

GMR MALE' INTERNATIONAL  
AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC  
OF MALDIVES)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016

GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016

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**Independent Auditors' Report  
To the Shareholders of  
GMR Male' International Airport Private Limited**

**Qualified Opinion**

We have audited the accompanying financial statements of GMR Male' International Airport Private Limited (the "Company"), which comprise the statement of financial position as at 31st December 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information set out in pages 4 to 24.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis for Qualified Opinion**

1. The Company has signed a work construction contracts ("Contracts") with GADL International Limited for rehabilitation, expansion, modernization of INIA. However, pursuant to the takeover of the airport by MACL, the Company has terminated the contracts with the service providers. As per the terms of the contracts, in the event of discontinuation, the Company is required to pay termination claims to the service providers. However, no such claims relating to the termination of contracts have been recognized for the year. Further, the Company has disclosed termination claim payable to GADL International Limited amounting US\$ 10,000,000/- as a contingent liability as at the reporting date, despite the final arbitration tribunal has decided that the termination claim would be US\$ 7,014,913/-. Accordingly, the contingent liability disclosure of termination claim payable to GADL International Limited is not in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets".
2. As disclosed in Note 30.2 to the financial statements, the Company has disclosed a contingent liability towards GMR Infrastructure (Mauritius) Limited, claiming that GMR Infrastructure Limited has incurred expenses on behalf of the Company. In the absence of sufficient and appropriate audit evidences, we were unable to verify the existence and accuracy of such expenses incurred on behalf of the Company. Accordingly, the said contingent liability disclosed is not in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets".
3. As disclosed in Note 6 to the financial statements, the Company has recognized US\$ 25,004,939/- as other income arising from the write-back of consultancy fee of US\$ 22,960,495/- and operator fee of US\$ 2,044,444/- payable to GMR Airport (Global) Limited and Malaysia Airports Consultancy Services SDN BHD along with the applicable taxes payable as at 31<sup>st</sup> December 2016. However, we were unable to verify the existence and accuracy of the income recognized from the write-back of those balances in the absence of sufficient and appropriate audit evidence. Accordingly, other income has been overstated by US\$ 25,004,939/- for the year ended 31<sup>st</sup> December 2016, retained earning has been overstated as at 31<sup>st</sup> December 2016 and liabilities have been understated by US\$ 25,004,939/- as at the same date. Further, the Company has disclosed the above amounts as a contingent liability under Note 30.3 to the financial statements despite the



KPMG in the Maldives is a partnership registered in the Republic of Maldives and a foreign branch of KPMG, the Sri Lankan member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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T.J.S. Rajakarier FCA  
Ms. S.M.B. Jayasekara FCA  
S.R.I. Perera FCMA(UK)  
M.N.M. Shameel ACA

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G.A.U. Karunaratne FCA  
Ms. B.K.D.T.N. Rodrigo FCA

C.P. Jayatilake FCA  
Ms. S. Joseph FCA  
S.T.D.L. Perera FCA  
R.M.D.B. Rajapakse FCA

#### Basis for Qualified Opinion (Continued)

Company has a present liability to settle these amounts as at the reporting date. Accordingly, the said contingent liability disclosure is not in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets".

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 27 of the financial statements, which indicates that MACL has taken over the control of Ibrahim Nasir International Airport with effect from 8th December 2012 which resulted in the Company's principle activity becoming standstill on that date onwards. The matter had been sought with arbitration tribunal and the arbitration tribunal made its final award and ordered GoM/ MACL to pay the termination claim damages to GMIAL caused by wrongful repudiation of the agreement on 25<sup>th</sup> October 2016. Pursuant to the final arbitration award, the GoM/ MACL has settled US\$ 271,485,862/- as final termination claim for the takeover of the Airport to the Company and at present, the Board of Directors has not yet made any decision on the future operations of the Company. As stated in Note 27, these events or conditions, along with other matters as set forth in Note 27, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Responsibilities of the Board of directors for the Financial Statements

The Board of directors (the "Board") is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free to be reviewed from material misstatement, whether due to fraud or error.

