

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 1. Corporate information

GMR Infrastructure Limited ('GIL' or 'the Company') and its subsidiaries, associates and joint ventures (hereinafter collectively referred to as 'the Group') are mainly engaged in development, maintenance and operation of airports, generation of power, coal mining and exploration activities, development of highways, development, maintenance and operation of special economic zones, and construction business including Engineering, Procurement and Construction ('EPC') contracting activities.

#### Airport sector

Certain entities of the Group are engaged in development, maintenance and operation of airport infrastructure such as green field international airports at Hyderabad and Goa and modernisation, maintenance and operation of international airports at Delhi and Cebu on build, own, operate and transfer basis.

#### Power sector

Certain entities of the Group are involved in the generation of power. These are separate Special Purpose Vehicles ('SPV') which have entered into Power Purchase Agreements ('PPA') with the electricity distribution companies of the respective state governments / other government authorities (either on the basis of Memorandum of Understanding or through a bid process) or short term power supply agreements to generate and sell power directly to consumers as a merchant plant. Certain entities of the Group are involved in the coal mining and exploration activities and the Group is also involved in energy and coal trading activities through its subsidiaries.

#### Development of Highways

Certain entities of the Group are engaged in development of highways on build, operate and transfer model on annuity or toll basis. These are SPVs which have entered into concessionaire agreements with National Highways Authority of India ('NHAI') or the respective state governments for carrying out these projects.

#### Construction business

Certain entities of the Group are in the business of construction including as an EPC contractor. These entities are engaged in handling of EPC solution in the infrastructure sector.

#### Others

Entities of the Group which cover all residual activities of the Group that include special economic zones, operations of hotels, investment activities and management / technical consultancy.

The Consolidated financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on May 30, 2018.

### 2. Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

#### Amendments to Ind AS 7 Statement of Cash Flows

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for the current period under the consolidated statement of cash flows.

#### 2.1. Basis of Consolidation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

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

The functional and presentation currency of the Group is Indian Rupee (₹) which is the currency of the primary economic environment in which the Group operates.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2018. Control is achieved

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when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities, used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so. In case of entities, where it is impracticable to do so, they are consolidated using the most recent financial statements available, which has a lag of three months, adjusted for the effects of significant transactions or events occur between the date of those financial statements and consolidated financial statements.

### **Consolidation procedure:**

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.
- (d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

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- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.2. Summary of significant accounting policies:

#### a. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Tax' and Ind AS 19 'Employee Benefits' respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that standard.
- Re-acquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

#### b. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is objective evidence of impairment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When the end of the reporting period of the parent is different from that of an associate or a joint venture, an associate or a joint venture, for consolidation purposes, prepares additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of an associate or a joint venture, unless it is impracticable to do so. In case of entities, where it is impracticable to do so, they are consolidated using the most recent financial statements available, with a lag of three months, adjusted for the effects of significant transactions or events occur between the date of those financial statements and consolidated financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### c. Interest in joint operations

In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation. Interests in joint operations are included in the segments to which they relate.

The financial statements of the joint operations are prepared for the same reporting period as the Group. When the end of the reporting period of the parent is different from that of a joint operations, a joint operations, for consolidation purposes, prepares additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of a joint operations, unless it is impracticable to do so. In case of entities, where it is impracticable to do so, they are consolidated using the most recent financial statements available, with a lag of three months, adjusted for the effects of significant transactions or events occur between the date of those financial statements and consolidated financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

### d. Current versus non-current classification

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

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii. Held primarily for the purpose of trading,

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- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

Operating cycle for the business activities of the Group extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective line of business.

### e. Fair value measurement of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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 Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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.

### f. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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

## Notes to the consolidated financial statements for the year ended March 31, 2018

contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

### Energy sector

In case of power generating and trading companies, revenue from energy units sold as per the terms of the PPA and Letter Of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year.

Revenue earned in excess of billings has been included under "other assets" as unbilled revenue and billings in excess of revenue earned have been disclosed under "other liabilities" as unearned revenue.

Claims for delayed payment charges and any other claims, in which the Group companies are entitled to under the PPAs, are recognized on reasonable certainty to expect ultimate collection.

Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to customers based on the units of energy delivered and the rate agreed with the customers. Revenue/ charges from unscheduled interchange for the deviation in generation with respect to scheduled generation are recognized/ charged at rates notified by CERC from time to time, as revenue from sale of energy and adjusted with revenue from sale of energy. Further, revenue is recognized/adjusted towards truing up in terms of the applicable CERC regulations.

Revenue from electrical energy transmission charges is recognized on an accrual basis in accordance with the provisions of the transmission service agreements.

Revenue from sale of coal is recognised when the risks and rewards of ownership passes to the purchaser in accordance with the terms of sale, including delivery of the product, the selling price is fixed or determinable, and collectability is reasonably assured. Revenue earned in the pre-production stage and related operating costs have been recorded against the carrying value of mining and exploration and development properties.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from energy trading are recognised as per the agreement with the customer. In case of the energy trading agreements, where the group is entitled only for a fixed margin and the associated risk and rewards are with the third parties, revenue is recognised only to the extent of assured margin.

### Highways Sector

In case of entities involved in construction and maintenance of Roads, revenue are recognised in line with the Appendix A to Ind AS 11 - Service Concession Arrangements. Toll revenue is recognised on an accrual basis which coincides with the collection of toll from the users of highways.

Revenue share paid / payable to concessionaire grantors:

Revenue share paid / payable to concessionaires / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective highways has been disclosed as revenue share paid / payable to concessionaire grantors in the consolidated statement of profit and loss.

### Airport Sector

In case of airport infrastructure companies, aeronautical and non-aeronautical revenue is recognised on an accrual basis and is net of service tax, applicable discounts and collection charges, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from aeronautical operations include user development fees, fuel farm, passenger service charges, landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services, air transport services and Maintenance, Repair and Overhaul facility (MRO) of aircrafts and allied services.

In case of cargo handling revenue, revenue from outbound cargo is recognised at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognised at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers. Interest on delayed receipts from customers is recognised on acceptance.

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Revenue from commercial property development rights granted to concessionaires is recognised on accrual basis, as per the terms of the agreement entered into with the customers.

Revenue from sale of goods at the duty free outlets operated by the Group is recognised at the time of delivery of goods to customers which coincides with transfer of risks and rewards to its customers. Sales are stated net of returns and discounts.

Revenue from hotel operations comprises of income by way of hotel room rent, sale of food, beverages and allied services relating to the hotel and is recognised net of taxes and discounts as and when the services are provided and products are sold.

Revenue from MRO contracts is recognised as and when services are rendered.

In case of companies covered under service concession agreements, revenue are recognised in line with the Appendix A to Ind AS 11 - Service Concession Arrangements.

### **Revenue share paid / payable to concessionaire grantors:**

Revenue share paid / payable to concessionaire / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective airports has been disclosed as revenue share paid/ payable to concessionaire grantors' in the statement of profit and loss.

### **For Construction business entities**

Construction revenue and costs are recognised by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- i. The amount of revenue can be measured reliably,
- ii. It is probable that the economic benefits associated with the contract will flow to the Group,
- iii. The stage of completion of the contract at the end of the reporting period can be measured reliably,
- iv. The costs incurred or to be incurred in respect of the contract can be measured reliably

Provision is made for all losses incurred to the balance sheet date. Variations in contract work, claims and incentive payments are recognised to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers.

Amount received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customers are disclosed in the Balance Sheet as trade receivables.

### **Interest income**

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

### **Dividends**

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

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### Others

- i. Income from management / technical services is recognised as per the terms of the agreement on the basis of services rendered.
- ii. Insurance claim is recognised on acceptance of the claims by the insurance company.
- iii. Revenue from charter services is recognised based on services provided as per the terms of the contracts with the customers.

Revenue earned in excess of billings has been included under 'other financial assets' as unbilled revenue and billings in excess of revenue has been disclosed under 'other liabilities' as unearned revenue.

### g. Service Concession Arrangements

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the operator performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are not separately identifiable.

The intangible asset is amortised over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

The Group recognises a financial asset to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor. In case of annuity based carriageways, the Group recognises financial asset.

### h. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### i. Taxes on income

#### Current income tax

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

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



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evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred income tax**

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

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

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

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

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

In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### **j. Non-current assets held for sale**

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

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

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

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

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

## Notes to the consolidated financial statements for the year ended March 31, 2018

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- i) Represents a separate major line of business or geographical area of operations,
- ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

### **k. Property, plant and equipment**

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date and is stated at cost less accumulated impairment loss.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as and when incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

On Transition to Ind AS, the Group has availed the optional exemption on "Long term Foreign currency Monetary items" and has accordingly continued with the policy to adjust the exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset recognised in the financial statements for the year ended March 31, 2016 ( as per previous GAAP) to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

### **l. Depreciation on Property, plant and equipment**

#### **Energy sector**

In case of domestic entities, the depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Act. except on case of plant and machinery in case of gas based power plants and power generating units dedicated for generation of power under CERC tariff regulations where the useful life of the asset is considered as 25 years as prescribed by CERC being the regulatory authority in the energy sector, as against 40 years as per Schedule II of the Act.

#### **Airport sector**

Depreciation on property, plant and equipment is calculated on a straight line basis using the useful lives prescribed under Schedule II to the Companies Act, 2013 except for certain assets class i.e. Internal Approach Roads, Electric Panels and Transformers/Sub-station, the Group, based on a technical evaluation, believes that the useful life of such property, plant and equipment is different from the useful life specified in Schedule II to Companies Act 2013.

