

INDEPENDENT AUDITOR'S REPORT

To
The Members,
GMR Aviation Private Limited

Report on the Ind AS Financial Statements

1. We have audited the accompanying financial statements of GMR Aviation Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017 and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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



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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2017, and its loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
6. 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 purpose 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, the Cash Flow Statement and statement of changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"



g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations to be disclosed on its financial position in its 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The IND AS Financial Statements contain all the requisite disclosures as to holdings as well as dealings in Specified Bank Notes during the period November 8, 2016 to December 30, 2016. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with the Books of accounts maintained by the Company and as produced to us by the Management- Refer Note 06.

For **Guru & Jana,**
Chartered Accountants
Firm Registration No: 006826S



M. Surendra Reddy
Partner

Membership No: 215205



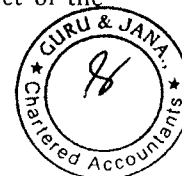
Place: Bangalore

Date: 24th April 2017

“Annexure A” to the Independent Auditors Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2017:

- 1)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) There are no immovable properties held in the name of the company.
- 2) The Company is a service company, primarily rendering Aircraft services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax or cess which have not been deposited on account of any dispute except as follows:

Name of the statute	Nature of the dues	Amount (RS)	Period for which it relates	Forum where dispute is pending
Customs Laws	Customs Duty	32 crores	2008-09	CESTAT

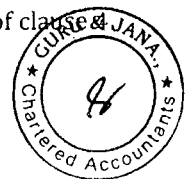
8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financials institution, the company has not paid interest to debenture holders.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided to any of the managerial personnel defined as per section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.



- 13) 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 Ind AS financial statements as required by the applicable Indian accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Guru & Jana**,
Chartered Accountants
Firm Registration No: 006826S


M. Surendra Reddy
Partner



Membership No: 215205

Place: Bangalore
Date: 24th April 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON IND AS FINANCIAL STATEMENTS OF GMR AVIATION PRIVATE LIMITED

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 over financial reporting of **GMR Aviation Private Limited** as of March 31, 2017 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's Responsibility

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Guru & Jana,**

Chartered Accountants

Firm Registration No: 006826S


M. Surendra Reddy
Partner



Membership No: 215205

Place: Bangalore

Date: 24th April 2017

(All amounts in Rupees, unless otherwise stated)

GMR AVIATION PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2017


Particulars	Notes	As at		
		31 March 2017	31 March 2016	01 April 2015
I. ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	1,804,196,785	1,949,008,445	1,935,335,394
(b) Other Intangible Assets	4	100,863	145,966	255,111
(c) Financial Assets				
(i) Trade receivables	8	-	-	-
(ii) Other Financial Assets	7	17,361,530	20,427,314	19,039,894
(d) Other non-current assets	10	17,895,574	13,909,254	5,451,271
(e) Deferred tax assets (net)		-	-	-
(f) Non Current taxes recoverable (net of provision)	11	-	-	-
TOTAL NON-CURRENT ASSETS		1,839,554,752	1,983,490,979	1,960,081,670
Current assets				
(a) Financial Assets				
(i) Current investments	5	-	-	15,013,857
(ii) Trade receivables	8	85,843,748	149,710,680	138,984,852
(iii) Cash and cash equivalents	9	16,940,179	3,267,058	3,125,354
(iv) Loans	6	8,569,351	10,687,322	18,607,790
(v) Others	7	4,273,545	1,416,667	-
(b) Income Tax Asset (Nett)	11	14,106,522	8,129,933	34,820,811
(c) Other current assets	10	3,086,012	2,555,247	4,894,448
TOTAL CURRENT ASSETS		132,819,357	175,766,907	215,447,113
TOTAL ASSETS		1,972,374,109	2,159,257,886	2,175,528,782
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	12	2,440,808,680	864,400,000	864,400,000
(b) Other Equity	13	(999,946,433)	(969,495,270)	(741,344,591)
TOTAL EQUITY		1,440,862,247	(105,095,270)	123,055,409
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	60,937,500	1,518,060,820	1,516,083,436
(ii) Trade Payables	15	-	-	-
(iii) Other financial liabilities (other than those)	16	-	-	-
(b) Other non-current liabilities	17	5,000,000	5,000,000	5,000,000
(c) Provisions	18	6,064,453	6,768,014	6,637,820
TOTAL NON-CURRENT LIABILITIES		72,001,953	1,529,828,834	1,527,721,256
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	81,208,154	109,500,289	101,792,692
(ii) Trade Payables	15	42,640,977	76,833,587	23,627,657
(iii) Other financial liabilities (other than those)	16	249,133,148	524,677,013	384,845,442
(b) Other current liabilities	17	84,757,863	21,715,762	14,002,666
(c) Provisions	18	1,769,767	1,797,670	483,660
TOTAL CURRENT LIABILITIES		459,509,909	734,524,321	524,752,117
TOTAL EQUITY AND LIABILITIES		1,972,374,109	2,159,257,885	2,175,528,782

Summary of significant accounting policies

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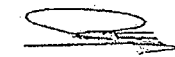
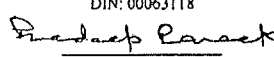
The accompanying notes are an integral part of the Financial Statements.

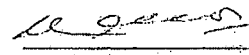

As per our report of even date
for Guru & Jana
Chartered Accountants
Firm Registration No.006826S


M. Surendra Reddy
Partner
Membership No.215205



for and on behalf of the Board of Directors
of GMR Aviation Private Limited


P.S. Nair
Director
DIN: 00063118

Pradeep Pareek
CFO


Madhya Bhlmacharya Terdal
Director
DIN: 05343139

Payal Gupta
Company Secretary

Place : Bangalore
Date : 24th April 2017



(All amounts in Rupees, unless otherwise stated)

GMR AVIATION PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

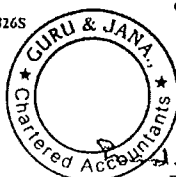
Particulars	Notes	For the Period Ended 31 March 2017	For the Period Ended 31 March 2016
Income			
Revenue from operations (Net)	19	515,523,392	383,590,075
Other Income	20	10,141,398	20,876,957
Total Revenue (i)		525,664,790	404,467,032
Expenses			
Operating and Other Expenses	21	289,588,209	214,286,466
Employee benefits expense	22	66,120,824	85,723,083
Depreciation and amortization expense	23	160,363,036	151,386,312
Finance costs	24	36,117,705	182,479,794
Total (ii)		552,189,774	633,875,655
Profit before exceptional items and tax		(26,524,984)	(229,408,623)
Exceptional Items			
Profit / (Loss) before tax		(26,524,984)	(229,408,623)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit/(loss) for the period		(26,524,984)	(229,408,623)
Other Comprehensive Income			
Items that will be reclassified to Profit & Loss			
Items that will not be reclassified to Profit & Loss			
Re-measurement gains (losses) on defined benefit plans		3,926,179	(1,257,944)
Total Other Comprehensive Income, net of taxes		3,926,179	(1,257,944)
Total Comprehensive Income for the period'		(30,451,163)	(228,150,679)
Earnings per equity share (nominal value of share Rs. 10 (31 March 2016: Rs. 10))	25		
Basic			
Computed on the basis of profit from continuing operations		(0.12)	(2.64)
Computed on the basis of total profit for the period		(0.12)	(2.64)
Diluted			
Computed on the basis of profit from continuing operations		(0.12)	(2.31)
Computed on the basis of total profit for the period		(0.12)	(2.31)

Summary of significant accounting policies

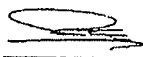
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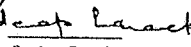
As per our report of even date
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Firm Registration No.006826S

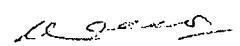

Narendra Reddy
Partner
Membership No.215205

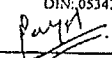


for and on behalf of the Board of Directors
of GMR Aviation Private Limited


P.S.Nair
Director
DIN: 00063118


Pradeep Pareek
CFO


Madhva Bhimacharya Terdal
Director
DIN: 05143139


Piyal Gupta
Company Secretary

Place : Bangalore
Date : 24th April 2017



(All amounts in Rupees, unless otherwise stated)
GMR AVIATION PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2017

