i) Consultancy Expenses          | 203.14              | 120.96          | 134.74          | 189.36              |
|       | (ii) Rates and Taxes              | 63.42               | 72.45           | 21.86           | 114.01              |
|       | (iii) Finance Cost                | 133.08              | -               | 25.73           | 107.35              |
|       | <b>Grand Total</b>                | <b>1,482.18</b>     | <b>1,525.86</b> | <b>2,140.26</b> | <b>867.78</b>       |

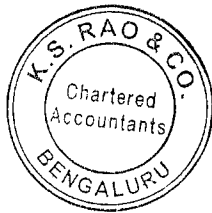
\*Project capital work in progress includes cost being incurred towards , leasehold improvements, plant and machinery and electrical installations.

For the year ended March 31, 2019

₹ In Lakh

| Sl.No | Particulars                       | As at<br>01.04.2018 | Additions       | Deletions       | As at<br>31.03.2019 |
|-------|-----------------------------------|---------------------|-----------------|-----------------|---------------------|
| 01    | Project Capital work in Progress* | 2,295.72            | 1,703.56        | 2,916.74        | 1,082.54            |
| 02    | Other Expenses                    |                     |                 |                 |                     |
|       | (i) Consultancy Expenses          | 222.60              | 64.10           | 83.56           | 203.14              |
|       | (ii) Rates and Taxes              | 64.43               | 11.90           | 12.91           | 63.42               |
|       | (iii) Finance Cost                | 136.93              | -               | 3.85            | 133.08              |
|       | <b>Grand Total</b>                | <b>2,719.67</b>     | <b>1,779.57</b> | <b>3,017.06</b> | <b>1,482.18</b>     |

\*Project capital work in progress includes cost being incurred towards , leasehold improvements, plant and machinery and electrical installations.



**GMR Hyderabad Aviation SEZ Limited**

**CIN U45209TG2007PLC056527**

**Notes to the Financial Statements for the year ended March 31, 2020**

**(All amounts in Rupees in lakhs, unless otherwise stated)**

## **1. Corporate information**

The Company was incorporated on December 4, 2007 as a wholly owned subsidiary of GMR Hyderabad International Airport Limited. The main objective of the company is to carry on the business of Development of Infrastructure for Special Economic Zone (SEZ) and Domestic Tariff Area including planning, designing, operating and marketing a SEZ in an existing airport and domestic tariff area.

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on June 01<sup>st</sup>, 2020.

## **2. Significant accounting policies**

### **2.1 Changes in accounting policies**

#### **Ind AS 116 Leases**

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116 - Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance under Ind AS 17.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

#### **Company as a Lessor:**

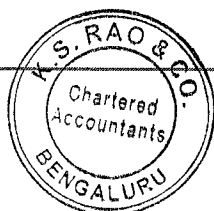
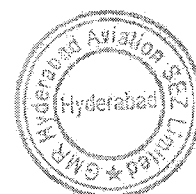
Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Lessor accounting under Ind AS 116 is substantially unchanged from requirement under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the company is the lessor, except for recording the lease rent on systematic basis or straight line basis as against Ind AS 17 wherein, there was an exemption for not providing straight lining in case the escalations are in line with the inflation.

#### **Company as a Lessee:**

#### **Right-of-use assets**



**GMR Hyderabad Aviation SEZ Limited**

**CIN U45209TG2007PLC056527**

**Notes to the Financial Statements for the year ended March 31, 2020**

**(All amounts in Rupees in lakhs, unless otherwise stated)**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

#### **Lease liabilities**

At the commencement of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

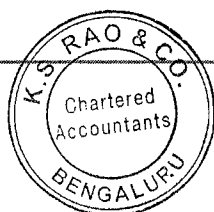
In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below Rs. 50,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **Transition provision:**

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and has applied to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company elected to use the transition practical expedient allowing the standard to be applied to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. On 1 April 2019, the Company has recognised lease liability measured at the present value of the remaining lease payments and right-of-use (ROU) asset at an amount equal to lease liability. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.



GMR Hyderabad Aviation SEZ Limited

CIN U45209TG2007PLC056527

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rupees in lakhs, unless otherwise stated)

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

#### Retirement and other Employee Benefits

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

Retirement benefit in the form of Superannuation Fund and Employee State Insurance are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the respective funds.

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

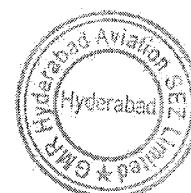
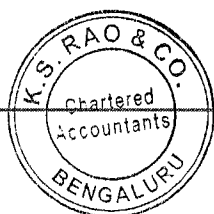
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately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

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

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

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

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



GMR Hyderabad Aviation SEZ Limited

CIN U45209TG2007PLC056527

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rupees in lakhs, unless otherwise stated)

### Short term employee benefits

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

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

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

## 2.2 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.

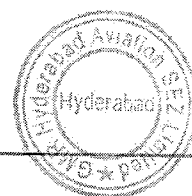
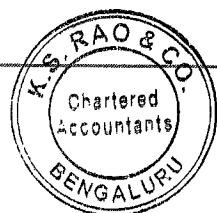
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### 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.





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**(i) Taxes**

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

**(ii) 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 judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 30 and 31 for further disclosures.