## Notes to the consolidated financial statements for the year ended March 31, 2018

The Property, plant and equipment acquired under finance lease is depreciated over the asset's useful life; or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Group will obtain ownership at the end of lease term.

On June 12, 2014, the Airport Economic Regulatory Authority ("AERA") has issued a consultation paper viz, 05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter-alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. Pursuant to above, the Authority has issued order no. 35/2017-18 on January 12, 2018 which is further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which will be effective from April 01, 2018. Based on preliminary assessment, the management is of the view that useful lives considered by the Group for most of the assets except passenger related Furniture and Fixtures are in line with the useful life proposed by AERA in its order dated January 12, 2018, which is further amended on April 09, 2018.

### Other entities

For domestic entities other than aforesaid entities, the depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013.

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

The management has estimated the useful life of assets individually costing ₹ 5,000 or less to be less than one year, which is lower than those indicated in Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Group shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Group for similar assets.

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

### Useful life of Property, plant and equipment other than disclosed above:

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

Category of asset	Estimated useful life
Plant and equipment	4 - 15 years
Buildings	10 - 30 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles and Aircrafts	5 - 25 years
Computers	3 years

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

The Group, based on technical assessment made by the technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

### m. Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

## Notes to the consolidated financial statements for the year ended March 31, 2018

The cost includes borrowing costs for long-term construction projects if the recognition criteria are met.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### **n. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

### **o. Amortisation of intangible assets**

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

Amortization of mining properties is based on using unit-of-production method from the date of commencement of commercial production of the respective area of interest over the lesser of the life of the mine or the terms of the coal contracts of work or mining business license.

Technical know-how is amortised over five years from the date of issuance of certificate from a competent authority.

Intangible assets representing upfront fees and other payments made to concessionaires of the respective airports, pursuant to the terms and conditions of concession agreements are amortized on a straight line method over the initial and extended periods of concession agreements, as applicable.

Carriageways related to toll based road projects are amortized based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in terms of MCA notification dated April 17, 2012 and in terms of the amendments to the Schedule II of the Act vide MCA notification dated March 31, 2014 pursuant to the exemption provided as per D22 (i) of Ind AS 101.

The total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in traffic and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.

Intangible assets representing power plant concessionaire rights, carriageways and airport concessionaire rights are amortized over the concession period, ranging from 23 to 40 years, 17.5 to 25 years and 25 to 30 years respectively, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective concessionaire agreements.

Software is amortised based on the useful life of six years on a straight line basis as estimated by the management.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

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

### **p. Exploration and evaluation expenditure / mining properties under construction and production:**

#### **Exploration and evaluation expenditure:**

## Notes to the consolidated financial statements for the year ended March 31, 2018

Exploration and evaluation expenditure incurred for potential mineral reserves and related to the project are recognised and classified as part of 'intangible assets under development' when one of the below conditions are met:

- i. Such costs are expected to be either recouped in full through successful exploration and development of the area of interest or alternatively by its sale, or
- ii. When exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically available reserves and active and significant operations in relation to the area are continuing or are planned for future.

These expenditure include materials and fuel used, surveying costs, drilling, general investigation, administration and license, geology and geophysics expenditure, stripping costs and payments made to contractors before the commencement of production stage.

Ultimate recoupment of the exploration expenditure carried forward is dependent upon a successful development and commercial exploitation, or alternatively, sale of the respective area. Deferred exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

Exploration and evaluation assets are transferred to 'Mines under construction' in the 'Mines properties' account after the mines are determined to be economically viable to be developed.

### **Expenditure on mines under construction:**

Expenditure for mines under construction and costs incurred in developing an area of interest subsequent to the transfer from exploration and evaluation assets but prior to the commencement of production stage in the respective area, are capitalised to 'Mines under construction' as long as they meet the capitalization criteria.

### **Producing mines:**

The Group assesses the stage of each mine under construction to determine when a mine reaches the production phase. This occurs when the mine is substantially complete and ready for its intended use. Upon completion of mine construction and commencement of production stage, the 'Mines under construction' are transferred to 'Mining properties', which are stated at cost, less accumulated amortization and accumulated impairment losses.

Intangible assets under development include expenditure incurred on exploration and evaluation of assets, expenditure incurred on mines under construction.

### **q. Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

### **r. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

#### **Group as a lessee**

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

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of

## Notes to the consolidated financial statements for the year ended March 31, 2018

the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

### **Group as a lessor:**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

### **s. Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition..
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Contract work in progress: contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value

Cost of inventories is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

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

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to that extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

### **t. Impairment of non-financial assets, investments in joint ventures and associates**

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

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

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

## Notes to the consolidated financial statements for the year ended March 31, 2018

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

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

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the consolidated statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

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

### u. Provisions and contingent liabilities

Provisions are recognised when the Group 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 Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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

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

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

Provisions and contingent liability are reviewed at each balance sheet.

#### **Decommissioning liability:**

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

### v. Retirement and other employee benefits

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

## Notes to the consolidated financial statements for the year ended March 31, 2018

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

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

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

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

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

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

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

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

### w. Financial instruments

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

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

#### Effective interest method

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

#### (a) Financial assets

##### Financial assets at amortised cost

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

##### Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial



## Notes to the consolidated financial statements for the year ended March 31, 2018

asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

### **Impairment of financial assets, excluding investments in joint ventures and associates**

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

The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 - "Financial Instruments".

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

### **De-recognition of financial assets**

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

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

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

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

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

## **(b) Financial liabilities and equity instruments**

### **Classification as debt or equity**

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

### **Equity Instruments**

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

### **Financial Liabilities**

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

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

### **a. Financial guarantee contracts**

Financial guarantee contracts issued by the Group 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.

## Notes to the consolidated financial statements for the year ended March 31, 2018

### b. De-recognition

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

### Off-setting of financial instruments

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

### x. Derivative financial instruments

The Group uses derivative financial instruments, such as call spread options, cash flow hedge, interest rate swap etc. forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in consolidated OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- c) Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in consolidated OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts recognised as consolidated OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in consolidated OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

### y. Convertible preference shares/ debentures

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

On issuance of the convertible preference shares / debentures, 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 conversion right. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

## Notes to the consolidated financial statements for the year ended March 31, 2018

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

### **z. Cash and cash equivalents**

Cash and cash equivalent in the consolidated 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 Group's cash management.

### **aa. Cash dividend**

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

### **bb. Foreign currencies**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g. consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.
- Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Group has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101 - "First time adoption of Indian Accounting Standard" are recognised directly in equity or added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

### **Group companies:**

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit and loss.

### **cc. Exceptional items**

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the consolidated financial statements.

### **dd. Treasury shares**

The Company has created a Staff welfare Trust ('SWT') for providing staff welfare to its employees. The Company treats SWT as its extension and shares held by SWT are treated as treasury shares. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve.