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Mohamed Shameel**

**For and on behalf of KPMG**

20<sup>th</sup> May 2017

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GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)

FOR THE YEAR ENDED 31ST DECEMBER 2016

	Note	2016 US\$	2015 US\$
Other Income	6	101,819,010	43
Personnel Costs	7	(881,123)	(1,044,890)
Depreciation	8	-	(8,480)
Other Operating Expenses	9	<u>(2,546,484)</u>	<u>(1,873,687)</u>
<b>Results From Operations</b>		98,391,403	(2,927,014)
Net Finance Costs	10	<u>(21,664,500)</u>	<u>(2,118,013)</u>
<b>Profit/ (Loss) Before Tax</b>		76,726,903	(5,045,027)
Tax Expense	11	-	-
<b>Profit/ (Loss) for the year</b>		<u><u>76,726,903</u></u>	<u><u>(5,045,027)</u></u>
<b>Basic and Diluted Profit/ (Loss) Per Share</b>	12	2.00	(0.13)

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 8 to 24. The Report of the Independent Auditors is given on pages 1 to 3.

Name of the Director

Signature

P Sripathy (Managing Director)



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.....  
*[Handwritten signature]*  
.....

P S Nair (Director)

20th May 2017



GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2016

	Note	31/12/2016 US\$	31/12/2015 US\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Claim Receivable	14	-	189,041,051
<b>Total Non-Current Assets</b>		-	189,041,051
<b>Current Assets</b>			
Trade and Other Receivables	15	443,015	1,229,862
Advances Given to Shareholder	16	61,000,000	-
Amount Due from Related Party	17	46,228,885	46,721,025
Cash and Cash Equivalents	18	705,174	5,202,995
<b>Total Current Assets</b>		108,377,074	53,153,882
<b>Total Assets</b>		108,377,074	242,194,933
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	19	30,050,094	30,050,094
Retained Earnings/ (Accumulated losses)		71,432,552	(5,294,351)
<b>Total Equity</b>		101,482,646	24,755,743
<b>Non-Current Liabilities</b>			
Retirement Benefit Obligation	22	18,000	18,000
Loan from Shareholders	21	-	36,965,234
<b>Total Non-Current Liabilities</b>		18,000	36,983,234
<b>Current Liabilities</b>			
Loans and Borrowings	20	-	152,820,210
Loan from Shareholders	21	5,021,526	-
Trade and Other Payables	23	957,015	3,240,546
Amounts Due to Related Parties	24	897,887	24,395,200
<b>Total Current Liabilities</b>		6,876,428	180,455,956
<b>Total Liabilities</b>		6,894,428	217,439,190
<b>Total Equity and Liabilities</b>		108,377,074	242,194,933

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 8 to 24. The Report of the Independent Auditors is given on pages 1 to 3.

These financial statements were approved by the board of directors and signed on its behalf by;

Name of the Director

Signature

P Sripathy (Managing Director)



*[Handwritten signature]*

P S Nair (Director)  
20th May 2017



GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2016

	Share Capital US\$	Advance for Share Capital US\$	(Accumulated Losses) / Retained Earnings US\$	Total US\$
As at 1st January 2015	30,050,094	17,000,000	(249,324)	46,800,770
Advance for Share capital received during the year	-	1,000,000	-	1,000,000
Transferred to the shareholder loan during the year	-	(18,000,000)	-	(18,000,000)
Loss for the Year	-	-	(5,045,027)	(5,045,027)
As at 31st December 2015	<u>30,050,094</u>	<u>-</u>	<u>(5,294,351)</u>	<u>24,755,743</u>
As at 1st January 2016	30,050,094	-	(5,294,351)	24,755,743
Profit for the Year	-	-	76,726,903	76,726,903
As at 31st December 2016	<u>30,050,094</u>	<u>-</u>	<u>71,432,552</u>	<u>101,482,646</u>

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 8 to 24. The Report of the Independent Auditors is given on pages 1 to 3.





GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2016

	Note	2016 US\$	2015 US\$
<b>Cash Flows From Operating Activities</b>			
Profit/ (Loss) Before Tax		76,726,903	(5,045,027)
<b>Adjustments for:</b>			
Depreciation	13	-	8,480
Loss on the write off the Fixed Assets	9	-	194
Fair Value Change of Derivative Financial Liability	10	-	(656,061)
Interest Income	10	-	(14,484)
Interest Expense	10	22,161,074	2,788,558.00
<b>Operating profit/ (loss) before working capital changes</b>		<u>98,887,977</u>	<u>(2,918,340)</u>
<b>Changes in:</b>			
Change in Trade and Other Receivables		786,847	424,809
Change in Claim Receivables		189,041,051	(2,675,896)
Change in Trade and Other Payables		(2,283,531)	(966,146)
Change in Amount Due from Related Party		492,140	(24,564)
Change in Amount Due to Related Parties		(23,497,313)	619,932
<b>Cash Flows Generated From/ (Used in) Operations</b>		<u>263,427,171</u>	<u>(5,540,205)</u>
Interest Paid		(23,838,106)	(7,617,697)
<b>Net Cash From/ (Used in) Operating Activities</b>		<u>239,589,065</u>	<u>(13,157,902)</u>
<b>Cash Flows from Investing Activities</b>			
Interest Received		-	17,800
Advance Given to Shareholder	16	(61,000,000)	-
Proceeds from Maturity of the Fixed Deposit		-	7,848,227
<b>Net Cash From Investing Activities</b>		<u>(61,000,000)</u>	<u>7,866,027</u>
<b>Cash Flows from Financing Activities</b>			
Advance received for share capital		-	1,000,000
Loans and Borrowings Repayments during the period		(196,621,471)	(7,200,000)
Loans and Borrowings Obtained during the period	20	13,534,585	16,176,676
<b>Net Cash (Used In)/ From Financing Activities</b>		<u>(183,086,886)</u>	<u>9,976,676</u>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>		<u>(4,497,821)</u>	<u>4,684,801</u>
<b>Cash and Cash Equivalents at the beginning of the Year</b>		<u>5,202,995</u>	<u>518,194</u>
<b>Cash and Cash Equivalents at the end of the Year</b>	18	<u>705,174</u>	<u>5,202,995</u>

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 8 to 24. The Report of the Independent Auditors is given on pages 1 to 3.



GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

GMR Male' International Airport Private Limited (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company. It was incorporated on 9<sup>th</sup> August 2010 and commercial operations were started from 25<sup>th</sup> November 2010 to build, operate and transfer of Velana International Airport (Previously known as Ibrahim Nasir International Airport).

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

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

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the assets and liabilities which are stated at their fair values.

(c) Functional and Presentation Currency

These financial statements are presented in United States Dollars, which is the Company's functional currency. All financial information presented in United States Dollars has been rounded to the nearest Dollar, except for otherwise indicated.

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

(d) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of Estimates and Judgments (Continued)

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Company's financial statements is included in the respective notes.

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the relevant notes.

**Measurement of Fair Values**

The Company has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

3.1 Foreign Currency Transactions

Transactions in currencies other than United States Dollars are translated to United States Dollars at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in currencies other than United States Dollars are translated to United States Dollars at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the profit or loss.

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



GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial Instruments (Continued)

(i) Financial Assets (Non-derivative)

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

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

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

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

- Receivables
- Cash and Cash Equivalents

**Receivables**

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortized cost using the effective interest method, less any impairment losses.

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

**Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at banks.

(ii) Financial Liabilities (Non-derivative)

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.



GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial Instruments (Continued)

(ii) Financial Liabilities (Non-derivative) (Continued)

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

The Company has non-derivative financial liabilities such as trade and other payables, shareholders' loan and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

3.3 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

3.4 Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.



GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, Plant and Equipment (Continued)

(iii) Subsequent Costs

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized.

Other subsequent expenditure is capitalized only if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

3.5 Impairment

(i) Financial Assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment.

All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.6 Employee Benefits – Retirement Benefit Obligation

The liability is computed on the basis of an actuarial valuation carried out by a professional actuary for which purpose the Projected Unit Credit method has been used.

The liability is not externally funded. The item is grouped under Non-Current Liabilities in the Statement of financial position. The assumptions used for the actuarial valuation has been disclosed in the notes to the financial statements.