**(iii) Depreciation on Property, Plant and Equipment**

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

**(iv) Contingencies**

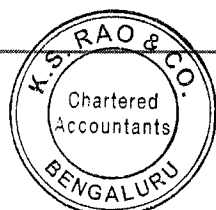
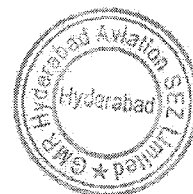
Management judgment is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

**(v) Impairment of non- financial assets**

Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**2.3 Significant accounting policies**

**(a) Current versus non-current classification**



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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### (b) Foreign currencies

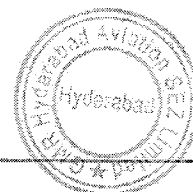
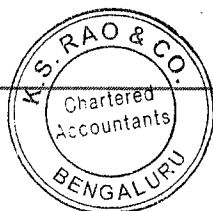
The financial statements are presented in INR (Indian rupees), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).



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**(c) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- 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.

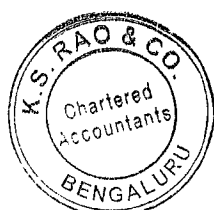
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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



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**(d) Revenue recognition**

Revenue is recognized 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.

However, sales tax/ value added tax (VAT)/GST is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue

The specific recognition criteria described below must also be met before revenue is recognized:

• **Rental income**

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

• **Interest income**

➤ For all debt instruments measured either at amortized 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 amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

➤ For other than debt instruments, Interest income is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

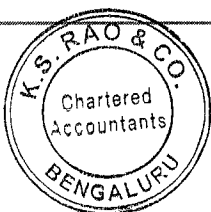
**(e) Concession fee**

The concession fee is computed as a percentage of income from land lease of the Company pursuant to the terms and conditions of the agreement and is recognized as charge to the Statement of profit and loss.

**(f) Taxes**

**Current income tax**

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



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Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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 provision where appropriate.

#### Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

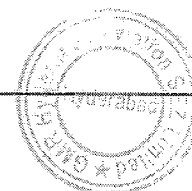
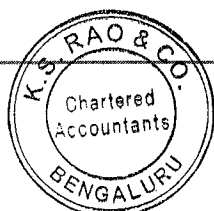
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (g) Property, plant and equipment

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 01, 2015. (Date of transition to Ind AS).

Capital work in progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and



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equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

| Particulars                            | Useful lives as per Schedule-II of the Companies act 2013 | Useful lives estimated by the management (years) |
|--|---|--|
| Buildings on leasehold land            | 30  | 30   |
| Taxiways                               | Not Prescribed  | 30   |
| Roads #                                | 5   | 10   |
| Plant and machinery                    | 15  | 15   |
| Electrical installations and equipment | 10  | 10   |
| Furniture and fittings                 | 10  | 10   |
| Office equipment                       | 5   | 5  |
| Computers and data processing units    | 3 or 6  | 3 or 6   |

The management has estimated, supported by independent assessment of professionals, the useful lives of the following class of assets.

#The useful lives of Roads – other than RCC are estimated as 10 years. This is higher than those indicated in schedule II

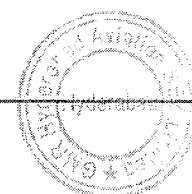
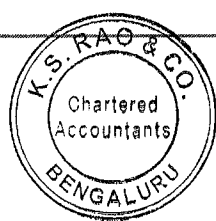
Leasehold improvements are amortized over shorter of estimated useful lives or lease period.

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

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.

#### (h) 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



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**(i) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

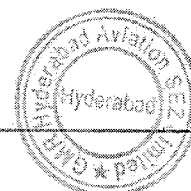
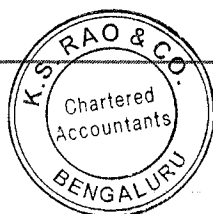
The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**(j) Provisions**

**General**

Provisions are recognized 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 recognized 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.



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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 recognized as a finance cost.

**(k) Financial instruments**

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

**i. Financial assets**

**(A) Initial recognition and measurement:**

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

**(B) Subsequent measurement:**

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

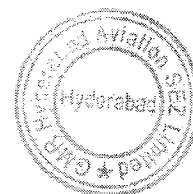
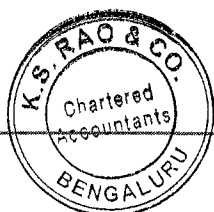
- a. Equity investments measured at fair value through Profit and Loss.
- b. Debt instruments at amortized cost

**(a) Equity investments:**

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

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

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





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*(b) Debt instruments at amortized cost:*

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

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

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

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

**(C) De-recognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset, and
- c) The Company has transferred substantially all the risks and rewards of the asset, or
- d) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

**ii. Financial liabilities**

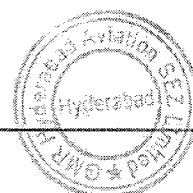
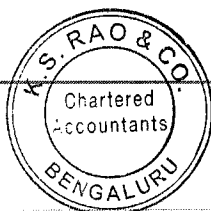
**(A) Initial recognition and measurement**

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

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

**(B) Subsequent measurement:**

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



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**(i) Loans and borrowings:**

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**(C) De-recognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**iii. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

**(l) Cash and cash equivalents**

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

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

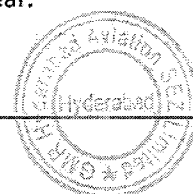
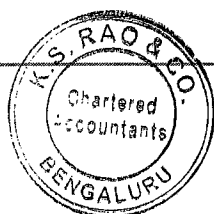
**(m) Contingent liabilities**

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 financial statements.

Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

**(n) Earnings per share**

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



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For the purpose of calculating Diluted Earnings per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(o) Defined benefit plans**

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

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.

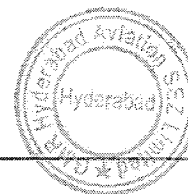
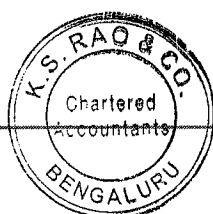
The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

**24 Sale Income From Operations**

| Particulars         | For the year<br>Ended 31<br>March 2020 | For the year<br>Ended 31<br>March 2019 |
|---------------------|--|--|
| Others within India | 1,751.27                               | 1,198.70                               |
| Total               | 1,751.27                               | 1,198.70                               |

**Time of rendering of Services As on 31st March 2020**

| Particulars            | For the year<br>Ended 31 March 2020                           |   | For the year<br>Ended 31 March 2019                           |   |
|------------------------|---|---|---|---|
|                        | Performance<br>obligation<br>satisfied at<br>point in<br>time | Performance<br>obligation<br>satisfied<br>over time | Performance<br>obligation<br>satisfied at<br>point in<br>time | performance<br>obligation<br>satisfied<br>over time |
| Income From Operations |   |   |   |   |
| Others                 |   | 1,751.27  |   | 1,198.70  |
| Total                  | -   | 1,751.27  |   | 1,198.70  |



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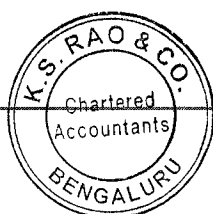
Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rupees in lakhs, unless otherwise stated)

29. Income tax expense

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>Income tax expense:</b>                         |                                      |                                      |
| a. Current tax                                     |                                      |                                      |
| b. Deferred tax arising from temporary differences | 142.69                               | 50.44                                |
| c. MAT Credit entitlement                          |                                      |                                      |
| <b>Total tax expense for the year</b>              | <b>142.69</b>                        | <b>50.44</b>                         |

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>Effective Tax Reconciliation: -</b>                        |                                      |                                      |
| a. Net Profit/(Loss) before taxes                             | (293.76)                             | (323.83)                             |
| Tax rate applicable to the company as per normal provisions   | 26%                                  | 26.00%                               |
| c. Tax expense on net profit (c = a*b)                        | (76.38)                              | (84.20)                              |
| d. Increase/(decrease) in tax expenses on account of:         |                                      |                                      |
| i. Non-taxable income/Exempt Income                           | (7.28)                               | (4.45)                               |
| ii. Accelerated Depreciation                                  | (57.89)                              | (25.79)                              |
| iii. Expenses not allowed under income tax                    | -                                    | -                                    |
| iv. Expenses that are allowed under payment basis             | -                                    | -                                    |
| v. Unabsorbed business loss                                   | 141.44                               | 113.63                               |
| vi. Other adjustments ( Fair value adjustment of Investments) | 0.12                                 | 0.80                                 |
|   | <b>76.38</b>                         | <b>84.20</b>                         |
| e. Tax as per normal provision under Income tax (c + d)       | <b>0.00</b>                          | <b>0.00</b>                          |
| f. Tax rate applicable to the company as per MAT provisions   | 19.24%                               | 19.24%                               |
| g. MAT Tax expense on net profit                              |                                      |                                      |
| h. Increase/(decrease) in MAT tax expenses on account of:     |                                      |                                      |
| i. Interest on delayed remittance of TDS                      |                                      | -                                    |
| ii. Provision for reduction in value of inventory             |                                      | -                                    |
| iii. Items that will not be reclassified to profit and loss   |                                      | -                                    |
| iv. 1/5th of transition amount u/s 115JB (2C)                 |                                      | -                                    |
| i. MAT tax provision under 115JB (g + h)                      |                                      |                                      |



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(All amounts in Rupees in lakhs, unless otherwise stated)

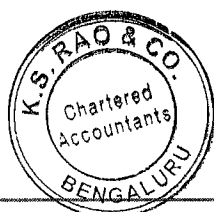
| <b>Deferred Taxes:</b>   | <b>For the year ended<br/>March 31 2020</b> | <b>For the year ended<br/>March 31 2019</b> |
|--|---|---|
| <b>As on the reporting date:</b>   |   |   |
| <b>A. Other than OCI component</b>   |   |   |
| -Difference in WDV of fixed assets   | (488.39)                                    | (430.57)                                    |
| -Fair Value of Financial Assets/liabilities  | (0.09)                                      | (0.21)                                      |
| -Tax holiday reversals   | 3.30  | 88.29                                       |
| -Brought forward losses  |   |   |
| <b>B. Total for the year</b>   | <b>(485.18)</b>                             | <b>(342.49)</b>                             |
| <b>Expense/(Income) Recognised for the year ended:</b>                                 |   |   |
| <b>A. Deferred tax liability/(asset) / recognised in statement of profit and loss:</b> |   |   |
| a. As MAT Credit entitlement   | -   | -   |
| b. Others  | 142.69                                      | 50.44                                       |
| <b>B. Deferred tax recognised in Other Comprehensive Income</b>                        | -   | -   |
| <b>C. Deferred tax recognised in Total Comprehensive Income</b>                        | <b>142.69</b>                               | <b>50.44</b>                                |

**Note:** The Company is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations under Section 80-IAB of the Income Tax Act, 1961, with regard to income from SEZ operations. The company had commenced its commercial operations in 2010-11. Management, based on the projected future taxable income, expects to avail such tax holiday from the Financial year 2020-21 which lasts up to Financial year 2023-24. Accordingly, the company has recognized deferred tax liability on temporary differences as on March 31, 2019 after considering the deferred tax reversals during the tax holiday period.