### **ee. Corporate social responsibility ('CSR') expenditure**

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

Notes to the consolidated financial statements for the year ended March 31, 2018

2.3. The entities consolidated in the consolidated financial statements are listed below:

Sl. No.	Name of the entity	Country of Incorporation	Relationship as at March 31, 2018	Percentage of ownership (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e. total assets minus total liabilities*				Share in total comprehensive income*			
				March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018		March 31, 2017		As % of total comprehensive income	March 31, 2017		
								As % of consolidated net assets	₹ in crore	As % of consolidated net assets	₹ in crore				
<b>Parent</b>															
1	GMR Infrastructure Limited (GIL)	India	Holding Company					15.61%	4,593.91	18.13%	6,517.20	26.45%	(1,930.26)	42.04%	(3,684.94)
<b>Subsidiaries</b>															
<b>Indian</b>															
2	GMR Energy Trading Ltd (GETL)	India	Subsidiary	90.83%	100.00%	100.00%	100.00%	0.22%	65.51	0.18%	63.03	-0.03%	2.48	-0.05%	4.41
3	GMR Power Corporation Limited (GACL)	India	Subsidiary <sup>2</sup>	51.00%	51.00%	51.00%	51.00%	0.92%	272.17	0.75%	269.13	-0.38%	27.54	4.19%	(366.92)
4	GMR Coastal Energy Private Limited (GCEPL)	India	Subsidiary <sup>2</sup>	100.00%	100.00%	100.00%	100.00%	0.00%	(0.14)	0.00%	(0.12)	0.00%	(0.02)	0.00%	(0.15)
5	GMR Londa Hydropower Private Limited (GLHPPL)	India	Subsidiary <sup>2</sup>	100.00%	100.00%	100.00%	100.00%	-0.04%	(10.73)	-0.01%	(5.00)	0.08%	(5.73)	0.05%	(4.55)
6	GMR Kakinada Energy Private Limited (GKEPL)	India	Subsidiary <sup>2</sup>	100.00%	100.00%	100.00%	100.00%	0.00%	(0.09)	0.00%	(0.07)	0.00%	(0.02)	0.00%	(0.02)
7	SJK Powergen Limited (SJK)	India	Subsidiary <sup>2</sup>	70.00%	70.00%	70.00%	70.00%	-0.70%	(206.27)	-0.71%	(254.43)	0.06%	(4.56)	0.23%	(20.52)
8	GMR Genco Assets Limited (formerly known as GMR Hosur Energy Limited) (GGEAL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.02%	(6.51)	-0.01%	(4.68)	0.01%	(0.83)	0.07%	(5.80)
9	GMR Generation Assets Limited (formerly known as GMR Renewable Energy Limited) (GGAL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	3.41%	1,004.56	17.37%	6,244.06	71.80%	(5,239.50)	6.34%	(555.52)
10	Aravali Transmission Service Company Limited (ATSCIL)	India	Subsidiary <sup>1</sup>	-	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.30)
11	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary <sup>1</sup>	-	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.06%	(4.84)
12	GMR Power Infra Limited (GPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.01%	(3.52)	-0.01%	(2.23)	0.02%	(1.29)	0.02%	(1.77)
13	GMR Highways Limited (GMRHL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	3.82%	1,123.58	3.06%	1,101.42	0.93%	(68.04)	5.54%	(485.30)
14	GMR Tambaram Tindivanam Expressways Limited (formerly GMR Tambaram Tindivanam Expressways Private Limited) (GTTEL)	India	Subsidiary <sup>3</sup>	86.77%	100.00%	100.00%	100.00%	0.74%	21747	0.58%	208.53	-0.21%	15.39	-0.25%	21.94
15	GMR Tuni Anakapalli Expressways Limited (formerly GMR Tuni Anakapalli Expressways Private Limited) (GTAL)	India	Subsidiary <sup>3</sup>	86.77%	100.00%	100.00%	100.00%	0.39%	113.56	0.30%	106.60	-0.18%	13.13	-0.23%	20.11
16	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.30%	(8733)	-0.10%	(36.51)	0.70%	(50.82)	0.49%	(42.77)
17	GMR Pochanpalli Expressways Limited (GPEL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.74%	218.23	0.58%	20718	-0.15%	11.05	-0.20%	17.52
18	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	India	Subsidiary	90.00%	90.00%	90.00%	90.00%	-1.15%	(339.53)	-0.41%	(146.18)	2.67%	(194.99)	1.99%	(174.52)
19	GMR Chennai Outer Ring Road Private Limited (GCRORPL)	India	Subsidiary	90.00%	90.00%	90.00%	90.00%	0.25%	72.92	0.30%	106.15	0.00%	(0.13)	0.13%	(10.97)
20	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAE)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.45%	131.24	0.37%	131.25	0.00%	(0.12)	5.34%	(468.02)
21	GMR Highways Projects Private Limited (GHPPL)	India	Subsidiary <sup>11</sup>	NA	100.00%	NA	100.00%	0.00%	-	0.00%	0.00	0.00%	-	0.00%	0.00
22	GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary	63.00%	63.00%	63.00%	63.00%	3.81%	1,122.42	1.91%	685.99	-8.46%	617.62	-4.96%	434.34
23	Gateways for India Airports Private Limited (GFIAL)	India	Subsidiary	86.49%	86.49%	86.49%	86.49%	0.01%	2.43	0.01%	2.34	0.00%	0.09	0.00%	0.13
24	Hyderabad Merizies Air Cargo Private Limited (HMACPL)	India	Subsidiary	32.13%	51.00%	51.00%	51.00%	0.34%	99.62	0.24%	87.92	-0.35%	25.45	-0.24%	20.95
25	Hyderabad Airport Security Services Limited (HASSL)	India	Subsidiary	63.00%	100.00%	100.00%	100.00%	0.04%	13.22	0.04%	13.21	0.00%	0.01	0.00%	0.02
26	Asia Pacific Flight Training Academy Limited (APFT)	India	Subsidiary <sup>4</sup>	63.00%	100.00%	NA	100.00%	-0.02%	(4.79)	NA	NA	0.01%	(0.76)	NA	NA

Notes to the consolidated financial statements for the year ended March 31, 2018

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2018	Percentage of effective ownership (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e., total assets minus total liabilities*				Share in total comprehensive income*			
				March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018		March 31, 2018		March 31, 2017			
								As % of consolidated net assets	₹ in crore	As % of total comprehensive income	₹ in crore	As % of total comprehensive income	₹ in crore		
27	GMR Aerospace Services Limited (GASL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.08%	(23.40)	0.00%	(0.02)	0.32%	(23.38)	0.00%	(0.01)
28	GMR Hyderabad Aerotropolis Limited (HAPL)	India	Subsidiary	63.00%	100.00%	100.00%	100.00%	0.17%	50.83	0.15%	53.87	0.04%	(3.04)	0.00%	(0.40)
29	GMR Hyderabad Aviation SEZ Limited (GHASL)	India	Subsidiary	63.00%	100.00%	100.00%	100.00%	0.19%	55.44	0.17%	59.52	0.06%	(4.08)	0.06%	(5.19)
30	GMR Aerospace Engineering Limited (GAEL)	India	Subsidiary	63.00%	100.00%	100.00%	100.00%	1.08%	316.42	0.83%	297.42	0.08%	(6.00)	0.03%	(2.94)
31	GMR Aero Technic Limited (GATL)	India	Subsidiary	63.00%	100.00%	100.00%	100.00%	-0.88%	(258.65)	-0.48%	(173.46)	0.79%	(577.9)	0.45%	(39.11)
32	GMR Airport Developers Limited (GADD)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.18%	52.29	0.14%	48.61	-0.12%	8.59	-0.04%	3.29
33	GMR Hospitality and Retail Limited (GHRL)	India	Subsidiary	63.00%	100.00%	100.00%	100.00%	-0.04%	(12.04)	-0.05%	(16.88)	-0.07%	4.84	0.03%	(2.98)
34	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)	India	Subsidiary	63.00%	100.00%	100.00%	100.00%	0.00%	0.03	0.00%	0.03	0.00%	-	0.00%	-
35	Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited (DIAL))	India	Subsidiary	64.00%	64.00%	64.00%	64.00%	97.4%	2,868.12	8.37%	3,008.65	-0.70%	51.10	-6.49%	568.39
36	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary	64.00%	100.00%	100.00%	100.00%	0.00%	(0.06)	0.00%	(0.06)	0.00%	-	0.00%	-
37	Delhi Airport Parking Services Private Limited (DAPSL)	India	Subsidiary	72.04%	90.00%	90.00%	90.00%	0.33%	97.70	0.26%	92.44	-0.14%	29.76	-0.12%	10.09
38	GMR Airports Limited (GAL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	7.83%	2,305.35	5.82%	2,089.85	-2.95%	215.50	-0.39%	33.86
39	GMR Aviation Private Limited (GAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.47%	138.01	0.40%	144.09	0.08%	(6.08)	0.03%	(3.05)
40	GMR Krishnagiri SIR Limited (formerly known as GMR Krishnagiri SEZ Limited (GKSIR))	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.40%	118.37	0.34%	120.88	0.03%	(1.94)	0.03%	(2.37)
41	Advika Properties Private Limited (APPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	7.19	0.00%	0.93	0.00%	(0.06)	0.00%	(0.02)
42	Aklima Properties Private Limited (AKPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.01%	4.25	0.00%	0.92	0.00%	(0.04)	0.00%	(0.02)
43	Amartya Properties Private Limited (AMPPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.03%	7.86	0.00%	1.09	0.00%	(0.21)	0.00%	(0.02)
44	Baruni Properties Private Limited (BPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	6.21	0.00%	1.75	0.00%	(0.05)	0.00%	(0.01)
45	Bougainvillea Properties Private Limited (BOPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	5.72	0.00%	1.75	0.00%	(0.04)	0.00%	(0.01)
46	Camelia Properties Private Limited (CPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	5.83	0.00%	0.46	0.00%	(0.05)	0.00%	(0.01)
47	Deepesh Properties Private Limited (DPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.04%	12.63	0.01%	2.74	0.00%	(0.11)	0.00%	(0.04)
48	Eila Properties Private Limited (EPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.03%	8.54	0.00%	0.93	0.00%	(0.14)	0.00%	(0.01)
49	Gerbera Properties Private Limited (GPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	6.70	0.00%	0.63	0.00%	(0.05)	0.00%	(0.02)
50	Lakshmi Priya Properties Private Limited (LPPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	7.16	0.00%	0.93	0.00%	(0.06)	0.00%	(0.01)
51	Honeysuckle Properties Private Limited (HPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.03%	9.68	0.00%	1.25	0.00%	(0.07)	0.00%	(0.02)
52	Idika Properties Private Limited (IPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	6.48	0.00%	0.93	0.00%	(0.11)	0.00%	(0.02)
53	Krishnapriya Properties Private Limited (KPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	6.55	0.00%	0.87	0.00%	(0.06)	0.00%	(0.04)
54	Larkspur Properties Private Limited (LAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	6.43	0.00%	1.53	0.00%	(0.04)	0.00%	0.03
55	Nadira Properties Private Limited (NPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	5.05	0.00%	1.15	0.00%	(0.10)	0.00%	0.26
56	Padmapriya Properties Private Limited (PMPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.45	0.00%	0.48	0.00%	(0.03)	0.01%	(0.91)
57	Prakaba Properties Private Limited (PPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	6.56	0.00%	0.81	0.00%	(0.02)	0.00%	0.04
58	Purnachandria Properties Private Limited (PUPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.03%	7.53	0.00%	0.82	0.00%	(0.07)	0.00%	(0.03)
59	Shreyadria Properties Private Limited (SPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.03%	7.88	0.00%	0.89	0.00%	(0.12)	0.00%	(0.03)
60	Pranesh Properties Private Limited (PRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	7.35	0.00%	0.90	0.00%	(0.05)	0.00%	(0.02)