GMR MALE' INTERNATIONAL AIRPORT PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.8 Tax Expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss.

**Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date.

**Deferred tax**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate enacted or substantively enacted at the reporting date.

3.9 Events after the Reporting Date

The materiality of the events occurring after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

3.10 Finance Costs and Finance Income

Finance income comprises interest income on loan given to related party. Interest income is recognized in profit or loss using the effective interest rate.

Finance cost comprises interest expense on borrowings. Borrowings costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method.

3.11 Operating Expenses

All expenses incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to the profit or loss for the year.

Expenses incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenses.



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4. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(iii) Financial liabilities (Non-derivative)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. NEW STANDARDS AND INTERPRATATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning or after 1st January 2017. None of these is expected to have a significant effect on the financial statements of the Company.





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FOR THE YEAR ENDED 31ST DECEMBER 2016

6	OTHER INCOME	2016 US\$	2015 US\$
	Surplus of Termination Claim (Note 14.1)	76,814,071	43
	Write-back of Management Fee and Service Fee Payable (Note 6.1)	25,004,939	-
		<u>101,819,010</u>	<u>43</u>
6.1	During the year, the Company has written-back the Management fee payable to GMR Airport (Global) Limited and Service fee payable to Malaysia Airports Consultancy Services SDN BHD along with the applicable taxes amounting to US\$ 22,960,495/- and US\$ 2,044,444/- respectively.		
7	PERSONNEL COSTS	2016 US\$	2015 US\$
	Salaries, Wages and Other Allowances	736,549	975,326
	Staff Welfare	143,990	68,783
	Others	584	781
		<u>881,123</u>	<u>1,044,890</u>
8	DEPRECIATION	2016 US\$	2015 US\$
	Depreciation	-	8,480
9	OTHER OPERATING EXPENSES	2016 US\$	2015 US\$
	Traveling Expenses	89,155	87,480
	Consultancy Expenses	2,363,172	4,821,014
	Communication Expenses	4,251	8,155
	Bank charges	8,208	2,009
	Rentals and Maintenance Expenses	73,799	57,376
	Other Administrative Expenses	39,203	43,136
	Loss on Write off of Fixed Assets	-	194
	Transferred to Claim Receivable	(31,304)	(3,145,677)
		<u>2,546,484</u>	<u>1,873,687</u>
10	NET FINANCE COSTS	2016 US\$	2015 US\$
	<b>Finance Income</b>		
	Interest Income	-	14,484
	Net Fair Value Gain From Derivative Financial Liability	-	656,061
		<u>-</u>	<u>670,545</u>
	<b>Finance Costs</b>		
	Interest Expense	(22,161,074)	(7,616,795)
	Interest Expense on Shareholders' Loans (Note 10.1)	(5,346,108)	(2,788,558)
	Less: Transferred to Claim Receivable	5,842,682	7,616,795
		<u>(21,664,500)</u>	<u>(2,788,558)</u>
	<b>Net Finance Costs</b>	<u>(21,664,500)</u>	<u>(2,118,013)</u>
10.1	The above interest expense represents the interest charged on Shareholders' loans at an interest rate of 14% per annum.		



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FOR THE YEAR ENDED 31ST DECEMBER 2016

11 TAX EXPENSE

In accordance with the provisions of the Business Profit Tax Act No. 5 of 2011, subsequent amendments and regulations thereto, the Company is liable for income tax on its taxable profits at the rate of 15%. However, no provision has been made for tax liability since the Company has set-off the taxable income for the year against its carried forwarded tax losses.

11.1 Reconciliation between the accounting profit/ (loss) and the tax loss;

	2016 US\$	2015 US\$
Accounting profit/ (loss) before Tax	76,726,903	(5,045,027)
Aggregate Disallowed Items	27,565,287	3,494,612
Aggregate Allowable Items (Note 11.2)	(101,334,045)	(12,697,178)
Set-off against the carried forwarded tax losses	(2,958,145)	-
Taxable Income/ (Tax Loss) for the year	-	(14,247,593)
Income Tax @ 15%	-	-
<b>Accumulated Tax Losses</b>		
Balance as at 1st January	60,860,206	50,059,723
Adjustment to the carried forward tax losses	(1,608,165)	(3,447,110)
Set-off against the taxable income for the year	(2,958,145)	-
Tax loss for the year	-	14,247,593
Closing balance	56,293,896	60,860,206