Particulars	For the Period Ended.	For the Year Ended
A. Cash flows from operating Activities:		
Profit/Loss for the period	(30,451,163)	(212,650,842)
Non-cash adjustment & adjustments for other activities:		
Depreciation/ amortization on continuing operation	160,361,802	151,386,312
Assets/Advances written off	-	254,926
Deferred revenue Expenditure	(1,538,470)	779,130
Profit on sale of current investments (other than trade)	-	(235,025)
Profit on Sale of Fixed Assets	(146,551)	-
Finance costs	36,117,705	182,479,794
Profit/Loss on Fair Valuation of Derivative Liabilities	(6,712,834)	(8,388,544)
Provisions for Expected Credit Loss	1,802,307	3,823,709
Interest income	(1,268,263)	(4,701,784)
Operating profit before working capital changes	158,164,533	112,747,676
Movements in working capital :		
Decrease/ (Increase) in trade receivables	62,064,625	(14,549,537)
Decrease/ (Increase) in other financial assets	208,906	(2,804,087)
Decrease / (Increase) in other non current assets	(2,447,850)	(9,237,114)
Decrease / (Increase) in Loans	2,117,971	7,920,468
Decrease / (Increase) in other current assets	(530,765)	2,084,275
Increase / (Decrease) in Trade Payables	(34,192,610)	53,205,930
Increase / (Decrease) in Other Financial Liabilities	(275,543,865)	139,831,571
Increase / (Decrease) in provisions	(731,464)	1,444,204
Increase / (Decrease) in Other current liabilities	69,754,935	16,101,640
Increase / (Decrease) in Other non-current liabilities	-	-
Cash generated from / (used in) operations	(21,135,584)	306,745,026
Capitalization of (Losses)/gains due to Exchange Fluctuation	4,757,778	(28,099,770)
Direct taxes paid (net of refunds)	(5,976,589)	26,690,878
Net cash flow from/ (used in) operating activities (A)	(22,354,395)	305,336,134
B. Cash flows from investing activities:		
Sale / (Purchase) of fixed assets, including CWIP and capital advances	(20,116,267)	(136,850,448)
Sale/ (Purchase) of Mutual Funds	-	15,248,882
Profit on sale of current investments (other than trade)	-	-
Interest received	1,268,263	4,701,784
Net cash flow from/ (used in) investing activities (B)	(18,848,004)	(116,899,782)
C. Cash flows from financing activities:		
Increase/ (Repayment) of borrowings (net)	(1,485,415,455)	9,684,982
Proceeds from issue of Equity Shares	1,576,408,680	-
Interest paid	(36,117,705)	(182,479,794)
Net cash flow from/ (used in) financing activities (C)	(54,875,520)	(172,794,812)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	13,673,121	15,641,540
Cash and cash equivalents at the beginning of the period	3,267,058	3,125,354
Cash and cash equivalents at the end of the period	16,940,179	18,766,894
Components of cash and cash equivalents		
Cash on hand	-	-
Cheques/ drafts on hand	-	-
With banks- on current account	16,940,179	3,267,058
With banks- on Deposit account	-	-
- unpaid matured deposits	-	-
Total cash and cash equivalents (Note 12)	16,940,179	3,267,058

Cash Transactions during the period 8 November 2016 to 30 December 2016			
Closing Cash in Hand on 08 November 2016	SBN's	Other Denomination Notes	TOTAL
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Banks	-	-	-
Closing Cash in Hand on 30 December 2016	-	-	-

Summary of significant accounting policies

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

As per our report of even date

for Guru & Jana

Chartered Accountants

Firm Registration No.006826S

M. S. Reddy
Partner

Membership No.215205

Place : Bangalore

Date : 24th April 2017



for and on behalf of the Board of Directors
of GMR Aviation Private Limited

P. S. Nair

P. S. Nair
Director
DIN: 00063118

Pradeep Pareek
Pradeep Pareek
CFO

Madhva Bhimacharya Tardal

Madhva Bhimacharya Tardal
Director
DIN: 05343139

Payal Gupta
Payal Gupta
Company Secretary



(All amounts in Rupees, unless otherwise stated)
GMR AVIATION PRIVATE LIMITED
 Statement of Changes in Equity for the year ended 31 March 2017

A. Equity Capital

Particulars	Amount in Rs.
As at 01 April 2015	864,400,000
Share Capital Issued during the year	-
As at 31 March 2016	864,400,000
Share Capital Issued during the year	1,576,408,680
As at 31 March 2017	2,440,808,680

B. Other Equity

Particulars	Equity Component of Related Party Loans	Retained Earnings	Other Comprehensive Income	Amount in Rs. Equity
As at 01 April 2015	-	(741,344,591)	-	(741,344,591)
Net Profit/Loss	-	(228,150,679)	-	(228,150,679)
Actuarial (gain)/loss in respect of defined benefit plan	-	-	-	-
As at 31 March 2016	-	(969,495,270)	-	(969,495,270)
Net Profit/Loss	-	(30,451,163)	-	(30,451,163)
Actuarial (gain)/loss in respect of defined benefit plan	-	-	-	-
As at 31 March 2017	-	(999,946,433)	-	(999,946,433)



Reconciliations

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at 1 April 2015 and March 31, 2016
2. Net Profit for the year ended March 31, 2016

I. Reconciliation of equity as previously reported under IGAAP to Ind AS

Particulars	Note	Opening Balance Sheet as at 1 April 2015		Balance Sheet as at 31 March 2016		
		IGAAP	Effects of Transition to Ind AS	IGAAP	Effects of Transition to Ind AS	Ind AS
ASSETS						
<i>Non-current assets</i>						
(a) Property, Plant and Equipment	A	1,935,335,394		1,935,335,394	119,728,519	1,949,008,445
(b) Other Intangible Assets		255,111	255,111	145,966		145,966
(c) Financial Assets	B					
(i) Trade receivables		-	-	-	-	-
(ii) Other Financial Assets		19,039,894	19,039,894	20,427,314		20,427,314
(d) Other non-current assets		5,451,271	5,451,271	13,909,254		13,909,254
(e) Deferred tax assets (net)		-	-	-	-	-
(f) Non Current taxes recoverable (net of provision)		-	-	-	-	-
TOTAL NON-CURRENT ASSETS		1,960,081,670	-	1,960,081,670	119,728,519	1,983,490,979
<i>Current assets</i>						
(a) Financial Assets	C	15,000,000	13,857	15,013,857		
(i) Current investments		-	-	-	-	-
(ii) Trade receivables	D	141,567,108	(2,582,256)	138,984,852	(7,822,632)	149,710,680
(iii) Cash and cash equivalents		3,125,354		3,125,354	3,267,058	3,267,058
(iv) Loans	E	-	18,607,790	18,607,790		10,687,322
(v) Others	D	-	-	-	10,687,322	10,687,322
(b) Income Tax Asset (Net)	F	-	34,820,811	34,820,811		1,416,667
(c) Other current assets	E/F	58,323,050	(53,428,601)	4,894,448	8,129,933	8,129,933
TOTAL CURRENT ASSETS		218,015,512	(2,568,399)	215,447,113	(6,405,965)	175,766,907
TOTAL ASSETS		2,178,097,182	(2,568,399)	2,175,528,782	113,322,554	2,159,257,885
EQUITY AND LIABILITIES						
<i>Equity</i>						
(a) Equity Share capital		864,400,000		864,400,000		864,400,000
(b) Other Equity		(727,899,027)	(13,445,564)	(741,344,591)	108,782,083	(969,495,270)
TOTAL EQUITY		136,500,973	(13,445,564)	123,055,409	108,782,083	(105,095,270)
<i>LIABILITIES</i>						
<i>Non-current liabilities</i>						
(a) Financial Liabilities						
(i) Borrowings						
(ii) Trade Payables		1,516,083,436		1,516,083,436		1,518,060,820
(iii) Other financial liabilities (other than those specified in item (ii), to be specified)		-	-	-	-	-
(b) Other non-current liabilities	G		5,000,000	5,000,000	5,000,000	5,000,000
(c) Provisions		6,637,820		6,637,820	6,768,014	6,768,014
TOTAL NON-CURRENT LIABILITIES		1,522,721,256	5,000,000	1,522,721,256	5,000,000	1,529,828,834
<i>Current liabilities</i>						
(a) Financial Liabilities						
(i) Borrowings		101,792,692		101,792,692	109,500,289	109,500,289
(ii) Trade Payables	H	35,509,621	(11,881,963)	23,627,657	(13,921,535)	76,833,587
(iii) Other financial liabilities (other than those specified in item (i))		-	384,845,442	384,845,442	524,677,011	524,677,013
(b) Other current liabilities	I	381,088,980	(367,086,314)	14,002,666	(511,215,006)	21,715,762
(c) Provisions	G/I	483,660		483,660	1,797,670	1,797,670
TOTAL CURRENT LIABILITIES		518,874,952	5,817,165	524,752,117	(489,528)	734,524,321
Total Equity and Liabilities		2,178,097,181	(2,568,399)	2,175,528,782	113,322,554	2,159,257,885