### 30. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted Earnings per share (EPS) computations:

| <b>Particulars</b>  | <b>For the year ended<br/>March 31, 2020</b> | <b>For the year ended<br/>March 31, 2019</b> |
|---|--|--|
| a. Profit/(Loss) for the period attributable to the Share Holders | (436.45)                                     | (374.27)                                     |
| b. Weighted average number of equity shares of Rs. 10/-each       | 516.00                                       | 516.00                                       |
| <b>Earnings per equity share (Basic and Diluted) - (a) / (b)</b>  | <b>(0.85)</b>                                | <b>(0.73)</b>                                |



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(All amounts in Rupees in lakhs, unless otherwise stated)

31. Retirement and other employee benefits:

a) Defined contribution plan:

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

| Particulars                         | For the year ended<br>March 31, 2020 |
|-------------------------------------|--------------------------------------|
| Contribution to provident fund      | 1.18                                 |
| Contribution to superannuation fund | 0.42                                 |
| Total                               | 1.6                                  |

b) Defined benefit plans:

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

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

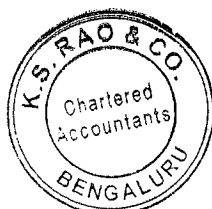
Net employee benefit expense (recognized in Employee Cost):

| Particulars                         | 31-Mar-20 |
|-------------------------------------|-----------|
| Current service cost                | 0.07      |
| Interest cost on benefit obligation | -         |
| Net benefit expense                 | 0.07      |

Amount recognized in Other Comprehensive Income (OCI): NIL

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

| Particulars                   | 31-Mar-20 |
|-------------------------------|-----------|
| Discount rate                 | 6.80%     |
| Rate of compensation increase | 6.00%     |



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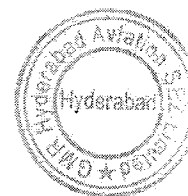
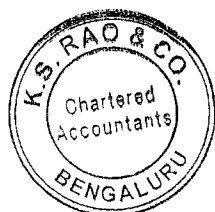
Changes in the present value of the defined benefit obligation are as follows:

| Particulars                        | 31-Mar-20 |
|------------------------------------|-----------|
| Opening defined benefit obligation | -         |
| Interest cost                      | -         |
| Current service cost               | 0.60      |
| Benefits paid                      | -         |
| Acquisition cost                   | 20.20     |
| Closing defined benefit obligation | 20.80     |

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

A quantitative sensitivity analysis for significant assumption is shown below:

| Particulars                                       | 31-Mar-20 |
|---|-----------|
| Discount rate                                     |           |
| Effect due to 1% increase in discount rate        | (1.96)    |
| Effect due to 1% decrease in discount rate        | 2.28      |
| Salary escalation rate                            |           |
| Effect due to 1% increase in attrition rate       | 1.35      |
| Effect due to 1% decrease in attrition rate       | (1.54)    |
| Withdrawal Rate                                   |           |
| Effect due to 1% increase in salary increase rate | 0.179     |
| Effect due to 1% decrease in salary increase rate | (0.208)   |



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

| Particulars                      | 31-Mar-20 |
|----------------------------------|-----------|
| 31-Mar-21                        | 1.25      |
| 31-Mar-22                        | 1.43      |
| 31-Mar-23                        | 1.56      |
| 31-Mar-24                        | 1.69      |
| 31-Mar-25                        | 2.26      |
| March 31, 2026 to March 31, 2030 | 18.32     |

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2019: 10 years).

### 32. Financial Assets - Investments (detailed disclosure)

| Particulars                            | As at March 31, 2020 |            | As at March 31, 2019 |            |
|--|----------------------|------------|----------------------|------------|
|  | No. of units         | Fair Value | No. of units         | Fair Value |
| <b><u>Current Investments:</u></b>     |                      |            |                      |            |
| <b>A. Investment in Funds at FVTPL</b> |                      |            |                      |            |
| SBI Liquid Fund Regular Growth         | 12,920.172           | 420.38     | 15,116.578           | 440.85     |

### 33. Expenditure in foreign currency (on accrual basis):

| Particulars               | Nature         | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------|----------------|-----------------------------------|-----------------------------------|
| Seminar Participation Fee | Other expenses | 0.36                              | 1.15                              |





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### 34. Details of transactions with related parties