Unrecognized deferred tax asset is attributable to the following;

	31/12/2016		31/12/2015	
	Temporary Difference US\$	Tax Effect US\$	Temporary Difference US\$	Tax Effect US\$
Property, Plant and Equipment	9,154	1,373	22,387	3,358
Accumulated tax losses	56,293,896	8,444,084	71,660,689	10,749,103
	56,303,050	8,445,457	71,683,076	10,752,461

Deferred Tax Asset has not been recognized in respect of above, because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

- 11.2 The Company has considered the gain recognized of US\$ 76,814,071/- on surplus of termination claim as an allowed income for the purpose of business profit tax based on paragraph 99 (b) (ii) of the final arbitration award, which states that "In the event of the Maldivian parties deducting any sum from this award in respect of taxes, the amount payable under the award shall be increased to enable GMIAL to receive sum it would have received if the payment had not been liable to tax". Further, at the time of final settlement, MACL has issued a letter (Ref: 116-MD/GMIAL/2016/02) which states that "no sum will be imposed by the Maldives Inland Revenue Authority on the Final Award Sum in respect of taxes". Accordingly, the Board of Directors has decided not to recognize any taxes on the profits on final termination claim.

12 BASIC AND DILUTED PROFIT/ (LOSS) PER SHARE

The calculation of basic profit/ (loss) per share is based on profit/ (loss) for the year attributable to ordinary shareholders and weighted average number of ordinary shares outstanding during the year and calculated as follows:

	2016	2015
Profit/ (Loss) Attributable to the Ordinary Shareholders (US\$)	76,726,903	(5,045,027)
Weighted Average Number of Shares	38,313,870	38,313,870
Basic and Diluted Profit/ (Loss) Per Share (US\$)	2.00	(0.13)



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FOR THE YEAR ENDED 31ST DECEMBER 2016

13 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment US\$	Computer Equipment US\$	Total 2016 US\$	Total 2015 US\$
<b>Cost</b>				
Opening balance	4,624	50,154	54,778	77,702
Disposals during the year	-	-	-	(22,730)
Write-off of the asset	-	-	-	(194)
Closing Balance	4,624	50,154	54,778	54,778
<b>Accumulated Depreciation</b>				
Opening balance	4,624	50,154	54,778	69,028
Charge for the year	-	-	-	8,480
Disposals during the year	-	-	-	(22,730)
Closing Balance	4,624	50,154	54,778	54,778
<b>Net Carrying Value</b>				
As at 31st December 2016	-	-	-	-
As at 31st December 2015	-	-	-	-

14 CLAIM RECEIVABLE

	31/12/2016 US\$	31/12/2015 US\$
Opening balance	189,041,051	178,748,360
Expenses transferred during the year	5,873,986	10,762,472
Sale Proceed from Disposal of Fixed asset set-off during the year	(243,246)	(453,523)
Reversal of Impairment	-	(16,258)
Surplus on Termination Claim	76,814,071	-
Claim Received During the Period	(271,485,862)	-
Closing Balance	-	189,041,051

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

15 TRADE AND OTHER RECEIVABLES

	31/12/2016 US\$	31/12/2015 US\$
Trade Receivables	3,611,308	3,639,779
Advances Given	123,539	880,388
GST Input Tax Receivable	319,476	321,003
Less: Provision for bad and doubtful debt	(3,611,308)	(3,611,308)
	443,015	1,229,862



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16	ADVENCES GIVEN TO SHAREHOLDER	31/12/2016 US\$	31/12/2015 US\$
	GMR Infrastructure (Mauritius) Limited	61,000,000	-
<hr/>			
16.1	The Company has given an interest free advance of US\$ 61,000,000/- to GMR Infrastructure (Mauritius) Limited on 14th December 2016 and advanced amount repayable on demand.		
17	AMOUNT DUE FROM RELATED PARTY	31/12/2016 US\$	31/12/2015 US\$
	GADL International Limited	46,228,885	46,721,025
<hr/>			
18	CASH AND CASH EQUIVALENTS	31/12/2016 US\$	31/12/2015 US\$
	Balances at Bank	705,174	5,202,995
<hr/>			

**19 SHARE CAPITAL**

**19.1 Authorized Share Capital**

Authorized share capital comprises 65,000,000 ordinary shares of MVR.10/- each.