Notes to the consolidated financial statements for the year ended March 31, 2018

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2018	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e., total assets minus total liabilities*				Share in total comprehensive income*			
				March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		
				As % of consolidated net assets	As % of consolidated net assets	As % of total comprehensive income	As % of total comprehensive income	As % of total comprehensive income	As % of total comprehensive income	As % of total comprehensive income	As % of total comprehensive income	As % of total comprehensive income	As % of total comprehensive income		
61	Sreepa Properties Private Limited (SRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	0.00%	6.36	0.99	0.00%	(0.07)	0.00%	(0.04)
62	Radhapriya Properties Private Limited (RPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.06%	0.00%	16.93	0.91	0.00%	(0.14)	0.00%	(0.04)
63	Asteria Real Estates Private Limited (AREPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	0.00%	5.09	(0.04)	0.00%	(0.08)	0.00%	(0.01)
64	Lantana Properties Private Limited (LPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.03%	0.00%	9.58	(0.46)	0.00%	(0.17)	0.00%	(0.43)
65	Namitha Real Estates Private Limited (NREPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	(1.36)	(1.24)	0.00%	(0.12)	0.00%	(0.12)
66	Honey Flower Estates Private Limited (HFEPL)	India	Subsidiary <sup>10</sup>	100.00%	100.00%	100.00%	100.00%	0.13%	0.10%	37.14	34.28	-0.04%	2.86	-0.03%	2.22
67	GMR Hosur EMC Private Limited (GHEMCP)	India	Subsidiary	NA	100.00%	NA	100.00%	0.00%	0.00%	-	0.57	0.00%	-	0.00%	(0.26)
68	GMR SEZ and Port Holdings Limited (formerly GMR SEZ and Port Holdings Private Limited (GSPHL))	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.77%	1.00%	228.05	359.60	0.29%	(20.82)	0.04%	(3.66)
69	East Godavari Power Distribution Company Private Limited (EGDPCPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	-	0.00	0.00%	-	0.00%	(0.01)
70	Suzone Properties Private Limited (SUPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.02%	0.00%	4.59	(0.53)	0.01%	(0.79)	0.01%	(0.50)
71	GMR Utilities Private Limited (GUPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	-	0.00	0.00%	-	0.00%	0.00
72	Lilliam Properties Private Limited (LPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.01%	0.00%	2.53	(0.46)	0.01%	(0.51)	0.00%	(0.43)
73	GMR Corporate Affairs Private Limited (GCAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.02%	0.00%	(6.39)	(0.64)	0.09%	(6.47)	0.12%	(10.11)
74	Dhruvi Securities Private Limited (DSP)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	1.15%	0.95%	338.40	342.03	0.06%	(4.61)	-0.09%	8.01
75	Kakinada SEZ Limited (formerly known as Kakinada SEZ Private Limited (KSL))	India	Subsidiary	51.00%	51.00%	51.00%	51.00%	0.27%	0.23%	79.74	84.20	0.06%	(4.46)	0.07%	(5.72)
76	GMR Business Process and Services Private Limited (GBPSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	-0.03%	-0.02%	(8.98)	(6.94)	0.03%	(2.04)	0.07%	(6.39)
77	Rava Security Service Limited (RSSL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.17%	0.14%	50.43	49.94	-0.01%	0.49	-0.03%	2.56
78	GMR SEZ Infra Services Limited (GSISL)	India	Subsidiary <sup>16</sup>	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	0.04	0.04	0.00%	-	0.00%	(0.01)
79	Kakinada Gateway Port Limited (KGPL)	India	Subsidiary <sup>16</sup>	50.97%	99.94%	99.94%	99.94%	0.00%	0.00%	0.01	0.01	0.00%	-	0.00%	-
80	GMR Goa International Airport Limited (GIAL)	India	Subsidiary <sup>16</sup>	99.99%	99.99%	99.99%	99.99%	0.37%	0.02%	108.71	8.23	0.06%	(4.02)	0.01%	(1.27)
81	GMR Infra Developers Limited (GIDL)	India	Subsidiary <sup>16</sup>	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	0.05	0.00	0.00%	-	0.00%	0.00
82	GMR Energy Limited (GEL)	India	Joint Venture <sup>2,7</sup>	NA	NA	NA	NA	0.00%	0.00%	NA	NA	0.00%	NA	3.57%	(313.29)
83	GMR Vemagiri Power Generation Limited (GVPL)	India	Joint Venture <sup>2,14</sup>	51.73%	51.73%	51.73%	51.73%	0.00%	0.00%	NA	NA	0.00%	NA	0.67%	(58.93)
84	GMR (Badinath) Hydro Power Generation Private Limited (GBHPL)	India	Joint Venture <sup>2,14</sup>	51.73%	51.73%	51.73%	51.73%	0.00%	0.00%	NA	NA	0.00%	NA	0.17%	(15.15)
85	GMR Consulting Services Limited (GCSPL)	India	Joint Venture <sup>2,14</sup>	51.21%	51.21%	51.21%	51.21%	0.00%	0.00%	NA	NA	0.00%	NA	0.02%	(1.84)
86	GMR Bajoli Holi Hydropower Private Limited (GBHPL)	India	Joint Venture <sup>2,14</sup>	NA	NA	NA	NA	0.00%	0.00%	NA	NA	0.00%	NA	0.00%	-
87	GMR Warora Energy Limited (GWEL)	India	Joint Venture <sup>2,14</sup>	51.73%	51.73%	51.73%	51.73%	0.00%	0.00%	NA	NA	0.00%	NA	-1.45%	126.85
88	GMR Bundelkhand Energy Private Limited (GBEPL)	India	Joint Venture <sup>2,14</sup>	51.73%	51.73%	51.73%	51.73%	0.00%	0.00%	NA	NA	0.00%	NA	0.01%	(1.00)
89	GMR Rajam Solar Power Private Limited (GRSPL)	India	Joint Venture <sup>2,14</sup>	51.73%	51.73%	51.73%	51.73%	0.00%	0.00%	NA	NA	0.00%	NA	0.01%	(0.50)
90	GMR Maharashtra Energy Limited (GMAEL)	India	Joint Venture <sup>2,14</sup>	51.10%	51.10%	51.10%	51.10%	0.00%	0.00%	NA	NA	0.00%	NA	0.00%	(0.37)
91	GMR Gujarat Solar Power Limited (formerly GMR Gujarat Solar Power Private Limited (GGSPL))	India	Joint Venture <sup>2,14</sup>	51.73%	51.73%	51.73%	51.73%	0.00%	0.00%	NA	NA	0.00%	NA	0.14%	(12.13)
92	GMR Indo-Nepal Energy Links Limited (GINEL)	India	Joint Venture <sup>2,14</sup>	51.73%	51.73%	51.73%	51.73%	0.00%	0.00%	NA	NA	0.00%	NA	0.00%	(0.01)
93	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	Joint Venture <sup>2,14</sup>	51.73%	51.73%	51.73%	51.73%	0.00%	0.00%	NA	NA	0.00%	NA	0.00%	(0.01)
94	GMR Chhattisgarh Energy Limited (GCEL)	India	Associate <sup>3</sup>	NA	NA	NA	NA	0.00%	0.00%	NA	NA	0.00%	NA	21.29%	(1,865.73)