#### A. Names of related parties and related party relationship

|        |  |   |
|--------|--|---|
| (i)    | Holding company  | GMR Hyderabad International Airport Limited   |
| (ii)   | GHIAL's holding company                                | GMR Airports Limited  |
| (iii)  | GAL's holding company                                  | GMR Infrastructure Limited  |
| (iv)   | Ultimate holding company                               | GMR Enterprises Private Limited ( Former known as GMR Holdings Private Limited  |
| (v)    | Fellow subsidiary companies *                          | GMR Hospitality and Retail Limited<br>GMR Hyderabad Aerotropolis Limited<br>GMR Aerospace Engineering Limited*<br>GMR Aero Technic Limited  |
| (vi)   | Fellow Subsidiary of Holding Company's Holding Company | GMR Airport Developers Limited<br>GMR Krishnagiri SEZ Limited<br>RAXA Security Services Limited   |
| (vii)  | Joint Venture of the Parent company                    | Laqshya Hyderabad Airport Media Private Limited   |
| (viii) | Key Management Personnel                               | S.G.K Kishore - Director<br>Rajesh Kumar Arora-Director<br>Nair P.S -Director<br>Aman Kapoor - Additional Director<br>Dhaval Bhatia - Manager<br>Sandip Sinha Ray - CFO<br>Kandi Sreenivasulu - Company Secretary |

The details of related parties with which the company has entered into transactions during the year or previous year has been disclosed.

\* The Hon'ble National Company Law Tribunal, Hyderabad Bench vide its Order dated July 26, 2019 has approved the composite scheme of arrangement [amongst M/s GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACLPL" or "Transferor Company"), GMR Aero Technic Limited ("GATL" or "Demerged Company"), GMR Aerospace Engineering Limited ("GAEL" or "Transferee / Resulting Company") and their respective Shareholders and Creditors] whereby GHACLPL has merged with GAEL and Maintenance, Repair and Overhauling ("MRO") business of GATL have been demerged and merged with GAEL from August 23, 2019 (being the "effective date" but with effect from April 01, 2018 as "Appointed Date"). Further, the name of GMR Aerospace Engineering Limited has been changed to GMR Air Cargo and Aerospace engineering Limited ("GACAEL") w.e.f. September 25, 2019.



GMR Hyderabad Aviation SEZ Limited

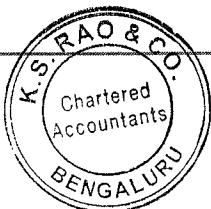
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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rupees in lakhs, unless otherwise stated)

**B. Related party transactions**

| Sl. No. | Related Party Transactions   | April 01, 2019 to<br>March 31, 2020 | April 01, 2018 to<br>March 31, 2019 |
|---------|--|-------------------------------------|-------------------------------------|
|         | <b>Services received:</b>  |                                     |                                     |
| (i)     | a GMR Hyderabad International Airport Limited  | 22.20                               | 2.78                                |
|         | b GMR Hospitality and Retail Limited   | 1.33                                | 0.09                                |
|         | c GMR Airport Developers Limited   | 12.26                               | 2.64                                |
|         | d Raxa Security Services Limited   | 33.17                               | 19.63                               |
|         | e Laqshya Hyderabad Airport Media Private Limited  | 1.64                                | 1.60                                |
| (ii)    | <b>Concession Fee:</b><br>GMR Hyderabad International Airport Limited  | 264.21                              | 246.16                              |
|         | <b>Income from Operations:</b>   |                                     |                                     |
| (iii)   | a GMR Air Cargo and Aerospace Engineering Limited  | 580.59                              | 553.41                              |
|         | b GMR Aero Technic Limited   | 348.99                              | 373.66                              |
| (iv)    | <b>Credit balances written back:</b><br>GMR Hyderabad International Airport Limited  |                                     | -                                   |
| (v)     | <b>Amortization of Deferred Rental Income - Security Deposit</b><br>GMR Aerospace Engineering Limited  | 2.77                                | 3.00                                |
| (vi)    | <b>Interest expense on Security Deposits</b><br>GMR Aerospace Engineering Limited  | 1.26                                | 1.13                                |
| (vii)   | <b>Unsecured Loan received :</b><br>GMR Hyderabad International Airport Limited  |                                     | -                                   |
| (viii)  | <b>Unsecured Loan repaid :</b><br>GMR Hyderabad International Airport Limited  |                                     | -                                   |
| (ix)    | <b>Reimbursement of expenses claimed from the Company during the year by its related parties:</b><br>GMR Hyderabad International Airport Limited                         | 1500.38                             | 716.23                              |
| (x)     | <b>Sale of Asset</b><br>GMR Hyderabad International Airport Limited  | -                                   | 1,494.62                            |
| (xi)    | <b>Interest on Unsecured Loan</b><br>GMR Hyderabad International Airport Limited   |                                     | -                                   |
| (xii)   | <b>Corporate Guarantee taken by the Company on behalf of its banks and financial institutions against the loan taken:</b><br>GMR Hyderabad International Airport Limited | 1433.00                             | (60.00)                             |
| (xiii)  | <b>ROU Asset</b><br>GMR Hyderabad International Airport Limited  | 21.18                               | -                                   |
| (ix)    | <b>Lease Liability</b><br>GMR Hyderabad International Airport Limited  | 21.62                               | -                                   |
| (x)     | <b>Depreciation on ROU Assets</b><br>GMR Hyderabad International Airport Limited   | 0.44                                | -                                   |
| (xi)    | <b>Interest on Lease liability</b><br>GMR Hyderabad International Airport Limited  | 2.77                                | -                                   |