**19.2 Issued and Fully Paid Share Capital**

The Issued and fully paid share capital comprises 38,313,870 ordinary shares of MVR.10/- each and converted in to USD at the rate of MVR. 12.75/-

**19.3 Dividends and Voting Rights**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. The board of directors has not declared any dividend for the year ended 31st December 2016 (2015: Nil).

20	LOANS AND BORROWINGS	31/12/2016 US\$	31/12/2015 US\$
	Opening Balance	152,820,210	160,021,112
	Penalty interest accrued on default loan repayments	16,318,392	-
	Accrued Interest	5,842,682	7,616,795
	Loan Interest Payments made during the year	(22,161,074)	(7,617,697)
	Loan Repayments made during the year	(152,820,210)	(7,200,000)
		<hr/>	<hr/>
		-	152,820,210
<hr/>			

**20.1 Sources of Finance**

**Secured Loans**

Axis Bank	-	131,459,219
Indian Overseas Bank	-	21,360,991
	<hr/>	<hr/>
	-	152,820,210
<hr/>		

**20.2 Axis Bank Limited - Singapore Branch**

The Company had obtained a loan facility with a maximum limit of US\$ 358,000,000/- from Axis Bank Limited- Singapore Branch and IOB Hong kong. The loan was originally repayable in half yearly installments starting from June 2015. However, pursuant to the take over of control of Ibrahim Nasir International Airport by GoM / MACL, the banks have served a notice of events default on 7th December 2012 and has recalled the total loan outstanding. Accordingly, pursuant to the final arbitration and receipt of total claim proceeds from GoM, the Company has fully settled the above loan during the year.



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FOR THE YEAR ENDED 31ST DECEMBER 2016

<b>21</b>	<b>LOAN FROM SHAREHOLDERS</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
		US\$	US\$
	<b>GMR Infrastructure (Mauritius) Limited (Note 21.1)</b>		
	Opening Loan Balance	30,266,676	14,090,000
	Loans Granted During the year	13,534,585	16,176,676
	Loan Repayment During the year	<u>(43,801,261)</u>	<u>-</u>
	Closing Loan Balance	<u>-</u>	<u>30,266,676</u>
	<b>Malaysia Airport Holding Berhad (Note 21.2)</b>		
	Opening Loan Balance	<u>3,910,000</u>	<u>3,910,000</u>
	Closing Loan Balance	<u>3,910,000</u>	<u>3,910,000</u>
	Interest Payable	<u>1,111,526</u>	<u>2,788,558</u>
	Total Closing Loan Balance	<u><u>5,021,526</u></u>	<u><u>36,965,234</u></u>
<b>21.1</b>	<b>GMR Infrastructure (Mauritius) Limited</b>		
	Persuant to the loan agreement dated 23rd September 2015, US\$ 14,090,000/- has been transferred to Shareholder loan from advance for Share capital with effective from 1st January 2015 and the Company has obtained an additional amount of US\$ 16,176,676/- from GMR Infrastructure (Mauritius) Limited. The Company has fully settled the above loan during the year.		
<b>21.2</b>	<b>Malaysia Airport Holding Berhad</b>		
	Persuant to the Board Resolution dated 20th October 2015, US\$ 3,910,000/- has been transferred to Shareholder loan from advance for Share capital with effective from 1st January 2015. The above loan carries an interest rate of 14% per annum. The loan should be repaid by 31st December 2017.		
<b>22</b>	<b>RETIREMENT BENEFIT OBLIGATION</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
		US\$	US\$
	Closing Balance	<u>18,000</u>	<u>18,000</u>
	The following assumptions has been used for computation of the present value of retirement benefit obligation.		
		<b>31/12/2016</b>	<b>31/12/2015</b>
	Salary Increment Rate	4%	4.0%
	Interest Rate	8%	8.0%
	Retirement Age	<u>65 years</u>	<u>65 years</u>
<b>23</b>	<b>TRADE AND OTHER PAYABLES</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
		US\$	US\$
	Trade creditor and Non trade Payable	155,445	568,846
	Customer Advances	9,667	9,667
	Contractor Retentions	330,484	330,484
	WHT & fine payable	142,385	1,168,990
	Security Deposits Received	65,114	145,113
	Other Payables	84,970	31,702
	Accrued Expenses	<u>168,950</u>	<u>985,744</u>
		<u><u>957,015</u></u>	<u><u>3,240,546</u></u>
<b>24</b>	<b>AMOUNTS DUE TO RELATED PARTIES</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
		US\$	US\$
	Delhi International Airport Private Limited	209,950	204,924
	GMR Airport (Global) Limited	-	22,100,001
	GMR Airports Limited	681,936	589,273
	Malaysia Airports Consultancy Services SDN BHD.	<u>6,001</u>	<u>1,501,002</u>
		<u><u>897,887</u></u>	<u><u>24,395,200</u></u>