Notes to the consolidated financial statements for the year ended March 31, 2018

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2018	Percentage of effective ownership (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e., total assets minus total liabilities*				Share in total comprehensive income*	
				March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018		March 31, 2018			
								As % of consolidated net assets	₹ in crore	As % of total comprehensive income	₹ in crore		
95	GMR Rajahmundry Energy Limited (GREL)	India	Associate <sup>3</sup>	NA	NA	NA	NA	0.00%	NA	0.00%	NA	0.84%	(73.52)
<b>Foreign</b>													
96	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Joint Venture <sup>2,14</sup>	54.14%	54.14%	54.14%	NA	0.00%	NA	0.00%	NA	0.00%	-
97	GMR Lion Energy Limited (GLEL)	Mauritius	Joint Venture <sup>2,14</sup>	54.14%	54.14%	54.14%	NA	0.00%	NA	0.00%	NA	0.00%	-
98	Himal Hydro Power Company Private Limited (HPPPL)	Nepal	Joint Venture <sup>2,14</sup>	42.42%	42.42%	42.42%	NA	0.00%	NA	0.00%	NA	0.00%	(0.01)
99	GMR Upper Karmali Hydropower Limited (GUKPL)	Nepal	Joint Venture <sup>2,14</sup>	39.52%	39.52%	39.52%	NA	0.00%	NA	0.00%	NA	0.00%	(0.05)
100	Karnali Transmission Company Private Limited (KTCPL)	Nepal	Joint Venture <sup>2,14</sup>	54.14%	54.14%	54.14%	NA	0.00%	NA	0.00%	NA	0.00%	(0.01)
101	Marsyangdi Transmission Company Private Limited (MTCPL)	Nepal	Joint Venture <sup>2,14</sup>	54.14%	54.14%	54.14%	NA	0.00%	NA	0.00%	NA	0.00%	(0.01)
102	GMR Energy (Cyprus) Limited (GCEL)	Cyprus	Subsidiary <sup>2</sup>	100.00%	100.00%	100.00%	(71.59)	-0.24%	2.66	1.02%	(74.12)	0.00%	(0.22)
103	GMR Energy (Netherlands) B.V. (GENBV)	Netherlands	Subsidiary <sup>2</sup>	100.00%	100.00%	100.00%	263.04	0.89%	267.88	0.02%	(1.65)	0.04%	(3.89)
104	PT Dwikarya Sejati Utama (PTDSU)	Indonesia	Subsidiary <sup>2,12</sup>	100.00%	100.00%	100.00%	10.83	0.04%	12.69	0.02%	(1.43)	0.01%	(0.55)
105	PT Duta Sarana Internusa (PTDSI)	Indonesia	Subsidiary <sup>2,12</sup>	100.00%	100.00%	100.00%	-	0.00%	-	0.00%	-	0.00%	-
106	PT Barasentosa Lestari (PTBSL)	Indonesia	Subsidiary <sup>2,12</sup>	100.00%	100.00%	100.00%	-	0.00%	-	0.00%	-	0.00%	-
107	PT Unsoco (PT)	Indonesia	Subsidiary <sup>2</sup>	100.00%	100.00%	100.00%	0.58	0.00%	0.58	0.00%	-	0.00%	-
108	GMR Energy Projects (Mauritius) Limited (GEPML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	(1,125.44)	-3.82%	(926.67)	2.72%	(198.77)	10.71%	(938.71)
109	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	933.26	3.17%	713.27	0.08%	(6.17)	0.05%	(4.27)
110	GMR Coal Resources Pte Limited (GCRPL)	Singapore	Subsidiary <sup>2</sup>	100.00%	100.00%	100.00%	(120.64)	-0.41%	(110.18)	0.11%	(7.85)	1.81%	(158.82)
111	GADL International Limited (GADLI)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	(16.46)	-0.06%	(22.12)	-0.12%	8.75	-0.03%	2.97
112	GADL (Mauritius) Limited (GADML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	0.05	0.00%	0.26	0.00%	(0.21)	0.00%	(0.17)
113	GMR Male International Airport Private Limited (GMIAL)	Maldives	Subsidiary	77.00%	77.00%	77.00%	633.87	2.15%	696.52	0.71%	(51.52)	-6.08%	532.84
114	GMR Airports (Mauritius) Limited (GAML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	3.34	0.01%	3.63	0.00%	(0.29)	-0.10%	8.76
115	GMR Infrastructure (Mauritius) Limited (GIML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	2,236.47	76.0%	1,896.45	-4.78%	348.49	-0.14%	12.32
116	GMR Infrastructure (Cyprus) Limited (GICL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	(22.33)	-0.07%	(25.47)	-0.04%	3.03	9.66%	(846.26)
117	GMR Infrastructure Overseas Limited	Malta	Subsidiary	100.00%	100.00%	100.00%	732.35	2.49%	627.76	-1.42%	103.77	0.02%	(1.53)
118	GMR Infrastructure (UK) Limited (GIUL)	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	3.98	0.01%	2.90	0.05%	(3.38)	0.09%	(8.05)
119	GMR Infrastructure (Global) Limited (GIGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	955.93	3.25%	960.05	0.00%	(0.31)	0.00%	(0.07)
120	GMR Energy (Global) Limited (GEGG)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	(0.12)	0.00%	0.05	0.00%	(0.18)	0.00%	(0.13)
121	Indo Tausch Trading DMCC (Indo Tausch)	United Arab Emirates	Subsidiary	100.00%	100.00%	100.00%	1.25	0.00%	1.62	0.00%	(0.27)	0.00%	(0.26)
122	GMR Infrastructure (Overseas) Limited (GIOL)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	1,695.73	5.76%	558.91	0.00%	0.17	0.06%	(5.06)
<b>Joint ventures (investment as per equity method)</b>													
123	GMR Kamalanga Energy Limited (GKEL)	India	Joint Venture <sup>7</sup>	45.22%	45.22%	45.22%	-	0.00%	-	0.00%	-	1.74%	(52.89)
124	GMR Energy Limited (GEL)	India	Joint Venture <sup>2,7</sup>	51.73%	51.73%	51.73%	3,145.66	10.69%	3,314.20	1.75%	(127.39)	1.62%	(141.97)
125	Rampia Coal Mine and Energy Private Limited (RCMEPL)	India	Joint Venture <sup>2,15</sup>	9.00%	9.00%	9.00%	NA	0.00%	NA	0.00%	NA	0.00%	-

Notes to the consolidated financial statements for the year ended March 31, 2018

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2018	Percentage of ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e., total assets minus total liabilities*				Share in total comprehensive income*			
				March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		
				As % of consolidated net assets	As % of consolidated net assets	As % of total comprehensive income	As % of total comprehensive income	As % of total comprehensive income	As % of total comprehensive income	₹ in crore	₹ in crore	₹ in crore	₹ in crore		
126	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	Joint Venture <sup>6,14</sup>	54.29%	51.73%	54.29%	51.73%	0.43%	125.27	0.00%	NA	-0.23%	17.10	0.00%	NA
127	Delhi Duty Free Services Private Limited (DDFS)	India	Joint Venture	48.97%	48.97%	66.93%	66.93%	0.87%	256.52	0.65%	232.47	-0.94%	68.23	-0.69%	60.34
128	Asia Pacific Flight Training Academy Limited (APFT)	India	Joint Venture <sup>4</sup>	NA	25.23%	NA	40.00%	0.00%	NA	0.00%	-	0.00%	NA	0.01%	(0.92)
129	Laxhya Hyderabad Airport Media Private Limited (Ladshya)	India	Joint Venture	30.87%	30.87%	49.00%	49.00%	0.05%	14.48	0.03%	10.45	-0.06%	4.03	-0.05%	4.07
130	Delhi Aviation Services Private Limited (DASPL)	India	Joint Venture	32.00%	32.00%	50.00%	50.00%	0.07%	20.28	0.05%	19.65	-0.08%	5.63	-0.03%	2.73
131	Delhi Aviation Fuel Facility Private Limited (DAFF)	India	Joint Venture	16.64%	16.64%	26.00%	26.00%	0.18%	53.30	0.14%	50.84	-0.15%	10.99	-0.10%	8.40
132	Wipro Airport IT Services Limited (WAISL)	India	Joint Venture	16.64%	16.64%	26.00%	26.00%	0.00%	1.43	0.01%	3.46	0.03%	(2.03)	-0.01%	1.00
133	GMR Mining & Energy Private Limited (GMEL)	India	Joint Venture	68.57%	68.57%	100.00%	100.00%	0.00%	(0.73)	0.00%	(0.72)	0.00%	(0.01)	0.00%	-
<b>Foreign</b>															
134	GMR Megawide Cebu Airport Corporation (GMCAC)	Philippines	Joint Venture	40.00%	40.00%	40.00%	40.00%	1.33%	390.25	0.99%	355.73	-0.80%	58.04	-0.58%	51.16
135	Limak GMR Construction JV (CJV)	Turkey	Joint Venture	50.00%	50.00%	50.00%	50.00%	0.00%	(0.78)	0.00%	-	0.00%	(0.25)	0.00%	-
136	Megawide GISPL Construction Joint Venture (MGCJV)	Philippines	Jointly Controlled Operations	50.00%	50.00%	50.00%	50.00%	0.11%	32.20	0.04%	14.60	-0.29%	21.18	-0.18%	16.08
137	Megawide GISPL Construction Joint Venture Inc. (MGCI/Inc.)	Philippines	Joint Venture <sup>2</sup>	50.00%	50.00%	50.00%	50.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	-
138	PT Golden Energy Mines Tbk (PTGEMS)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	10.71%	3,151.65	9.04%	3,249.19	-3.17%	231.48	-0.78%	68.74
139	PT Roundhill Capital Indonesia (RCI)	Indonesia	Joint Venture <sup>6</sup>	29.70%	29.70%	29.70%	29.70%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
140	PT Borneo Indobara (BIB)	Indonesia	Joint Venture <sup>6</sup>	29.43%	29.43%	29.43%	29.43%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
141	PT Kuansing Inti Makmur (KIM)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
142	PT Karya Cemerlang Persada (KCP)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
143	PT Bungo Bara Utama (BBU)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
144	PT Bara Harmonis Batang Asam (BHBA)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
145	PT Berkat Nusantara Permai (BNP)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
146	PT Tanjung Beit Bara Utama (TBBU)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
147	PT Trisula Kencana Sakti (TKS)	Indonesia	Joint Venture <sup>6</sup>	21.00%	21.00%	21.00%	21.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
148	PT Era Mitra Selaras (EMS)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
149	PT Wahana Rimba (WRL)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
150	PT Berkat Satria Abadi (BSA)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
151	GEMS Trading Resources Pte Limited (GEMSCR)	Singapore	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
152	PT Bumi Anugerah Semesta (formerly known as PT Karya Mining Solution) (BAS)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
153	PT Kuansing Inti Sejahtera (KIS)	Indonesia	Joint Venture <sup>6,9</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
154	PT Bungo Bara Makmur (BBM)	Indonesia	Joint Venture <sup>6,9</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
155	PT GEMS Energy Indonesia (PTGEI)	Indonesia	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
156	Shanghai Jinguang Energy Co Ltd (SIECL)	China	Joint Venture <sup>6</sup>	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
<b>Associates</b>															