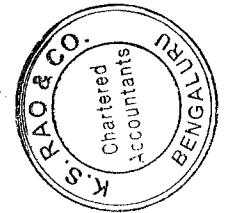


C. Balances outstanding in related party as at the end of the year

| Sl. No. | Particulars  | As at March 31, 2020 |            | As at March 31, 2019 |          |
|---------|--|----------------------|------------|----------------------|----------|
|         |  | Non-Current          | Current    | Non-Current          | Current  |
|         | <b>Balance Recoverable / (Payable):</b>              |                      |            |                      |          |
| a       | GMR Aerospace Engineering company Limited            |                      | 3,516.98   |                      | 3,068.45 |
| b       | GMR AeroTechnic Limited                              |                      | 2,334.25   |                      | 2,621.05 |
| c       | GMR Hyderabad International Airport Limited          |                      | (1,521.10) |                      | 498.50   |
| d       | GMR Airport Developers Ltd                           |                      | (5.61)     |                      | (11.51)  |
| e       | Raxa Security Services Limited                       |                      | (9.13)     |                      | (9.78)   |
|         | <b>Security Deposit (received) // Paid from / to</b> |                      |            |                      |          |
|         | <b>Company:</b>                                      |                      |            |                      |          |
|         | GMR Aerospace Engineering company Limited            | (12.26)              |            | (11.00)              |          |
|         | <b>Deferred Income - Security Deposits:</b>          |                      |            |                      |          |
|         | GMR Aerospace Engineering company Limited            | (51.26)              | (3.00)     | (54.02)              | (3.00)   |
|         | <b>Issue of Share Capital</b>                        |                      |            |                      |          |
|         | GMR Hyderabad International Airport Limited          | 5,160.00             |            | 5,160.00             |          |

D. Outstanding guarantees at the end of the year:

| Sl. No. | Related Party Transactions  | As at March 31, 2020 | As at March 31, 2019 |
|---------|---|----------------------|----------------------|
| (i)     | <b>Corporate Guarantee availed from the Holding company against Loan taken from bankers:</b><br>GMR Hyderabad International Airport Limited | 7,343.00             | 5,910.00             |



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### 35. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| Particulars                  | Carrying value |                 | Fair value     |                |
|------------------------------|----------------|-----------------|----------------|----------------|
|                              | March 31, 2020 | March 31, 2019  | March 31, 2020 | March 31, 2019 |
| <b>Financial liabilities</b> |                |                 |                |                |
| Security Deposits            | 1,593.19       | 1,120.81        | 318.45         | 215.15         |
| <b>Total</b>                 | <b>1593.19</b> | <b>1,120.81</b> | <b>318.45</b>  | <b>215.15</b>  |
| <b>Financial Assets</b>      |                |                 |                |                |
| Investment in Mutual funds   | 420.02         | 440.04          | 420.39         | 440.85         |
| <b>Total</b>                 | <b>420.02</b>  | <b>440.04</b>   | <b>420.39</b>  | <b>440.85</b>  |

#### (A) Significant observable inputs used in estimating the fair values

- (i) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project.
- (ii) Interest Rate factor has been considered at a rate of 11.44% p.a. by the company for discounting the Security deposit received from the customer as on or before March 31, 2019 and at the rate of 10.73% p.a. towards the security deposits received from April 01, 2019.

#### (B) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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.

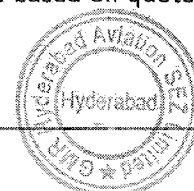
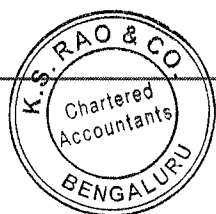
The following methods and assumptions were used to estimate the fair values:

- (i) Fair value of cash and deposits, trade receivables, staff advances, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### (C) Fair valuation hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- (i) Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted assets value (NAV) is published mutual fund operators at the balance sheet date.



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- (ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, then instrument is included in level 2.
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

| Particulars                        | As at March 31, 2020 |         |         |
|------------------------------------|----------------------|---------|---------|
|                                    | Level-1              | Level-2 | Level-3 |
| Financial Assets measured at FVTPL |                      |         |         |
| Investments in Mutual Funds        | 420.39               | -       | -       |

| Particulars                        | As at March 31, 2019 |         |         |
|------------------------------------|----------------------|---------|---------|
|                                    | Level-1              | Level-2 | Level-3 |
| Financial Assets measured at FVTPL |                      |         |         |
| Investments in Mutual Funds        | 440.85               | -       | -       |

During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

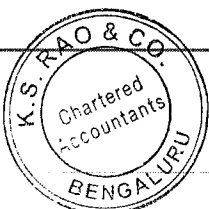
### 36. Financial risk management objectives and policies

#### Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### (i) 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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables,



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**Notes to the Financial Statements for the year ended March 31, 2020**

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investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

**Exposure to credit risk**

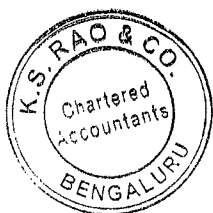
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs 6,414.54 /- and Rs 5,835.94 as of March 31, 2020 and March 31, 2019 respectively, being the total of the carrying amount of balances with trade receivables.

The total dues of the Company as at March 31, 2020 includes Rs.5,851.23/- (March 31, 2019 Rs. 5,689.50/-) from GMR Air Cargo and Aerospace engineering Limited(GACAEL) formally known as GMR Aerospace engineering Limited(GAEL), a wholly owned subsidiary of the Company's holding company, M/s GMR Hyderabad International Airport Limited (GHIAL) . Out of the above dues, an amount of Rs 5503.48/- (March 31, 2018 Rs. 5,184.61/-) is outstanding for more than six months. Considering the nature of business of GACAEL and based on the business projections and contracts with Customer, management is confident that revenues of the company will improve, and the Company will be able to recover its dues. Further, GHIAL has committed the support to GACAEL in meeting its operational and financial obligations. Based on business projections and contracts entered by the company with its customers and support letter from GHIAL, the management has considered its dues from GACAEL are good of recovery and as such no provision has been made in the books of account.