Explanations for Reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

- A. *Property, Plant & Equipment:*
In Ind-AS major inspection cost has been capitalized and depreciated over the useful life of the major inspection.
- B. *Trade Receivable*
Debtors outstanding for a period of more than six months are classified as non-current assets and stated at present value.
- C. *Investments*
In Ind-AS investments in marketable securities are stated at Market Value.
- D. *Other Financial Assets*
Unbilled revenue is classified under other financial assets
- E. *Financial Assets*
Trade advances are classified under financial assets-loan.
- F. *Income Tax Asset (Net)*
Income Tax (Net) is classified separately.
- G. *Non-Current Liabilities*
Advance from customers is classified under other non-current liabilities.
- H. *Other Current Liabilities*
Provisions for accrued expenses are classified under other current liabilities
- I. *Other Current Liabilities*
In Ind AS current portion of borrowings, derivative liabilities, interest payable and amount payable to employees are classified under other current liabilities



2. Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Particulars	Note	Year Ended 31 March 2016		
		IGAAP	Effects of Transition to Ind-AS	Ind AS
Income				
Revenue from operations (Net)		383,590,075	-	383,590,075
Other Income	J	13,179,750	8,374,687	21,554,437
Total Revenue (i)		396,769,825	8,374,687	405,144,512
Expenses				
Operating and Other Expenses	K	347,313,205	(133,026,739)	214,286,466
Employee benefits expense		85,142,620	-	85,142,620
Depreciation and amortization expense	L	134,264,384	17,121,928	151,386,312
Finance costs	M	180,427,951	2,051,843	182,479,794
Total (ii)		747,148,159	(113,852,968)	633,295,191
Profit before exceptional items and tax		(350,378,333)	122,227,655	(228,150,679)
Exceptional Items		-	-	-
Profit / (Loss) before tax		(350,378,333)	122,227,655	(228,150,679)
Tax expenses				
Current tax		-	-	-
Deferred tax		-	-	-
Total tax expense		-	-	-
Profit/(loss) for the period		(350,378,333)	122,227,655	(228,150,679)
Other Comprehensive Income				
Items that will be reclassified to Profit & Loss		-	-	-
Items that will not be reclassified to Profit & Loss		-	-	-
Total Other Comprehensive Income, net of taxes		-	-	-
Total Comprehensive Income for the period		-	-	-
Items that will be reclassified to Profit & Loss		-	-	-
Items that will not be reclassified to Profit & Loss		-	-	-
Total Other Comprehensive Income, net of taxes		-	-	-
Total Comprehensive Income for the period		(350,378,333.44)	122,227,654.52	(228,150,678.92)

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

J. Other Income

Gain due to fair valuation of derivative liability is classified under other income

K. Operating & Other Expenses

Major inspection of aircrafts is capitalized and amortized over the period of useful life of the inspection. Provisions for Expected Credit Loss is charged on account of fair valuation of long term trade receivables.

L. Depreciation and Amortization Expenses

Additional depreciation is charged on capitalized portion of Major Inspection.

M. Finance Costs:

Accrued interest on derivatives transferred to Profit/Loss on fair valuation of derivative liability.



(Handwritten signature)

1. Corporate information

GMR Aviation Private Limited ('GAPL' or 'the Company') is a private limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company is wholly owned subsidiary of GMR Infrastructure limited. The Company is incorporated with the objective of own, operate and maintain non-schedule aircrafts and helicopter. Company holds a valid Non-Scheduled Operator's Permit under Aircraft Rules, 1937 issued by Director General of Civil Aviation.

The registered office of the company is located at 25/1, Skip Complex, Museum Road, Bangalore Karnataka - 560025, India.

Information on other related party relationships of the Company is provided in Note 32.

2. Significant Accounting Policies

1. Basis of preparation

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

For all periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 29 for information on how the Company adopted Ind AS.

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

The stand-alone financial statements are presented in INR and all values are rounded to the nearest rupee, except when otherwise indicated."

Current versus non-current classification

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

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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:

- a) It is expected to be settled in normal operating cycle
 - b) It is held primarily for the purpose of trading
 - c) It is due to be settled within twelve months after the reporting period, or
 - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities as non-current.

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

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

2 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 units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

"Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation



surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3. Provisions

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

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

4. Financial Instruments

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

5. Financial assets

Initial recognition and measurement

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

Subsequent measurement

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



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

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

- 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 amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

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

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

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

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt



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

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

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

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

Impairment of financial assets

"In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
 - b) Financial assets that are debt instruments and are measured as at FVTOCI
 - c) Lease receivables under Ind AS 17
 - d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
 - e) Loan commitments which are not measured as at FVTPL
 - f) Financial guarantee contracts which are not measured as at FVTPL
- "The company follows 'simplified approach' for recognition of impairment loss allowance on;
- a) Trade receivables or contract revenue receivables; and
 - b) All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial



recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date."

"ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.



The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

6. Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

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



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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss."

Reclassification of financial assets

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

Offsetting of financial instruments

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



Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

8. Cash and cash equivalents

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

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

Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss."



9. 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:

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at



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

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

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

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations."

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.

This note summarises accounting policy for fair value

10. Revenue recognition

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



Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

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

Interest income: For all debt instruments measured either at amortised cost or at fair value through profit & loss, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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

11. Taxes on income

Current income tax

Tax expense comprises current and deferred tax.

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

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

Minimum Alternate Tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The entities in the Group recognise MAT credit available as an asset only to the extent that there is convincing evidence that the entities in the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the entities in the Group recognise MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The entities in the Group review the "MAT credit entitlement" asset at each reporting date and write down the asset to the extent the entities in the Group do not have convincing evidence that it will pay normal tax during the specified period.



(All amounts in Rupees, unless otherwise stated)

GMR AVIATION PRIVATE LIMITED

Notes to Financial Statements

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

12. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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



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

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

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

13. Corporate Social Responsibility ('CSR') expenditure
There is no CSR expenditure during the year.



(All amounts in Rupees, unless otherwise stated)
 GMR AVIATION PRIVATE LIMITED
 Notes to Financial Statements

3. Tangible Assets

Description	Aircrafts	Major Maintenance	Computers Accessories	& Electrical Equipment	Furniture and Office Fixtures Equipment	Vehicles	TOTAL	
Gross Block								
Deemed cost as at 01.04.2015	2,675,855,165	-	2,075,798	1,153,091	4,547,449	1,844,765	2,510,770	2,687,987,039
Additions	-	136,850,448	-	-	-	-	-	136,850,448
Disposals	-	-	-	-	-	-	-	-
Adjustments	28,117,594	-	-	-	44,103	-	-	44,103
As at 31.03.2016	2,703,972,759	136,850,448	2,075,798	1,153,091	4,593,346	1,844,765	2,510,770	2,852,910,977
Additions	-	20,081,986	-	-	185,281	-	-	20,267,267
Disposals	-	-	-	-	-	600,000	-	600,000
Adjustments	(4,757,779)	-	-	-	-	-	-	(4,757,779)
As at 31.03.2017	2,699,214,980	156,932,434	2,075,798	1,153,091	4,688,627	1,844,765	1,910,770	2,867,820,465
Depreciation								
As at 01.04.2015	747,070,733	-	1,706,812	195,964	1,365,356	829,832	1,482,947	752,651,645
Charge for the year	132,838,545	17,121,928	112,471	131,311	456,334	316,455	357,911	151,334,955
Depreciation \ reclassification adjustment	(24,293)	-	132,803	97,157	20,547	5,942	(289,933)	(57,776)
Deductions	(1,233)	-	-	-	(25,059)	-	-	(26,292)
As at 31.03.2016	879,883,752	17,121,928	1,952,086	424,432	1,817,179	1,152,229	1,550,925	903,902,532
Charge for the year	133,976,057	25,036,683	61,620	131,311	469,056	288,511	353,461	160,316,699
Deductions	-	-	-	-	-	-	595,551	595,551
As at 31.03.2017	1,013,859,809	42,158,611	2,013,706	555,743	2,286,235	1,440,740	1,308,835	1,063,623,680
Net block								
As at 31.03.2017	1,685,355,171	114,773,822	62,092	597,348	2,402,392	404,025	601,935	1,804,196,785
As at 31.03.2016	1,824,089,007	119,728,519	123,712	728,659	2,686,167	692,536	959,845	1,949,008,445
As at 1.04.2015	1,928,784,432	-	368,985	957,127	3,182,093	1,014,933	1,027,823	1,935,335,394