Notes to the consolidated financial statements for the year ended March 31, 2018

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2018	Percentage of ownership (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e., total assets minus total liabilities*				Share in total comprehensive income*			
				March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018		March 31, 2017		March 31, 2018		March 31, 2017	
								As % of consolidated net assets	₹ in crore	As % of consolidated net assets	₹ in crore	As % of total comprehensive income	₹ in crore	As % of total comprehensive income	₹ in crore
157	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMI)	India	Associate	16.64%	16.64%	26.00%	26.00%	0.18%	52.24	0.14%	48.77	-0.07%	4.93	-0.03%	2.48
158	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	Associate	25.60%	25.60%	40.00%	40.00%	0.01%	4.41	0.01%	3.70	-0.01%	0.71	0.00%	0.17
159	TIM Delhi Airport Advertising Private Limited (TIM)	India	Associate	31.94%	31.94%	49.00%	49.00%	0.13%	36.90	0.09%	33.10	-0.18%	13.48	-0.14%	12.21
160	GMR Chhattisgarh Energy Limited (GCEL)	India	Associate <sup>3</sup>	47.62%	47.62%	47.62%	47.62%	5.05%	1,485.25	5.65%	2,029.39	7.46%	(5,44.14)	1.38%	(120.83)
161	GMR Rajahmundry Energy Limited (GREL)	India	Associate <sup>3</sup>	45.00%	45.00%	45.00%	45.00%	-1.90%	(57.86)	0.00%	-	7.44%	(57.86)	2.09%	(183.39)
162	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHPL)	India	Associate	36.00%	36.00%	36.00%	36.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	<b>Sub Total</b>							<b>100.00%</b>	<b>29,432.88</b>	<b>100.00%</b>	<b>35,937.60</b>	<b>100.00%</b>	<b>(7,297.08)</b>	<b>100.00%</b>	<b>(8,764.46)</b>
	<b>Add/Less: Non controlling interests in all subsidiaries</b>								(1,826.47)		(1,713.55)		(25,695)		(210.29)
	<b>Consolidation adjustments/eliminations**</b>								(21,961.60)		(27,168.22)		6,071.80		8,422.41
	<b>Total</b>								<b>5,644.81</b>		<b>7,055.83</b>		<b>(1,482.23)</b>		<b>(552.34)</b>

**\*\*The figures have been considered from the respective standalone financial statements before consolidation adjustments/eliminations.**

\*\* Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The reporting dates of the subsidiaries, joint ventures and associates coincide with that of the parent Company except in case of GADLIL (refer Sl. No. 111), GMIAL (refer Sl. No. 113), Indo Tausch (refer Sl. No. 121), PTGEMS and its subsidiaries and joint ventures (refer Sl. No. 138 to 156 above), GMCAC (refer Sl. No. 134 above) MGCJV (refer Sl. No. 136) and MGCJV Inc. (refer Sl. No. 137), whose financial statements for the year ended on and as at December 31, 2017 were considered for the purpose of consolidated financial statements of the Group.

The financial statements of other subsidiaries/joint ventures/associates have been drawn up to the same reporting date as of the Company, i.e. March 31, 2018.

**Notes:**

- 1 Disposed by the Group during the year ended March 31, 2017
- 2 Dilution in GEL during the year ended March 31, 2017.
- 3 Dilution during the year ended March 31, 2017 on account of Strategic Debt Restructuring.
- 4 Became subsidiary during the year, due to increase in stake by GHIAL.
- 5 The amounts for net assets/(liabilities) and net profit/(loss) of PTDSU and its subsidiaries have been presented on a consolidated basis.
- 6 The amounts for net assets/(liabilities) and net profit/(loss) of PTGEMS and its joint ventures have been presented on a consolidated basis.
- 7 The amounts for net assets/(liabilities) and net profit/(loss) of GEL and its subsidiaries and joint ventures have been presented on a consolidated basis.
- 8 During the year ended March 31, 2018, GEL has entered into a share subscription-cum-shareholders' agreement with DIAL whereby DIAL has subscribed for 20.85% equity shares of GBHHP.
- 9 Incorporated during the year ended March 31, 2018.
- 10 GHEMPL and GKSEZ merged with effect from July 01, 2017.
- 11 Wound up during the year ended March 31, 2018.
- 12 Ceased to be a subsidiary of GEL during the year ended March 31, 2017.
- 13 Partially held by GPCL. Refer 12 above.
- 14 Subsidiary of GEL, dilution due to 12 above; was a subsidiary till November 04, 2016.
- 15 Joint venture of GEL, dilution due to 12 above.
- 16 Incorporated during the year ended March 31, 2017.



## Notes to the consolidated financial statements for the year ended March 31, 2018

Particulars	(₹ in crore)												
	Freehold land	Leasehold land	Runways, aprons etc.	Bridges, roads	Bundlers etc.	Plant and machinery	Improvements	Office equipments (including computers)	Furniture and fixtures (including electrical installations and equipments)	Vehicles and aircrafts	Leased assets - plant and machinery (including computers)	Leased assets - office vehicles	Total
Reclassification	-	-	-	0.08	-	(0.01)	-	-	(0.07)	-	-	-	-
Additions on inclusion of subsidiary companies	-	-	-	-	-	0.51	0.28	0.19	0.10	-	-	-	1.08
Charge for the year	-	-	110.80	281.89	13.31	303.81	9.35	16.34	207.15	16.12	-	-	958.77
Disposals	-	-	-	(15.94)	-	(60.11)	(0.03)	(4.69)	(0.32)	(0.52)	-	-	(81.61)
Transferred to assets held for sale (refer note 3(5))	-	-	-	-	-	(29.75)	-	-	-	-	-	-	(29.75)
<b>As at March 31, 2018</b>	-	-	<b>331.40</b>	<b>849.49</b>	<b>39.87</b>	<b>882.03</b>	<b>34.66</b>	<b>40.16</b>	<b>619.41</b>	<b>54.57</b>	-	-	<b>2,851.59</b>
<b>Net Block</b>													
As at April 01, 2016	192.07	87.64	1,986.58	6,092.82	309.34	17,009.49	120.31	46.48	833.34	206.08	131.21	23.38	27,055.48
As at March 31, 2017	38.06	0.12	1,879.68	4,979.71	296.09	1,891.05	127.77	48.59	686.42	192.12	-	-	10,139.61
As at March 31, 2018	38.06	-	1,768.20	4,777.22	283.10	1,666.72	128.21	62.28	509.04	189.52	-	-	9,422.35

## Notes to the consolidated financial statements for the year ended March 31, 2018

### Notes:

1. The Group during the year ended March 31, 2017 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment has been carried forward at the amount as determined under the previous GAAP as at April 01, 2015.
2. Buildings (including roads) with gross block of ₹ 5,485.42 crore (March 31, 2017: ₹ 5,423.26 crore), runways, taxiways, aprons, bridges, culverts, bunders etc. are on leasehold land.
3. Development Fund collection charges of ₹ Nil (March 31, 2017: ₹ 1.30 crore) paid towards development of aeronautical assets in DIAL is capitalised from the Development Fund grant. Refer Note 46(i).
4. **Foreign exchange differences in gross block:**
  - a. Foreign exchange loss of ₹ 0.01 crore (March 31, 2017: gain of ₹ 0.09 crore) on account of translating the financial statement items of foreign entities using the exchange rate at the balance sheet date.
  - b. The MCA, Government of India ('GoI') vide its Notification No GSR 225 (E) dated March 31, 2009 prescribed certain changes to AS - 11 on 'The Effects of Changes in Foreign Exchange Rates'. The Group has, pursuant to adoption of such prescribed changes to the said Standard, exercised the option of recognizing the exchange differences arising in reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of depreciable assets. Exchange differences are capitalized as per paragraph D13AA of Ind AS 101 'First time adoption' availing the optional exemption that allows first time adopter to continue capitalization of exchange differences in respect of long term foreign currency monetary items recognized in the consolidated financial statement for the period ending immediately beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, Foreign exchange gain of ₹ 42.15 crore (March 31, 2017: ₹ 39.87 crore) in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets have been adjusted against property, plant and equipment.
5. **Held for sale includes:**
  - a. Refer Note 36(h) regarding the sale of asset of GPCL. As at March 31, 2018, the gross block of GPCL is ₹ 32.92 crore and accumulated depreciation is ₹ 29.75 crore.
  - b. Refer Note 36(f) regarding the MOU for sale of assets of PTDSU. As at March 31, 2017, the gross block of PTDSU is ₹ 5.81 crore and accumulated depreciation is ₹ 0.39 crore.
6. **Deconsolidation of entities:**  
As detailed in Note 36(d), GEL and its subsidiaries ceased to be subsidiaries of the Group w.e.f November 04, 2016. Further, as detailed in Note 36(e), GCEL ceased to be a subsidiary of the Group w.e.f. February 21, 2017.
7. During the year ended March 31, 2017, there is a modification in the terms of arrangement of leased assets of DIAL and as per the modified terms this arrangement no longer contains an embedded lease. Accordingly, DIAL has derecognised the asset and liabilities under finance lease.
8. Depreciation for the year of ₹ 6.75 crore (March 31, 2017 : ₹ 4.63 crore) relating to certain consolidated entities in the project stage, which are included in capital work-in-progress in Note 4 and intangible assets under development in Note 8.
9. The property, plant and equipment of the Group has been pledged for the borrowing taken by the Group. Refer Note 19 and 24 for details.
10. **Other adjustments** includes reversal of outstanding liabilities of GHIAL and DIAL amounting to ₹ 17.52 Crore (March 31, 2017: ₹ Nil) pertaining to project construction which are no longer payable now.