As per the Group Policy, Company has not provided any loss allowance for Expected Credit Losses on Financial Instruments/Dues from Group Companies as no credit risk is involved forthwith.

**(ii) Liquidity Risk**

Liquidity risk refers to the risk that the Company 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 Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.



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(All amounts in Rupees in lakhs, unless otherwise stated)

The table below provides undiscounted cash flows towards long term borrowings and other financial liabilities into relevant maturities based on the remaining period at the balance sheet to the contractual maturity date:

| Particulars                 | On demand    | Less than 3 months | 3 to 12 months | 1 to 5 years    | > 5 years       | Total           |
|-----------------------------|--------------|--------------------|----------------|-----------------|-----------------|-----------------|
| <b>As at March 31, 2020</b> |              |                    |                |                 |                 |                 |
| Borrowings                  | -            | 45.00              | 135.00         | 3985.36         | 3120.00         | 7285.36         |
| Trade payables              | -            | 715.62             | -              | -               | -               | 715.62          |
| Other financial liabilities | -            | 1322.89            | -              | -               | 380.16          | 1702.45         |
| Statutory dues              | 40.34        | -                  | -              | -               | -               | 40.34           |
| <b>Total</b>                | <b>40.48</b> | <b>2084.80</b>     | <b>135.00</b>  | <b>3985.36</b>  | <b>3500.16</b>  | <b>9743.77</b>  |
| <b>As at March 31, 2019</b> |              |                    |                |                 |                 |                 |
| Borrowings                  | -            | 22.50              | 67.50          | 1,500.00        | 4,320.00        | 5,910.00        |
| Trade payables              | -            | 133.88             | -              | -               | -               | 133.88          |
| Other financial liabilities | -            | 189.14             | -              | -               | 1,120.81        | 1,309.94        |
| Statutory dues              | 35.77        | -                  | -              | -               | -               | 35.77           |
| <b>Total</b>                | <b>35.77</b> | <b>345.52</b>      | <b>67.50</b>   | <b>1,500.00</b> | <b>5,440.81</b> | <b>7,389.59</b> |

**(iii) Market Risk**

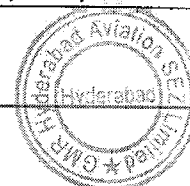
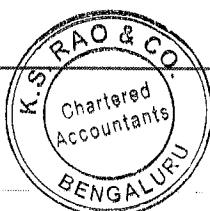
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk.

**A) 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 change in market interest rates. The company performs a comprehensive corporate interest rate management policy. As at March 31, 2019, 100% of the Company's borrowings are at a floating rate of interest.

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

| Interest rate Sensitivity                | Increase/Decrease in Basis points | Effect on Profit Before Tax |
|--|-----------------------------------|-----------------------------|
| <b>For the year ended March 31, 2020</b> |                                   |                             |
| Term Loans                               | 25<br>-25                         | 18.21<br>(18.21)            |
| <b>For the year ended March 31, 2019</b> |                                   |                             |
| Term Loans                               | 25<br>-25                         | 14.78<br>(14.78)            |



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(All amounts in Rupees in lakhs, unless otherwise stated)

### 37. Leases

#### Company as a lessee

The Company has entered into certain cancellable operating lease agreements mainly for office premises and hiring equipment's and certain non-cancellable operating lease agreements towards land space and office premises and hiring office equipment's and IT equipment's. The lease rentals paid during the year and the maximum obligation on the long term non - cancellable operating lease payable are as follows:

#### Right of Use Assets

| Particulars                               | Class of Assets 1 | Class of Assets 2 | Class of Assets 3 | Total        |
|---|-------------------|-------------------|-------------------|--------------|
| As at April 01, 2019                      | 21.63             |                   |                   | 21.63        |
| <b>Additions</b>                          |                   |                   |                   | -            |
| Depreciation/amortization during the year | (0.44)            |                   |                   | (0.44)       |
| <b>As at March 31, 2020</b>               | <b>21.19</b>      | -                 | -                 | <b>21.19</b> |

#### Lease Liability

| Particulars                    | Amount       |
|--------------------------------|--------------|
| As at April 01, 2019           | 21.63        |
| <b>Additions</b>               |              |
| Interest for the year          | 2.77         |
| Repayment made during the year | -2.78        |
| <b>As at March 31, 2020</b>    | <b>21.62</b> |

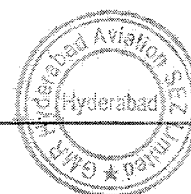
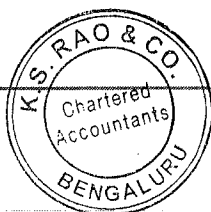
#### Disclosed as:

|                    |              |
|--------------------|--------------|
| <b>Non-Current</b> | <b>21.61</b> |
| <b>Current</b>     | <b>0.01</b>  |

#### Maturity profile of lease liability

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

| Year ended 31 March 2020    | 0 to 1 year | 1 to 5 years | > 5 years | Total |
|-----------------------------|-------------|--------------|-----------|-------|
| Lease liabilities (Note 18) | 0.01        | 0.05         | 21.56     | 21.62 |