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FOR THE YEAR ENDED 31ST DECEMBER 2016

25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(iii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was.

	Carrying Amount	
	31/12/2016 US\$	31/12/2015 US\$
Trade and Other Receivables	3,611,308	3,639,779
Claim Receivable	-	189,041,051
Amount due from Related Party	46,228,885	46,721,025
Advances given to shareholder	61,000,000	-
Cash at Bank	705,174	5,202,995
	<u>111,545,367</u>	<u>244,604,850</u>

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically.



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25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iii) Credit Risk (Continued)

Trade and other receivables

The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for company of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

	31/12/2016		31/12/2015	
	Gross US\$	Impairment US\$	Gross US\$	Impairment US\$
Impairment lossess				
The aging of trade and other receivables at the reporting date was:				
More than 365 days	3,611,308	3,611,308	3,639,779	3,611,308
Total	<u>3,611,308</u>	<u>3,611,308</u>	<u>3,639,779</u>	<u>3,611,308</u>

(iv) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities as at the year end.

31st December 2016	Carrying Amount US\$	1-12 Months US\$	2-5 Years US\$
<b>Financial Liabilities (Non- Derivative)</b>			
Trade and Other Payables	645,680	645,680	-
Loans and Borrowings	-	-	-
Amounts Due to Related Parties	897,887	897,887	-
Shareholders' Loan	5,021,526	5,021,526	-
	<u>6,565,093</u>	<u>6,565,093</u>	<u>-</u>
<b>31st December 2015</b>			
	Carrying Amount US\$	1-12 Months US\$	2-5 Years US\$
<b>Financial Liabilities (Non- Derivative)</b>			
Trade and Other Payables	1,085,812	1,085,812	-
Loans and Borrowings	152,820,210	152,820,210	-
Amounts Due to Related Parties	24,395,200	24,395,200	-
Shareholders' Loan	36,965,234	-	36,965,234
	<u>215,266,456</u>	<u>178,301,222</u>	<u>36,965,234</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



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25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest rate risk

Profile

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying Amount 31/12/2016 US\$	Carrying Amount 31/12/2015 US\$
<b>Fixed Rate Instruments</b>		
Financial Liabilities	(3,910,000)	(34,176,676)
	<u>(3,910,000)</u>	<u>(34,176,676)</u>
<b>Variable Rate Instruments</b>		
Financial Liabilities	-	152,820,210
	<u>-</u>	<u>152,820,210</u>

(b) Currency Risk

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	31/12/2016	
	GBP	MVR
Cash and Cash Equivalents	-	357,136
Trade and Other Receivables	-	319,476
Trade and Other Payables	-	(302,136)
	<u>-</u>	<u>374,476</u>
	<b>31/12/2015</b>	
	GBP	MVR
Cash and Cash Equivalents	-	254,483
Trade and Other Receivables	-	499,969
Trade and Other Payables	-	(754,069)
Gross statement of financial position exposure	<u>-</u>	<u>383</u>

The following significant exchange rate applied during the year:

	Average Rate 2016	Reporting Date Spot Rate 31/12/2016	Average Rate 2015	Reporting Date Spot Rate 31/12/2015
1 US\$ : GBP	0.65	0.68	0.66	0.68
1 US\$ : INR	67.73	66.60	65	66.60
1 US\$ : SGD	1.39	1.42	1.39	1.42
1 US\$ : CHF	1.04	1.01	1.01	1.01
1 US\$ : MVR	15.42	15.42	15.42	15.42





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**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**(vi) Accounting Classifications and Fair Values**

The following table shows the carrying amounts of fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value since the carrying amount is a reasonable approximation of fair value.