(All amounts in Rupees, unless otherwise stated)
GMR AVIATION PRIVATE LIMITED
Notes to Financial Statements

4. Intangible Assets

Description	Software	TOTAL
Gross Block		
Deemed cost as at 01.04.2015	2,979,953	2,979,953
Additions	-	-
Disposals	-	-
Adjustments	-	-
As at 31.03.2016	2,979,953	2,979,953
Additions	-	-
Disposals	-	-
Adjustments	-	-
As at 31.03.2017	2,979,953	2,979,953
Amortization		
As at 01.04.2015	2,724,842	2,724,842
Charge for the year	51,357	51,357
Depreciation \ reclassification adjustment	57,789	57,789
Deductions	-	-
As at 31.03.2016	2,833,988	2,833,988
Charge for the year	45,103	45,103
Deductions	-	-
As at 31.03.2017	2,879,091	2,879,091
Net block		
As at 31.03.2017	100,863	100,863
As at 31.03.2016	145,966	145,966
As at 1.04.2015	255,111	255,111



(All amounts in Rupees, unless otherwise stated)
GMR AVIATION PRIVATE LIMITED
Notes to Financial Statements

5. Investments

Particulars	31 March 2017	31 March 2016	01 April 2015
Current			
Liquid Investment	-	-	15,013,857
	-	-	15,013,857

Details of Investment

Particulars	As at 01-April-2015	
	Units	Amount
Current Investment		
Birla Sunlife Cash Plus Growth Direct Plan	66,941	15,013,857
	66,941	15,013,857

6. Loans

Particulars	31 March 2017	31 March 2016	01 April 2015
Current			
Advances to Suppliers/Creditors	7,088,441	8,799,574	17,783,560
Advances to employees	1,480,910	1,887,747	824,230
	8,569,351	10,687,322	18,607,790

7. Other Financial Assets

Particulars	31 March 2017	31 March 2016	01 April 2015
Non-Current			
Security Deposits	17,361,530	20,427,314	19,039,894
Unbilled Revenue	-	-	-
	17,361,530	20,427,314	19,039,894
Current			
Security Deposits	-	-	-
Unbilled Revenue	4,273,545	1,416,667	-
	4,273,545	1,416,667	-
TOTAL	21,635,075	21,843,981	19,039,894

¹Financial Assets carried at amortized cost

21,635,075 21,843,981 19,039,894

²Financial Assets carried at fair value through other comprehensive

- - -

³Financial Assets carried at fair value through Profit & Loss Account

- - -

8. Trade Receivables

Particulars	31 March 2017	31 March 2016	01 April 2015
Current			
<i>Unsecured, considered good</i>			
<i>Debts overdue for six months</i>			
Related parties	-	15,444,045	30,135,518
Others	50,484,460	40,171,004	36,190,095
	50,484,460	55,615,049	66,325,613
Less: Allowances for doubtful receivables	-	-	-
	50,484,460	55,615,049	66,325,613
Other Debts			
<i>Unsecured, considered good</i>			
Related parties	9,607,172	17,796,596	69,308,806
Others	33,960,388	82,705,000	5,932,689
	43,567,560	100,501,596	75,241,495
Less: Provision for Expected Credit Loss	8,208,272	6,405,965	2,582,256
	35,359,288	94,095,631	72,659,239
	85,843,748	149,710,680	138,984,852



(All amounts in Rupees, unless otherwise stated)
GMR AVIATION PRIVATE LIMITED
 Notes to Financial Statements

9. Cash and Cash Equivalents

Particulars	31 March 2017	31 March 2016	01 April 2015
Current			
Balances with Banks:			
In current and deposit accounts	16,940,179	3,267,058	3,119,495
Cash in Hand	-	-	5,859
Others	-	-	-
	<u>16,940,179</u>	<u>3,267,058</u>	<u>3,125,354</u>

Cash and cash equivalents as of March 31, 2017, March 31, 2016 and April 1, 2015 include restricted cash and bank balances of Rs. respectively. The restrictions are primarily on account of bank balances held as margin money deposit against guarantees.

***Additional Note on Cash on Hand**

Particulars	SBNs Amount	Other Denomination Notes Amount	Total Amount
Closing Balance as at 8th November 2016.	-	-	-
(+): Withdrawal from Bank Accounts	-	-	-
(+): Receipts for permitted transactions	-	-	-
(+): Receipts for Non-permitted transactions	-	-	-
(-): Paid for Permitted transactions	-	-	-
(-): Paid for Non-Permitted transactions	-	-	-
(-): Deposited in the bank accounts	-	-	-
Closing Balance as at 30th December 2016.	-	-	-

10. Other Assets

Non-Current

Non-current bank balances	11,906,064	9,085,621	3,294,791
Deferred Revenue Expenditure	3,128,625	1,470,073	681,126
Prepaid Gratuity	-	1,448,822	-
Interest Accrued but not due	2,860,885	1,904,738	1,475,354
	<u>17,895,574</u>	<u>13,909,254</u>	<u>5,451,271</u>

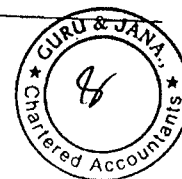
Current

Capital Advances	-	-	-
Advances other than capital advances	-	-	-
Service Tax Recoverable	38,997	-	1,187,322
Deferred Revenue Expenditure	953,063	1,073,145	681,125
Prepaid Expenses	2,093,952	1,482,102	3,026,001
Interest Accrued but not due	-	-	-
	<u>3,086,012</u>	<u>2,555,247</u>	<u>4,894,448</u>
	<u>20,981,586</u>	<u>16,464,501</u>	<u>10,345,719</u>

11. Income Tax Asset (Nett)

The following table provide details of income tax assets and liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015

Particulars	31 March 2017	31 March 2016	01 April 2015
Income Tax Assets	14,106,522	8,129,933	34,820,811
Income Tax Liabilities	-	-	-
	<u>14,106,522</u>	<u>8,129,933</u>	<u>34,820,811</u>



12. SHARE CAPITAL

	31 March 2017	31 March 2016	01 April 2015
Authorized shares			
25,00,00,000 (10,00,00,000) equity shares of Rs. 10 each	2,500,000,000	1,000,000,000	1,000,000,000
NIL (2,00,000) preference shares of Rs. 10 each	-	2,000,000	2,000,000
	<u>2,500,000,000</u>	<u>1,002,000,000</u>	<u>1,002,000,000</u>

Issued, subscribed and fully paid-up shares

(i) 24,40,80,868 (8,64,40,000) equity shares of Rs.10 each fully paid up	2,440,808,680	864,400,000	864,400,000
Total issued, subscribed and fully paid-up share capital	<u>2,440,808,680</u>	<u>864,400,000</u>	<u>864,400,000</u>

(n) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	31 March 2017		31 March 2016		Amount
	No.	Amount	No.	Amount	
At the beginning of the period	86,440,000	864,400,000	86,440,000	86,440,000	86,440,000
Issued During the period	157,640,868	1,576,408,680	-	-	-
Outstanding at the end of the period	<u>244,080,868</u>	<u>2,440,808,680</u>	<u>86,440,000</u>	<u>864,400,000</u>	<u>864,400,000</u>

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

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.

c) Terms of conversion / redemption of debentures / securities

During the year ended 31 Mar 2011, the company issued 18,565 no's Non- Marketable un secured redeemable Debentures of Rs 1,00,000/- each with an option to convert into equity shares.

25% of the debentures are redeemable at the end of each year commencing from 5th year from the year of allotment (Year of Allotment: 2011), however the company has an option to redeem these debentures earlier. 8,700 debentures were redeemed during the year 2013-14. On July 14, 2016 the entire 9,865 Debenture were redeemed.

(d) Shares held by holding company

	31 March 2017	31 March 2016	01 April 2015
GMR Infrastructure Limited, the holding company			
217,590,000 (Mar 31, 2016: 8,64,40,000) equity shares of Rs.10 each fully paid up	2,440,808,680	864,400,000	864,400,000

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

	31 March 2017		31 March 2016		% holding
	No.	% holding	No.	% holding	
Equity shares of Rs.10 each fully paid					
GMR Infrastructure Limited, the holding company	244,080,868	100%	86,440,000	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.