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(All amounts in Rupees in lakhs, unless otherwise stated)

Following amount has been recognized in statement of profit and Loss account

| Particulars  | Amount      |
|--|-------------|
| Depreciation/amortization on right to use asset                        | 0.44        |
| Interest on lease liability  | 2.77        |
| Expenses related to short term lease (included under other expenses)   | -           |
| Expenses related to low value lease (included under other expenses)    | -           |
| Variable lease payments (included under other expenses)                | -           |
| <b>Total amount recognized in statement of profit and loss account</b> | <b>3.21</b> |

The Company has total cash outflow of leases Rs. 2.78. The Company also had non cash additions to right of use assets and lease liability Rs. 21.63 Lacs.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

#### Company as a lessor

Company has sub-leased land to various parties under operating leases having a term of 20 to 50 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiable.

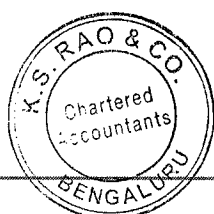
Future minimum rentals receivable under non-cancellable operating leases are as follows:

| Particulars                                 | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| Within one year                             | 1,234.19  | 1,592.87  |
| After one year but not more than five years | 5,485.47  | 6,562.97  |
| More than five years                        | 27,082.87 | 35,212.80 |

### 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. The primary objective of the Company's capital management is to maximize the shareholder value.

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



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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rupees in lakhs, unless otherwise stated)

| Particulars  | March 31, 2020  | March 31, 2019   |
|--|-----------------|------------------|
| Borrowings including interest accrued on borrowing | 7285.36         | 5,910.00         |
| <b>Net debt</b>                                    | <b>7285.36</b>  | <b>5,910.00</b>  |
| Equity Share Capital                               | 5160.00         | 5,160.00         |
| Other Equity                                       | (427.21)        | 9.24             |
| <b>Total Capital</b>                               | <b>4732.79</b>  | <b>5,169.24</b>  |
| <b>Capital and borrowings</b>                      | <b>12018.15</b> | <b>11,079.24</b> |
| Gearing ratio (Net Debt/ Total Equity)             | 60.62%          | 53.34%           |

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 year.

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

39. There are no outstanding dues to micro and small enterprises as defined under the MSMED Act, 2006

#### 40. Commitments and Contingencies

##### A. Contingent Liabilities:

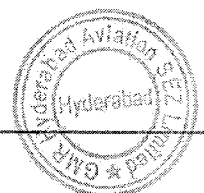
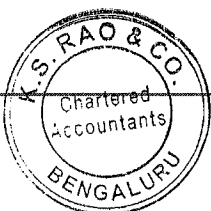
The Company had received Show Cause Notice dated July 17, 2015 from the Office of the Assistant Commissioner of Customs, Central Excise and Service Tax wherein service tax refund of Rs.0.78/- Lakh has been denied. Based on the internal assessment the management is confident that no provision is required to be made as at March 31, 2020.

##### B. Commitments:

- Capital Commitments:** Estimated Value of contracts remaining to be executed on capital account not provided for (Net of Advances) Rs. 997.36/- (March 31, 2018: Rs. 909.18/-).
- Other Commitments:** Revenue share @ 25% of the lease rentals earned on land leased by the company is payable to GMR Hyderabad International Airport Limited.

41. Details of Un-Hedged foreign currency: Rs Nil (March 31 2018: Rs Nil)

42. The Chief Operating Decision Maker (CODM)/Executive management of the company monitors the operating results of its business as a single operating segment. As the company's revenues are generated



GMR Hyderabad Aviation SEZ Limited

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rupees in lakhs, unless otherwise stated)

from customers in India and all Non-Current operating assets are deployed in India, entity wide disclosures are not applicable.

#### 43. Impact of Covid-19

The outbreak of Coronavirus (Covid-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities. The Lease rental revenue in the Company is not impacted due to this currently and overall revenue is mostly similar as compared to Pre-covid period. The Company does not expect:

- any impact on its receivables as all receivables are currently being realized.
- any breach of debt covenants as Company has enough cash balance and inflow to meet its liabilities towards interest and principal obligation if any.
- Any major impact on its planned capex development for upcoming Built to Suit projects.

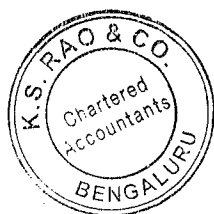
Due to the nature of the pandemic and its treatment not available yet, the Company will continue to be vigilant on various developments in future so as to insulate itself from any material adverse impact

44. Previous year/period figures have been regrouped and reclassified wherever necessary to conform to those of the current year.

For K.S. Rao & Co.,  
Chartered Accountants  
Firm Registration No. 003109S

Hitesh Kumar P  
Partner

ICAI Membership No. 233734



Place: Bengaluru  
Date: June 01, 2020

For and on behalf of the Board of Directors of  
GMR Hyderabad Aviation SEZ Limited

Pradeep Panicker  
Director  
DIN: 02730418

Anand Kumar Polamada  
Director  
DIN: 08540411

Sandip Sinha Ray  
Chief Financial Officer

Kandi Sreenivasulu  
Company Secretary  
M.No: ACS23267

Place: Hyderabad  
Date: June 01, 2020