## Notes to the consolidated financial statements for the year ended March 31, 2018

## 4. Capital work in progress

	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
Capital expenditure incurred on tangible assets	543.97	830.25
Employee benefit expenses	9.49	148.28
Legal and professional fees	92.36	236.29
Travelling and conveyance	1.51	53.01
Depreciation / amortisation on property, plant and equipment and intangible assets	-	8.27
Interest costs	24.01	488.72
Exchange differences (net)	-	0.04
Power and fuel	-	1.45
Other expenses	4.39	139.43
	<b>(i) 675.73</b>	<b>1,905.74</b>
<b>Less: Other income</b>		
Interest income on bank deposits	0.49	3.39
Net gain on sale of current investments	13.60	0.58
Miscellaneous income [net of expenses directly attributable to such income ₹ Nil (March 31, 2017 : ₹ Nil)]	0.58	5.90
	<b>(ii) 14.67</b>	<b>9.87</b>
<b>Total (iii) = (i) - (ii)</b>	<b>661.06</b>	<b>1,895.87</b>
Less: Apportioned over the cost of tangible assets	73.22	253.37
Less: Deconsolidation of entities during the year <sup>1</sup>	-	1,403.30
	<b>(iv) 73.22</b>	<b>1,656.67</b>
<b>Total - (v) = (iii) - (iv)</b>	<b>587.84</b>	<b>239.20</b>

## Notes :

1. As detailed in Note 36(d), GEL and its subsidiaries ceased to be subsidiaries of the Group w.e.f. November 04, 2016. Further, as detailed in Note 36(e), GCEL ceased to be a subsidiary of the Group w.e.f. February 21, 2017. The details of their capital work in progress balances as on date of deconsolidation is as below :

Entity Name	(₹ in crore)
GEL and its underlying components	1,351.10
GCEL	52.20
<b>Total</b>	<b>1,403.30</b>

2. The Group during the year ended March 31, 2017 had adopted IND AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of capital work in progress has been carried forward at the amount as determined under the previous GAAP as at April 01, 2015.

## 5 Investment property under construction

(₹ in crore)

Particulars	Investment property under construction	Total
<b>Cost</b>		
<b>As at April 01, 2016</b>	<b>2,260.09</b>	<b>2,260.09</b>
Acquisitions during the year	14.25	14.25
Expenses capitalised during the year	249.76	249.76
Disposals	(2.29)	(2.29)
<b>As at March 31, 2017</b>	<b>2,521.81</b>	<b>2,521.81</b>
Acquisitions during the year	1.01	1.01
Expenses capitalised during the year	284.16	284.16
Disposals	(0.37)	(0.37)
<b>As at March 31, 2018</b>	<b>2,806.61</b>	<b>2,806.61</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Particulars	Investment property under construction	Total
<b>Accumulated depreciation</b>		
<b>As at April 01, 2016</b>	<b>0.43</b>	<b>0.43</b>
Charge for the year	0.70	0.70
Disposals	-	-
<b>As at March 31, 2017</b>	<b>1.13</b>	<b>1.13</b>
Charge for the year	0.87	0.87
Disposals	-	-
<b>As at March 31, 2018</b>	<b>2.00</b>	<b>2.00</b>
Net block		
<b>As at April 01, 2016</b>	<b>2,259.66</b>	<b>2,259.66</b>
<b>As at March 31, 2017</b>	<b>2,520.68</b>	<b>2,520.68</b>
<b>As at March 31, 2018</b>	<b>2,804.61</b>	<b>2,804.61</b>

**Notes :**

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

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Rental income derived from investment property	7.94	10.00
Less: Direct operating expenses (including repairs and maintenance) generating rental income	(4.85)	(7.01)
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	(2.60)	(3.38)
<b>Profit / (loss) arising from investment properties before depreciation</b>	<b>0.49</b>	<b>(0.39)</b>
Less: Depreciation for the year	(0.87)	(0.70)
<b>Profit / (loss) arising from investment properties</b>	<b>(0.38)</b>	<b>(1.09)</b>

- (b) Investment property under construction as at March 31, 2018 represents 10,826 acres (March 31, 2017 : 10,830 acres) of land held by the Group consisting of 8,240 acres (March 31, 2017 : 8,240 acres) of land held by KSPL for the purpose of SEZ and industrial in Kakinada, 1,284 acres (March 31, 2017 : 1,284 acres) of land held by GKSEZ for the purpose of SEZ at Krishnagiri and 1,302 acres (March 31, 2017 : 1,306 acres) of land held by various other entities.
- (c) State Industries Promotion Corporation of Tamil Nadu (SIPCOT) has issued notification / notice for acquisition of 595 acres (March 31, 2017 : 595 acres) of land for industrial purpose. The management of the Group does not foresee any financial loss arising out of such notification / notice.
- (d) Investment property of the Group has been pledged for the borrowing taken by the Group. Refer Notes 19 and 24 for details.
- (e) Fair value hierarchy disclosures for investment properties have been provided in Note 53(b).
- (f) Considering that the Investment property are under construction stage, the Group is not able to reliably measure the fair value of all the Investment property and hence, not disclosed the fair value.

**6. Goodwill on Consolidation**

(₹ in crore)

Particulars	
<b>Cost</b>	
<b>As at April 01, 2016</b>	<b>973.14</b>
Additions	-
Discontinued operations [refer note 36(d)]	(175.04)
Asset held for sale [refer note 36(f)]	(355.89)
<b>As at March 31, 2017</b>	<b>442.21</b>
Disposals [refer note 36(h)]	(1.40)
<b>As at March 31, 2018</b>	<b>440.81</b>
<b>Accumulated impairment</b>	
<b>As at April 01, 2016</b>	<b>100.16</b>
Charge for the year	-
Disposals <sup>1</sup>	(100.16)
<b>As at March 31, 2017</b>	<b>-</b>
Charge for the year	-
<b>As at March 31, 2018</b>	<b>-</b>
<b>Net book value</b>	
<b>As at April 01, 2016</b>	<b>872.98</b>
<b>As at March 31, 2017</b>	<b>442.21</b>
<b>As at March 31, 2018</b>	<b>440.81</b>

**Notes:**

1. Impairment of goodwill represents ₹ 100.16 crore of PTDSU during the year ended March 31, 2017. For details refer note 36(f).

## Notes to the consolidated financial statements for the year ended March 31, 2018

## 7. Other intangible assets

(₹ in crore)

Particulars	Airport concessionaire rights	Capitalised software	Carriage-ways	Mining rights	Technical know-how	Power Plant concessionaire rights	Right to Cargo facility	Total
<b>Gross block</b>								
<b>At Cost/Deemed cost</b>								
<b>As at April 01, 2016</b>	<b>430.47</b>	<b>14.84</b>	<b>2,735.81</b>	<b>53.98</b>	<b>8.98</b>	<b>926.89</b>	<b>15.16</b>	<b>4,186.13</b>
Additions	-	9.38	0.91	26.26	-	-	3.86	40.41
Disposals	-	-	-	-	-	-	(0.09)	(0.09)
Deconsolidation of entities (Refer Note 7(2))	-	(4.30)	-	(80.24)	-	(912.07)	-	(996.61)
<b>As at March 31, 2017</b>	<b>430.47</b>	<b>19.92</b>	<b>2,736.72</b>	<b>-</b>	<b>8.98</b>	<b>14.82</b>	<b>18.93</b>	<b>3,229.84</b>
Additions	-	0.78	1.86	-	-	-	2.95	5.59
Other adjustments (refer note 7(3))	-	-	(9.60)	-	-	-	(0.85)	(10.43)
<b>As at March 31, 2018</b>	<b>430.47</b>	<b>20.70</b>	<b>2,728.98</b>	<b>-</b>	<b>8.98</b>	<b>14.82</b>	<b>21.03</b>	<b>3,224.98</b>
<b>Accumulated Amortisation</b>								
<b>As at April 01, 2016</b>	<b>20.50</b>	<b>7.28</b>	<b>55.45</b>	<b>2.73</b>	<b>6.12</b>	<b>72.29</b>	<b>1.69</b>	<b>166.06</b>
Charge for the year	8.20	4.91	60.66	1.57	2.86	42.84	2.71	123.75
Disposals	-	-	-	-	-	-	(0.09)	(0.09)
Deconsolidation of entities (Refer Note 7(2))	-	(1.48)	-	(4.30)	-	(110.75)	-	(116.53)
<b>As at March 31, 2017</b>	<b>28.70</b>	<b>10.71</b>	<b>116.11</b>	<b>-</b>	<b>8.98</b>	<b>4.38</b>	<b>4.31</b>	<b>173.19</b>
Charge for the year	8.20	2.36	81.62	-	-	0.92	3.08	96.18
Other adjustments (refer note 7(3))	-	-	(1.52)	-	-	-	(0.82)	(2.34)
<b>As at March 31, 2018</b>	<b>36.90</b>	<b>13.07</b>	<b>196.21</b>	<b>-</b>	<b>8.98</b>	<b>5.30</b>	<b>6.57</b>	<b>267.03</b>
<b>Accumulated Impairment</b>								
<b>As at April 01, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charge for the year	-	-	385.70	-	-	-	-	385.70
<b>As at March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>385.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>385.70</b>
Reversed during the year	-	-	(385.70)	-	-	-	-	(385.70)
<b>As at March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Block</b>								
<b>As at April 01, 2016</b>	<b>409.97</b>	<b>7.56</b>	<b>2,680.36</b>	<b>51.25</b>	<b>2.86</b>	<b>854.60</b>	<b>13.47</b>	<b>4,020.07</b>
<b>As at March 31, 2017</b>	<b>401.77</b>	<b>9.21</b>	<b>2,234.91</b>	<b>-</b>	<b>-</b>	<b>10.44</b>	<b>14.62</b>	<b>2,670.95</b>
<b>As at March 31, 2018</b>	<b>393.57</b>	<b>7.63</b>	<b>2,532.77</b>	<b>-</b>	<b>-</b>	<b>9.52</b>	<b>14.46</b>	<b>2,957.95</b>