13. Other Equity

	31 March 2017	31 March 2016	01 April 2015
(i) Capital Reserve			
Opening Balance	34,092,629	34,092,629	34,092,629
Add: Amount transferred from surplus balance in the statement of Profit and Loss	-	-	-
Less: Amount transferred	-	-	-
	<u>34,092,629</u>	<u>34,092,629</u>	<u>34,092,629</u>
(ii) Profit & Loss Account (Debit Balance)			
Opening Balance	(1,003,587,899)	(775,437,220)	(562,786,378)
Profit/(Loss) for the period \ year	(30,451,163)	(228,150,679)	(212,650,842)
	<u>(1,034,039,062)</u>	<u>(1,003,587,899)</u>	<u>(775,437,220)</u>
	<u>(999,946,433)</u>	<u>(969,495,270)</u>	<u>(741,344,591)</u>



14. Borrowings

Particulars	31 March 2017	31 March 2016	01 April 2015
Non-Current			
Borrowings			
Debentures			
Unsecured Debentures from GMR Infrastructure Limited (Nil (9,865 no's) (12.50% optionally convertible Debentures of Rs 1,00,000/- each to Holding Company)		986,500,000	986,500,000
Term Loans			
Indian Rupee Loans from Financial Institutions (Secured)	60,937,500	109,687,500	158,437,500
Intercompany loan	-	225,000,000	-
Foreign Currency Loan (Secured)	-	196,873,320	371,145,936
	<u>60,937,500</u>	<u>1,518,060,820</u>	<u>1,516,083,436</u>
Current			
Borrowings			
Short Term borrowings			
Cash Credit from Bank (Secured)	28,708,154	9,500,289	1,792,692
Short Term Loan from Banks	52,500,000	-	-
Interest free unsecured loan from Holding Company	-	100,000,000	100,000,000
	<u>81,208,154</u>	<u>109,500,289</u>	<u>101,792,692</u>

15. Trade Payable

Particulars	31 March 2017	31 March 2016	01 April 2015
Current			
Trade Payables			
Micro, Small and Medium Enterprises	15,750	-	30,708
Related parties	13,363,267	23,936,236	20,937,671
Others	29,261,960	52,897,351	2,659,278
	<u>42,640,977</u>	<u>76,833,587</u>	<u>23,627,657</u>

16. Other Financials Liabilities

Particulars	31 March 2017	31 March 2016	01 April 2015
Current			
Current Portion of Long Term Borrowings			
Indian Rupee Loans from Financial Institutions (Secured)	48,750,000	48,750,000	48,750,000
Intercompany loan	-	-	-
Foreign Currency Loan (Secured)	193,047,680	196,873,320	185,572,968
Interest Accrued but not due on borrowings	2,780,834	19,357,436	4,043,558
Interest Payable on Debentures	-	249,294,969	129,056,835
Amount Payable to Employees	2,974,040	2,107,861	740,109
Derivative Liability	1,580,594	8,293,428	16,681,972
	<u>249,133,148</u>	<u>524,677,013</u>	<u>384,845,442</u>

17. Other Liabilities

Particulars	31 March 2017	31 March 2016	01 April 2015
Non-Current			
Advance from Customers	5,000,000	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Current			
Accrued Expenses	13,848,947	13,921,535	11,881,955
Unearned Revenue	4,023,750	-	-
Capital Advances	9,500	-	-
Advance from Customers	64,749,933	-	-
Statutory Dues	2,125,733	7,794,227	2,120,711
	<u>84,757,863</u>	<u>21,715,762</u>	<u>14,002,666</u>



(All amounts in Rupees, unless otherwise stated)
 GMR AVIATION PRIVATE LIMITED
 Notes to Financial Statements

18. Provisions

Particulars	31 March 2017	31 March 2016	01 April 2015
<i>Non-Current</i>			
Provision for leave benefits	5,133,085	6,768,014	6,312,262
Provision for gratuity	931,368	-	325,558
Provision for other employee benefits	-	-	-
	<u>6,064,453</u>	<u>6,768,014</u>	<u>6,637,820</u>
<i>Current</i>			
Provision for leave benefits	1,769,767	1,797,670	483,660
Provision for gratuity	-	-	-
Provision for other employee benefits	-	-	-
	<u>1,769,767</u>	<u>1,797,670</u>	<u>483,660</u>
	<u>7,834,220</u>	<u>8,565,684</u>	<u>7,121,480</u>



(All amounts in Rupees, unless otherwise stated)
GMR AVIATION PRIVATE LIMITED
Notes to Financial Statements

19. REVENUE FROM OPERATIONS

	31-Mar-17	31-Mar-16
Service Income		
Aero Income		
Aircraft Charter Income	514,134,641	378,605,780
Non Aero Income	514,134,641	378,605,780
Pilot Hire Income	1,388,751	4,984,295
	<u>1,388,751</u>	<u>4,984,295</u>
Revenue from Operations	<u>515,523,392</u>	<u>383,590,075</u>

20. OTHER INCOME

	31-Mar-17	31-Mar-16
Interest Income:		
Interest Income on Bank deposits	1,098,103	673,924
Other Interest Income	170,160	4,027,860
Gain on account of foreign exchange fluctuations (Net)	1,163,128	7,551,604
Profit on Sale of Fixed Assets	146,551	-
Profit on fair valuation of derivatives	6,712,834	8,388,544
Other non-operating income	850,622	235,025
	<u>10,141,398</u>	<u>20,876,957</u>

21. Operating and Other Expenses

	31-Mar-17	31-Mar-16
Repair & Maintenance-Plant & Machinery	108,281,916	91,141,740
Repair & Maintenance-Others	3,074,209	2,487,225
Aircraft - Ground Handling Charges	11,068,639	11,432,058
Aircraft - Landing & Parking Charges	5,173,449	3,738,902
Aircraft - Route Navigation Charges	2,228,931	3,175,817
Aircraft - Other Charges	9,045,745	10,717,480
Cost of Fuel	56,462,333	40,985,905
Insurance	6,721,915	8,377,787
Travelling and Conveyance	15,948,981	16,570,932
Outside Charter Aailed	34,528,096	8,788,907
Rent	1,718,279	2,297,337
Communication costs	931,425	839,654
Legal and professional fees	17,424,814	6,020,129
Rates and taxes	13,149,524	295,825
Security Expenses	-	1,953,153
Pilot Hiring Expenses	535,972	697,467
Assets written off	-	254,926
Printing and stationery	265,497	193,778
Electricity and water charges	85,312	64,083
Miscellaneous expenses	813,365	112,564
Payment to auditor (Refer details below)	327,500	300,138
Loss on sale of fixed assets	-	16,952
Provision for Expected Credit Loss	1,802,307	3,823,709
	<u>289,588,209</u>	<u>214,286,466</u>



(All amounts in Rupees, unless otherwise stated)
GMR AVIATION PRIVATE LIMITED
Notes to Financial Statements

22. EMPLOYEE BENEFIT EXPENSES	31-Mar-17	31-Mar-16
Salaries, wages and bonus	52,798,054	67,020,791
Contribution to provident and other fund	3,100,799	4,452,699
Gratuity expense	311,305	580,464
Staff welfare expenses	9,910,666	13,669,130
	66,120,824	85,723,083

Payment to Auditor	31-Mar-17	31-Mar-16
As auditor:		
Audit fee	130,000	130,000
Tax audit fee	50,000	50,000
Limited review	45,000	55,063
In other capacity:		
Company law matters	-	-
Other services (certification fees) (without Service tax)	102,500	65,075
	327,500	300,138

23. DEPRECIATION AND AMORTIZATION EXPENSES	31-Mar-17	31-Mar-16
Depreciation of tangible assets	160,317,923	151,334,955
Amortization of intangible assets	45,103	51,357
	160,363,026	151,386,312

24. FINANCE COST	31-Mar-17	31-Mar-16
Interest on Term Loan and Others	34,552,909	181,024,355
Bank and other finance charges	1,564,804	1,455,439
	36,117,713	182,479,794

25. EARNINGS PER SHARE (EPS)	31-Mar-17	31-Mar-16
Total Operations for the period		
Profit / (Loss) after Tax	(30,451,163)	(228,150,679)
Less : Dividends on convertible preference Shares & Tax there on	-	-
	(30,451,163)	(228,150,679)

Net Profit / (Loss) for Calculation of Basic EPS	(30,451,163)	(228,150,679)
No of Equity Shares	244,080,868	86,440,000

Earnings Per Share (0.12) (2.64)

Profit / (Loss) after Tax as above (30,451,163) (228,150,679)

Add : Interest on Debentures convertible in to Equity Shares (net of Tax)

Net Profit / (Loss) for Calculation of Diluted EPS (30,451,163) (228,150,679)

No of Equity Shares 244,080,868 86,440,000

No of dilutive Shares - 98,650,000

Total No of Dilutive Shares 244,080,868 185,090,000

Diluted Earnings Per Share (0.12) (2.31)

Note: In case of anti-dilution, basic EPS has been considered as diluted EPS



26. First Time Adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied:-

Mandatory exemptions:

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS, as of 31 March 2016."