	Carrying amount		Total
	Loans and receivables	Other financial liabilities	
<b>31st December 2016</b>			
<b>Financial assets not measured at fair value</b>			
Receivables	3,611,308	-	3,611,308
Advances given to Shareholders	61,000,000	-	61,000,000
Amounts due from Related Parties	46,228,885	-	46,228,885
Cash and cash equivalents	705,174	-	705,174
	<u>111,545,367</u>	<u>-</u>	<u>111,545,367</u>
<b>Financial liabilities not measured at fair value</b>			
Trade and other payables	-	645,680	645,680
Amounts due to related party	-	897,887	897,887
Shareholders' Loan	-	5,021,526	5,021,526
	<u>-</u>	<u>6,565,093</u>	<u>6,565,093</u>



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26 RELATED PARTY TRANSACTIONS

Name of related party	Relationship	Nature of Transactions	Amount	Amount	Amount	Amount
			2016 US\$	2015 US\$	due from / (to) as at 31/12/2016 US\$	due from / (to) as at 31/12/2015 US\$
GADL International Limited	Affiliated Company	Fund Transfer	(492,140)	24,564	46,228,885	46,721,025
GMR Infrastructure (Mauritius) Limited	Parent Company	Advance Given	61,000,000	-	61,000,000	-
Delhi International Airport Private Limited	Affiliated Company	Expenses Incurred	(5,026)	(9,303)	(209,950)	(204,924)
GMR Airport (Global) Limited	Affiliated Company	Loan settlement Write-back of Payables	(22,100,001) 22,100,001	-	-	(22,100,001)
GMR Airports Limited	Parent Company	Expenses Incurred Settlements	(92,663)	(150,628)	(681,936)	(589,273)
Malaysia Airports Consultancy Services SDN BHD.	Shareholder	Operator Fee Write-back of Payables	(344,999) 1,840,000	(460,000)	(6,001)	(1,501,002)

27 Transaction with the Key Management Personnel

The Company has paid US\$ 551,720/- as remuneration to the key Management personnel during year 31st December 2016 (2015: US\$ 585,230/-).

28 GOING CONCERN

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

29 EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which require adjustments to/or disclosure in the financial statements.

30 CONTINGENT LIABILITIES

30.1 As per the work construction contract entered with GADL International Limited, in an event of a termination, the Company shall settle the termination claim to GADL and the management has determined that the amount of the settlement would be US\$ 10,000,000/-.

30.2 GMR Infrastructure (Mauritius) Limited has incurred some of the expenses on behalf of the Company amounting to US\$ 65,000,000/- upto the reporting date and accordingly, the management had determined that the amount would be payable in case GMR Infrastructure (Mauritius) Limited demands such amount from the Company.

30.3 As per the Management Consultancy agreement entered by the Company with GMR Airport (Global) Limited, in an event of a termination of the agreement, the Company has to settle the total amount applicable for the entire agreement period. As the Company has terminated the agreement, the Company shall settle the total consultancy fees of US\$ 22,100,001/- to GMR Airport (Global) Limited.

Further, as per the Maintenance and Operate agreement entered with Malaysia Airports Consultancy Services SDN BHD, the Company has to settle a total service fee of US\$ 1,840,000/- as at the reporting date.

Based on the present events and facts, the management of the Company is of the view that at present, no provisions would be required to be recognized on the above in these financial statements as at the reporting date.

31 IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate parent of the Company is GMR Infrastructure (Mauritius) Limited, a Company incorporated in the Republic of Mauritius and the ultimate Company is GMR Holding Private Limited, a Company incorporated in India.