De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of Financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS."

Optional exemptions:

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets) (Ind AS 101.D7AA). Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date."

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

27. Significant accounting judgments, estimates and assumptions

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of



(All amounts in Rupees, unless otherwise stated)

GMR AVIATION PRIVATE LIMITED

Notes to Financial Statements

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.

Impairment of non-financial assets

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

Taxes

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

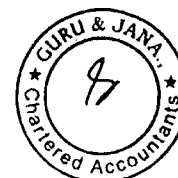
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the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

Contingencies

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments 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 35 for further disclosures.



28 Capital Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided

31-Mar-17	31-Mar-16
-	-

29 Contingent Liabilities

Bank Guarantees issued to Suppliers/service providers/Lenders
 Charge on company's asset for loan borrowed by holding company
 Customs Duty

31-Mar-17	31-Mar-16
36,131,200	43,624,870
-	387,500,000
320,000,000	320,000,000
356,131,200	751,124,870

a. One of the aircrafts of the company i.e. Falcon 2000 Ex Easy was seized by the customs authorities on 7th July, 2008 on the grounds of violation of Notification No. 21/2002 customs dated 1st March, 2002 as amended by Notification No. 61/2007 customs dated 3rd May 2007. On submission of Bond for Rs.112,00,00,000 and a Bank Guarantee of Rs.32,00,00,000, the customs authorities issued the release order on 16th July, 2008 and on the same day the company received the aircraft from the Customs Department. After considering the submissions made by us and the personal hearing before Commissioner of Customs (Preventive) an Order was issued in our favour dropping all the proposals initiated in the show cause notice. Accordingly, we requested the Commissioner of Customs (Preventive) to release and return the Bank Guarantee. The bank guarantee is not renewed as there is no confirmed liability against the company. Meantime the department preferred appeal along with stay application before CESTAT, New Delhi. The stay had been refused. The issue has been referred to the larger bench of CESTAT along with the similar cases and the hearing has been posted on February 16, 2016. On 12th August 2013, the aforementioned aircraft has been sold. However, the company will indemnify the other party in case of any liability that may arise due to the above. Pending the outcome, amount of liability cannot be quantified.

b. As per Board resolution dated: 25th March 2013, two airplanes of the company (VT-RSR & VT-MSV) were given as security with Yes Bank to the extent of Rs.50,00,00,000 for loan taken by the Holding Company (GMR Infrastructure Ltd.). However VT MSV was sold in Mar'14

30 Leases

The Company has entered in to commercial property leases for its Office premises. All include a clause to enable upward revision of rental charge on an annual basis according to the prevailing market conditions.

Payments
 Lease rentals under cancelable leases (operating)
 Lease rentals under non-cancelable leases

31-Mar-17	31-Mar-16
1,718,279	5,202,614
-	-
1,718,279	5,202,614

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in respective agreements are as follows

Future minimum lease payable	31-Mar-17	31-Mar-16
Not later than 1 year	821,643	1,622,756
Later than 1 year and not later than 5 years	2,728,294	2,792,188
Later than 5-Years	814,580	1,572,329
	4,364,516	4,414,944

31 Gratuity and other post-employment benefit plans:

(a) Defined Contribution Plans

Contributions paid / payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc. in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due.

A sum of Rs. 31,00,799 (Previous Year Rs. 44,52,699) has been charged to the Statement of Profit & Loss in this respect.

(b) Defined Benefit Plans

The Company has defined benefit plan, namely gratuity. As per scheme, an employee who has completed five years or more of service gets gratuity equivalent to 15 days salary (last drawn salary) for each completed year of service.

The following table summarises the components of net expense recognised

Net employment benefit expenses recognised in the employee cost

Current service cost
 Interest cost on benefit obligation
 Expected return on plan assets
 Actuarial (Gain)/ loss recognised in the period
 Net benefit expenses

(Amount in Rupees)	
March 31, 2017	March 31, 2016
748,647	673,255
382,091	398,325
-	(500,984)
1,245,975	(1,172,670)
2,376,713	(602,074)

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

Opening defined benefit obligation
 Current service cost
 Interest cost
 Benefits paid
 Acquisitions Cost/(Credit)
 Actuarial (Gain)/ Loss on obligation
 Closing defined benefit obligation

March 31, 2017	March 21, 2016
6,644,230	5,705,081
748,647	673,255
382,091	398,325
(3,491,265)	(1,196,708)
1,245,975	(1,268,336)
5,529,678	4,311,617



Change in Fair Value of Plan Assets are as follows:

	March 31, 2017	March 31, 2016
Opening fair value of plan assets		
Expected return	5,685,033	5,379,523
Contributions (Estimated)	(91,682)	500,984
Benefits Settled	1,857,293	1,096,900
Actuarial gain / (loss)	(5,173,125)	(1,196,708)
Interest Income		(95,666)
Closing fair value of plan assets	2,591,634	5,685,033

	March 31, 2017	March 31, 2016
Discount Rate	7.80%	7.80%
Expected return on assets	9.40%	9.40%
Salary escalation rate	6.00%	6.00%
Mortality rate	Indian Assured	Indian Assured Lives
Withdrawal rate	(2006-08) UIL	08)(Modified)
	5.00%	5.00%

32 List of Related parties and Transactions / Outstanding Balances:

a) Names of related parties and description of relationship:

i. Enterprises that control the Company

1. GMR Infrastructure Limited (GIL) (Holding Company)
2. GMR Holdings Private Limited (GHPL) (ultimate Holding Company)

ii. Fellow Subsidiary Companies

- Delhi International Airport Pvt Ltd
 GMR Hyderabad International Airport Ltd.,
 GMR Power Corporation Ltd.
 GADL International Ltd
 GMR Airports Limited
 GMR Airport Developments Limited
 GMR Male International Airport Pvt., Ltd.,
 GMR Airport Global Limited
 GMR Redrinath Hydro Power Generation Pvt Ltd
 GMR Gujarat Solar Power Private Limited
 GMR Bajaj Heli Hydropower Pvt Ltd
 GMR Chhattisgarh Energy Private Limited
 EMCO Energy Limited
 GMR Kamalanga Energy Limited
 GMR Tambaram Tindivanam Expressways Pvt Ltd
 GMR Tuni Anakapalli Expressway Pvt Ltd
 GMR Hotels & Resorts Limited
 GMR Corporate Affairs Private Limited
 GMR Vemagiri Power Generation Limited
 Manu Transmission Service Company Limited
 Kakinada Sex Private Limited
 GMR Consulting Services Pvt Ltd
 Geokno India Private limited
- iii. Enterprises under the same management
- Raxa Security Services Ltd (RSSL)
 GMR Family Fund Trust
 Jetsetgo Aviation Services Private Limited

iv. Key Management Personnel

- Mr. Srinivas Bommidala
 Mr. Madhu Tedral
 Mr. P.S.Nair
 Mr. Pradeep Kumar Pareek
 Ms. Kanika Tekriwal



b) Summary of Transactions with the above related parties:

	March 31, 2017	March 31, 2016
a) Income from Services Rendered Related Parties		
Holding Company - GMR Infrastructure Limited		
GMR Infrastructure Limited	-	4,925,238
GMR Holdings Private Limited		
Fellow Subsidiaries		
Delhi International Airport Pvt Ltd	36,477,851	41,980,651
GMR Hyderabad International Airport Ltd.,	32,855,146	31,580,961
GMR Airports Limited	102,814,664	45,617,960
GMR Gujarat Solar Power Private Limited	2,458,750	3,407,244
GMR Bajoli Holi Hydropower Pvt Ltd	750,000	-
GMR Consulting Services Pvt. Ltd	-	630,960
GMR Corporate Affairs Private Limited	-	2,124,968
GMR Warora Energy Limited	3,591,287	7,131,989
GMR Kamalanga Energy Limited	-	7,623,520
GMR Rajahmundry Energy	-2,124,100	2,489,345
GMR Vemagiri Power Generation Limited	2,174,100	4,013,048
Kakinada Sec Private Limited	-	1,122,100
Maru Transmission Service Company Limited	-	5,356,519
Jetsetgo Aviation Services Private Limited	11,043,232	-
	189,990,930	158,004,503

b) Expenditure on services received from Related Parties

	March 31, 2017	March 31, 2016
GMR Hyderabad International Airport Ltd	185,715	116,685
GMR Hotels & Resorts Limited	288,855	215,392
Raxa Security Services Ltd	2,025,777	1,953,155
Delhi International Airport Private Limited	3,560,065	3,059,958
GMR Infrastructure Limited	1,722,892	142,540,739
GMR Holdings Private Limited	-	1,055
GMR AIRPORTS LIMITED	24,623	-
Jetsetgo Aviation Services Private Limited	8,488,063	-
	16,305,991	147,886,985

c) Balance Receivable from Related Companies towards charter services

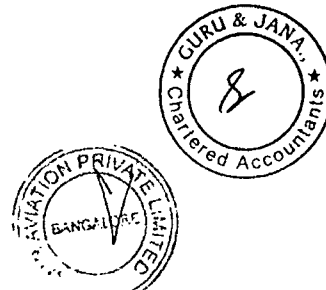
	March 31, 2017	March 31, 2016
GMR Warora Energy Limited	-	1,644,372
GMR Infrastructure Ltd	-	1,450,896
GMR Hyderabad International Airport Ltd.,	544,489	992,334
GMR Airport Limited	9,062,683	6,450,701
Geokno India Private limited	-	1,201,736
GMR Bannerghatta Properties Pvt Ltd	-	625,441
Maru Transmission Service Company Limited	-	2,815,269
GMR RAJAHMUNDHRY ENERGY	-	2,489,344
GMR Corporate Affairs Private Limited	-	2,124,968
GMR Vemagiri Power Generation Limited	-	1,607,316
	9,607,172	34,442,377

d) Balance Payable to Related Companies towards expenses

	March 31, 2017	March 31, 2016
Delhi International Airport Ltd	1,715,568	743,986
GMR Hyderabad International Airport Ltd.,	185,318	36,521
GMR Hotels & Resorts Limited	116,583	111,159
Raxa Security Services Ltd	1,845,079	1,012,428
GMR Infrastructure Limited	9,492,580	22,032,143
Jetsetgo Aviation Services Private Limited	4,451,668	-
	17,806,797	23,936,236

f) Advances received from Related Companies

	March 31, 2017	March 31, 2016
GMR AIRPORTS LIMITED	44,264,958	-
GMR RAJAHMUNDHRY ENERGY LTD	43,483	-
GMR INFRASTRUCTURE LIMITED	20,000,000	-
	64,308,441	-



f) Loans taken and repayment thereof

Particulars	Period Ended	Loans Taken	Interest Accrued	Amount in Rs.	
				Repayment / adjustment including interest.	Amount Owed to Related Parties
Holding Company	31-Mar-17	-	-	589,908,680	-
Dhruvi Securities Ltd.	31-Mar-17	15,000,000	20,137	15,020,137	-
Holding Company	31-Mar-16	325,000,000	139,613,381	-	464,613,381

g) Loans given and repayment thereof

Particulars	Period Ended	Interest Accrued but not due	Repayment including interest.	Amount Owed by
				Related Parties
Holding Company	31-Mar-17	-	-	-
Holding Company	31-Mar-16	-	-	-

h) Remuneration to Key Management personnel

- Salary, Bonus, Contribution to PF, perquisites	31-Mar-17		31-Mar-16	
	Mr. Haragopal Tata (Chief Financial Officer)- Upto 09.03.2016	-	-	2,754,255
Mr. Pradeep Pareek (Chief Financial Officer)	2,542,798	-	-	-
Mr. Ajay Kumar, Manager (Chief Operating Officer)-Upto 31.03.2016	-	-	5,728,686	-
Ms. Kanika Tekriwal (Chief Operating Officer)*	2,400,000	-	-	-
Total	4,942,798	-	8,482,941	-

Note: Remuneration to Director & Key managerial personnel does not include the provisions made for gratuity and leave
*Excluding Service Tax

33 Capital Management

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

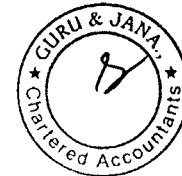
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company includes within net debt, external borrowings.

Particulars	Amounts in INR		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Borrowings	383,943,334	1,873,184,429	1,852,199,096
Net debts	383,943,334	3,725,383,525	1,852,199,096
Capital Components			
Share Capital	2,440,808,680	864,400,000	864,400,000
Other Equity	(999,946,433)	(969,495,270)	(741,344,591)
Total Capital	1,440,862,247	(105,095,270)	123,055,409
Capital and net debt	1,824,805,581	3,620,288,255	3,975,254,505
Gearing ratio (%)	21%	103%	94%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants

34 Financial Instrument by Category

Particulars	As at March 31, 2017				As at March 31, 2016			
	At Amortised Cost		Financial Assets/Liabilities at fair value through profit or loss		At Amortised Cost		Financial Assets/Liabilities at fair value through profit or loss	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Assets								
Cash and cash equivalents	28,846,243	-	-	-	12,352,679	-	-	-
Trade Receivables	85,843,748	-	-	-	149,710,680	-	-	-
Loans	8,569,351	-	-	-	10,687,322	-	-	-
Other Financial Assets	21,635,075	-	-	-	21,843,981	-	-	-
Other Assets	20,981,586	-	-	-	16,464,501	-	-	-
Total	144,894,417	-	-	-	194,594,661	-	-	-
Liabilities								
Borrowings	81,208,154	-	-	-	109,500,289	-	-	-
Trade Payable	42,640,977	-	-	-	76,833,587	-	-	-
Other Financial Liability	248,808,567	-	-	-	524,677,013	-	-	-
Other Liabilities	84,757,863	-	-	-	21,715,762	-	-	-
Provisions	7,834,220	-	-	-	8,565,684	-	-	-
Total	372,657,698	-	-	-	711,010,890	-	-	-



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:

	Carrying value			Fair value		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Financial Assets						
Investments						
Orife Sunlife Cash Plus Growth Direct Plan			15,013,857			15,013,857
Loans						
Advances to Suppliers/Creditors				7,088,441	8,799,574	17,783,560
Advances to employees	7,088,441	8,799,574	17,783,560	7,088,441	8,799,574	17,783,560
Other Financial Assets	1,480,910	1,887,747	824,230	1,480,910	1,887,747	824,230
Security Deposits	17,361,330	20,427,314	19,039,894	17,361,330	20,427,314	19,039,894
Unbilled Revenue	4,273,545	1,416,667	-	4,273,545	1,416,667	-
Trade Receivables				9,607,172	33,240,611	99,444,324
Related Parties	9,607,172	33,240,611	99,444,324	9,607,172	33,240,611	99,444,324
Others	76,236,376	116,470,039	39,540,528	76,236,376	116,470,039	39,540,528
Cash and cash equivalents				16,940,179	3,267,058	3,119,495
In current and deposit accounts	16,940,179	3,267,058	3,119,495	16,940,179	3,267,058	3,119,495
Cash in Hand	-	-	5,839	-	-	5,839
	132,988,353	185,509,040	194,771,748	132,988,353	185,509,040	194,771,748
Financial Liabilities						
Borrowings						
Unsecured Debentures from GMR Infrastructure Limited		986,500,000	986,500,000		986,500,000	986,500,000
Indian Rupee Loans from Financial Institutions (Secured)		109,687,500	158,427,500		109,687,500	158,427,500
Intercompany loan	60,937,500	-	-	60,937,500	-	-
Foreign Currency Loan (Secured)	-	225,000,000	-	-	225,000,000	-
Cash Credit from Bank (Secured)	-	196,873,320	371,145,936	-	196,873,320	371,145,936
Short Term Loan from Banks	28,708,154	9,500,289	1,792,692	28,708,154	9,500,289	1,792,692
Interest free unsecured loan from Holding Company	52,500,000	-	-	52,500,000	-	-
		100,000,000	100,000,000		100,000,000	100,000,000
Trade Payables						
Micro, Small and Medium Enterprises						
Related parties	15,750	-	30,708	15,750	-	30,708
Others	13,263,267	23,936,236	20,937,671	13,263,267	23,936,236	20,937,671
Other Financial Liabilities	29,261,960	52,897,351	2,659,278	29,261,960	52,897,351	2,659,278
Current Portion of Long Term Borrowings						
Indian Rupee Loans from Financial Institutions (Secured)	48,750,000	48,750,000	48,750,000	48,750,000	48,750,000	48,750,000
Intercompany loan						
Foreign Currency Loan (Secured)	193,047,680	196,873,320	185,572,968	193,047,680	196,873,320	185,572,968
Interest Accrued but not due on borrowings	2,780,834	19,257,436	4,041,558	2,780,834	19,257,436	4,041,558
Interest Payable on Debentures	-	249,294,969	129,056,835	-	249,294,969	129,056,835
Amount Payable to Employees	2,074,040	2,107,861	740,109	2,074,040	2,107,861	740,109
Derivative Liability	1,580,594	8,293,428	16,681,972	1,580,594	8,293,428	16,681,972
	433,919,779	2,229,071,710	2,016,249,277	433,919,779	2,229,071,710	2,016,249,277

Assumption used in estimating the fair values

- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use/observable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for these significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of the remaining FVOCI financial assets are derived from quoted market prices in active markets.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralized, thereby eliminating both counterparty and the Group's own non-performance risk. As at 31 March 2016, the market-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.
- Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from long-term sales contracts where the transaction currency differs from the functional currencies of the involved parties. However, as these contracts are not collateralized, the Group also takes into account the counterparties' credit risks (for the embedded derivative assets) or the Group's own non-performance risk (for the embedded derivative liabilities) and includes a credit valuation adjustment or debit value adjustment, as appropriate by assessing the maximum credit exposure and taking into account market-based inputs concerning probabilities of default and loss given default.
- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2016 was assessed to be insignificant.



38. Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2017:

Amount in INR

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets not measured at fair value (for which fair values are disclosed)					
Cash and cash equivalents- Current account	31-Mar-17	16,552,225	-	-	16,552,225
Cash and cash equivalents - Fixed Deposit	31-Mar-17	12,294,018	-	-	12,294,018
Loans					
Advances to Suppliers/Creditors	31-Mar-17	3,088,441	-	-	3,088,441
Advances to employees	31-Mar-17	1,480,910	-	-	1,480,910
Others					
Security Deposits	31-Mar-17	17,361,530	-	-	17,361,530
Unbilled Revenue	31-Mar-17	4,273,545	-	-	4,273,545
Financial liabilities					
Liabilities measured at fair value (for which fair values are disclosed)					
Derivative Liability	31-Mar-17	1,990,398	-	1,990,398	-
Liabilities not measured at fair value (for which fair values are disclosed)					
Borrowings	31-Mar-17	142,145,654	-	-	142,145,654
Loan from group Company	31-Mar-17	-	-	-	-
Debentures	31-Mar-17	-	-	-	-
Trade payables	31-Mar-17	-	-	-	-
- Related parties	31-Mar-17	13,363,267	-	-	13,363,267
- Others	31-Mar-17	29,782,310	-	-	29,782,310
Others	31-Mar-17	247,552,554	-	-	247,552,554

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2016:

Amount in INR

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets not measured at fair value (for which fair values are disclosed)					
Cash and cash equivalents- Current account	31-Mar-16	198,388	-	-	198,388
Cash and cash equivalents - Fixed Deposit	31-Mar-16	12,154,291	-	-	12,154,291
Loans					
Advances to Suppliers/Creditors	31-Mar-16	8,799,574	-	-	8,799,574
Advances to employees	31-Mar-16	1,087,747	-	-	1,087,747
Others					
Security Deposits	31-Mar-16	20,427,314	-	-	20,427,314
Unbilled Revenue	31-Mar-16	1,416,667	-	-	1,416,667
Financial liabilities					
Liabilities measured at fair value (for which fair values are disclosed)					
Derivative Liability	31-Mar-16	8,293,428	-	8,293,428	-
Liabilities not measured at fair value (for which fair values are disclosed)					
Borrowings	31-Mar-16	316,061,109	-	-	316,061,109
Loan from group Company	31-Mar-16	125,000,000	-	-	125,000,000
Debentures	31-Mar-16	986,500,000	-	-	986,500,000
Trade payables					
- Related parties	31-Mar-16	23,936,236	-	-	23,936,236
- Others	31-Mar-16	52,897,351	-	-	52,897,351
Others	31-Mar-16	516,181,585	-	-	516,181,585

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 01 April 2015:

Amount in INR

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets not measured at fair value (for which fair values are disclosed)					
Cash and cash equivalents- Current account	31-Mar-16	50,825	-	-	50,825
Cash and cash equivalents - Fixed Deposit	31-Mar-16	6,263,461	-	-	6,263,461
Cash in hand	31-Mar-16	5,859	-	-	5,859
Loans					
Advances to Suppliers/Creditors	31-Mar-16	17,783,560	-	-	17,783,560
Advances to employees	31-Mar-16	824,230	-	-	824,230
Others					
Security Deposits	31-Mar-16	19,039,894	-	-	19,039,894
Unbilled Revenue	31-Mar-16	-	-	-	-
Financial liabilities					
Liabilities measured at fair value (for which fair values are disclosed)					
Derivative Liability	31-Mar-16	16,681,972	-	16,681,972	-
Liabilities not measured at fair value (for which fair values are disclosed)					
Borrowings	31-Mar-16	531,376,128	-	-	531,376,128
Loan from group Company	31-Mar-16	100,000,000	-	-	100,000,000
Debentures	31-Mar-16	986,500,000	-	-	986,500,000
Trade payables					
- Related parties	31-Mar-16	20,937,671	-	-	20,937,671
- Others	31-Mar-16	2,689,986	-	-	2,689,986
Others	31-Mar-16	168,163,470	-	-	168,163,470

There have been no transfers between Level 1, Level 2 and Level 3 during the period.



37. Financial Risk Management

Financial Risk Factors:

The company's activities expose it to a variety of financial risks, market risks, credit risks and liquidity risks. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Credit Risks

Credit risk refers to the risk of default of obligation by the counterparty resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 9,40,52,020 and Rs. 15,61,16,645 as of 31 March 2017 and 31 March 2016 respectively and unbilled revenue amounting to Rs. 42,73,545 and Rs. 14,16,667 as of 31 March 2017 and 31 March 2016 respectively. Trade receivables and unbilled revenues are typically unsecured and are derived from the customers located in India. Credit risk has always been maintained by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which company grants credit terms in the normal course of business. The company uses a provision matrix to compute expected credit loss allowance for trade receivables and unbilled revenues.

Credit Risk Exposure

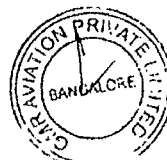
The allowance for lifetime credit loss on customer balances for the year ended 31 March 2017 and 31 March 2016 was Rs. 82,08,272 and Rs. 64,05,965 respectively.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings.

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below shows the company's financial liabilities based on contractual undiscounted payments:



(All amounts in Rupees, unless otherwise stated)
GMR AVIATION PRIVATE LIMITED
 Notes to Financial Statements

	On Demand	Within Year	One	1-2 Years	2-3 Years	More than 3-Years	Total
Year ended							
March 31, 2017							
Term Loan from Banks	-	282,110,180		48,750,000	24,375,000		355,235,180
Loan from Related Parties	-	-		-	-		-
Trade payables	42,610,094	-		-	-		42,610,094
Other financial liabilities	7,582,288	-		-	-		7,582,288
	50,192,382	282,110,180		48,750,000	24,375,000		405,427,562
Year ended							
March 31, 2016							
Term Loan from Banks	-	233,435,820		245,623,320	48,750,000	24,375,000	552,184,140
Debentures	-	464,125,000		464,125,000	58,250,000	-	986,500,000
Loan from Related Parties	-	325,000,000		-	-	-	325,000,000
Trade payables	76,833,587	-		-	-	-	76,833,587
Other financial liabilities	279,053,693	-		-	-	-	279,053,693
	355,887,280	1,022,560,820		709,748,320	107,000,000	24,375,000	2,219,571,420

38. Segmental Reporting

The company is engaged in the business of chartering of aircrafts and this is the only segment. Hence, reporting under the provisions of Ind AS 108 is not applicable.

As per our report of even date

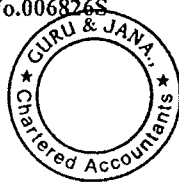
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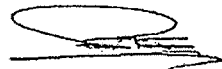
Chartered Accountants

Firm Registration No.006826S

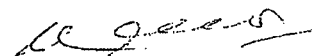


M. Surendra Reddy
 Partner
 Membership No.215205






P.S. Nair
 Director
 DIN: 00063118



Madhva Bhimacharya Terdal
 Director
 DIN: 05343139

Place: **Bangalore**
 Date: **24th April 2017**


Pradeep Pareek
 CFO


Payal Gupta
 Company Secretary