## Notes:

- The Group during the year ended March 31, 2017 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of other intangible assets has been carried forward at the amount as determined under the previous GAAP as at April 01, 2015.
- DECONSOLIDATION OF ENTITIES:**
  - As detailed in Note 36(d), GEL and its subsidiaries ceased to be subsidiaries of the Group w.e.f. November 04, 2016. Further, as detailed in Note 36(e), GCEL ceased to be a subsidiary of the Group w.e.f. February 21, 2017. Pursuant to the above, deletions during the year ended March 31, 2017 in power plant concessionaire rights, mining properties and capitalised software includes:

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Particulars	GCEL	GEL and its components	Total
Gross block as at March 31, 2017	81.09	915.52	996.61
Less: Accumulated amortisation as at March 31, 2017	(4.58)	(111.95)	(116.53)
<b>Net block as at March 31, 2017</b>	<b>76.51</b>	<b>803.57</b>	<b>880.08</b>

- Other Adjustments** - Other adjustments includes reversal of retention money of GHVEPL amounting to ₹ 9.60 Crore (March 31, 2017: ₹ Nil) pertaining to project construction which are no longer payable now and reversal for depreciation thereon amounting to ₹ 1.52 Crore (March 31, 2017: ₹ Nil) under depreciation charge of the year.
- Based on an internal assessment and valuation carried out by an external expert during the year ended March 31, 2017, the management of the Group had made a provision for impairment of ₹385.70 crore towards the carrying value of carriageways of GHVEPL and reversed the provision in the current year ending March 31, 2018.

### 8. Intangible assets under development

	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
Capital expenditure incurred on intangible assets	1.21	127.66
Project premium	-	164.48
Employee benefit expenses	-	129.65
Legal and professional fees	-	110.85
Depreciation / amortisation on property, plant and equipment and intangible assets	-	0.21
Interest costs	-	96.21
Other expenses	-	63.49
	<b>(i) 1.21</b>	<b>692.55</b>
<b>Less: Other income</b>		
Miscellaneous income [net of expenses directly attributable to such income ₹ Nil (March 31, 2017: ₹ Nil )	-	9.32
	<b>(ii) -</b>	<b>9.32</b>
<b>Total - (iii) = (i) - (ii)</b>	<b>1.21</b>	<b>683.23</b>
Less: Asset classified as held for sale (refer note 36(f) and 36(k))	-	463.17
Less: Deconsolidation of entities during the year	-	220.06
	<b>(iv) -</b>	<b>683.23</b>
<b>Total - (v) = (iii) - (iv)</b>	<b>1.21</b>	<b>-</b>

- The Group during the year ended March 31, 2017 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of other intangible assets has been carried forward at the amount as determined under the previous GAAP as a April 01, 2015.



Notes to the consolidated financial statements for the year ended March 31, 2018

9a. Interest in Joint ventures

(1) Details of joint ventures :

Name of the Entity	Country of incorporation / Place of Business	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		
<b>a) Material Joint Ventures :</b> GMR Kamalanga Energy Limited (GKEL) <sup>3</sup>	India	NA	NA	NA	NA	Own and Operates a 1,050 MW coal based thermal power plant at Kamalanga, Orissa.	Equity Method
GMR Megawide Cebu Airport Corporation (GMCAC) <sup>9</sup>	Philippines	40.00%	40.00%	40.00%	40.00%	Operates the Mactan Cebu International Airport.	Equity Method
Delhi Duty Free Services Private Limited (DDFS)	India	48.97%	48.97%	66.93%	66.93%	Operates Duty free shop at Indira Gandhi International Airport, New Delhi.	Equity Method
GMR Energy Limited (GEL) and its components <sup>5</sup>	India	51.73%	51.73%	51.73%	51.73%	Owns a barge mounted gas based power plant. Owns/operates/constructs thermal, solar and hydro power plants through its subsidiaries and joint ventures.	Equity Method
PT Golden Energy Mines TBK (PTGEMS) and its components <sup>9</sup>	Indonesia	30.00%	30.00%	30.00%	30.00%	Coal mining and trading operations in Indonesia .	Equity Method
<b>b) Others :</b> Delhi Aviation Services Private Limited (DASPL)	India	32.00%	32.00%	50.00%	50.00%	Manages the operation of bridge mounted equipment and supply potable water at Indira Gandhi International Airport, New Delhi.	Equity Method
Delhi Aviation Fuel Facility Private Limited (DAFFPL)	India	16.64%	16.64%	26.00%	26.00%	Operates aircraft refueling facility at Indira Gandhi International Airport, New Delhi.	Equity Method
Wipro Airport IT Services Limited (WAISL)	India	16.64%	16.64%	26.00%	26.00%	Provides IT infrastructure services at Indira Gandhi International Airport, New Delhi.	Equity Method
Laqshya Hyderabad Airport Media Private Limited (Laqshya)	India	30.87%	30.87%	49.00%	49.00%	Provides outdoor media services for display of advertisement at Hyderabad Airport.	Equity Method
Asia Pacific Flight Training Academy Limited (APFT) <sup>4</sup>	India	NA	25.23%	NA	40.00%	Provides flight training services at Hyderabad Airport.	Equity Method
GMR Bajoli Holi Hydropower Private Limited (GBHPL) <sup>6, 7</sup>	India	54.29% <sup>7</sup>	NA	54.29% <sup>7</sup>	NA	180 MW hydro based power project under construction	Equity Method
Limak GMR Joint Venture (Limak)	Turkey	50.00%	50.00%	50.00%	50.00%	Joint venture formed for construction of ISG airport, Turkey .	Equity Method
GMR Mining & Energy Private Limited (GMEL) <sup>8</sup>	India	68.57%	68.57%	68.57%	68.57%	Engaged in mining.	Equity Method

## Notes to the consolidated financial statements for the year ended March 31, 2018

### Notes :

1. Aggregate amount of unquoted investment in joint ventures - ₹ 4,005.69 crore (March 31, 2017 : ₹ 4,000.68 crore).
2. Aggregate amount of quoted investment in joint ventures - ₹ 3,151.65 crore (March 31, 2017 : ₹ 3,249.19 crore). ; Market value of quoted investments in joint ventures : December 31, 2017 : ₹ 2,280.88 crore (December 31, 2016 : ₹ 2,552.33 crore). Refer Note 9(b)(13)(iii)
3. Jointly controlled entity of GEL and hence consolidated in GEL and its components w.e.f November 04, 2016.
4. As at March 31, 2018, consolidated as 100% subsidiary on account of acquisition of additional stake in APFT by GHIAL.
5. Refer Note No. 36(d) for subscription of shares of GEL by Tenaga and other investors.
6. Refer Note 2.3(viii) for acquisition of shares of GBHHPL by DIAL.
7. Percentage of effective ownership interest held (directly and indirectly) as well as percentage of voting right includes GEL share in GBHHPL also.
8. Partially held by GCEL which got diluted during the year ended March 31, 2017 on account of Strategic Debt Restructuring ('SDR').
9. The reporting dates of the joint ventures entities coincide with the parent Company except in case of GMCAC and PTGEMS and its components whose financial statements for the year ended on and as at December 31, 2016 and December 31, 2017 were considered for the purpose of consolidated financial statements of the Group as these are the entities incorporated outside India and their financials are prepared as per calender year i.e. January to December.

## Notes to the consolidated financial statements for the year ended March 31, 2018

(2) Summarised financial information for material joint ventures

(₹ in crore)

Particulars	GEL and its components**		DDFS		GMCAC		PTGEMS and its components		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2018	March 31, 2017
<b>Current assets</b>										
Cash & cash equivalents	46.22	92.30	28.25	28.68	197.10	285.54	1,134.29	396.82	1,405.86	803.34
Current tax assets	-	-	-	-	-	-	4.18	1.03	4.18	1.03
Other assets	1,079.47	1,126.03	191.54	141.72	73.83	61.72	1,549.32	999.39	2,894.16	2,328.86
<b>Total current assets</b>	<b>1,125.69</b>	<b>1,218.33</b>	<b>219.79</b>	<b>170.40</b>	<b>270.93</b>	<b>347.26</b>	<b>2,687.79</b>	<b>1,397.24</b>	<b>4,304.20</b>	<b>3,133.23</b>
<b>Non current assets</b>										
Non current tax assets	22.69	31.50	-	-	-	-	-	-	22.69	31.50
Deferred tax assets	-	-	15.70	17.12	-	-	30.24	51.47	45.94	68.59
Other non current assets	6,270.59	7,006.85	273.10	263.41	3,683.53	3,205.96	1,108.21	1,145.51	11,335.43	11,621.73
<b>Total non current assets</b>	<b>6,293.28</b>	<b>7,038.35</b>	<b>288.80</b>	<b>280.53</b>	<b>3,683.53</b>	<b>3,205.96</b>	<b>1,138.45</b>	<b>1,196.98</b>	<b>11,404.06</b>	<b>11,721.82</b>
<b>Current liabilities</b>										
Financial liabilities (excluding trade payable)	1,685.10	1,448.88	56.42	37.22	33.56	36.03	514.70	17.19	2,289.78	1,539.32
Current tax liabilities	1.48	6.04	2.57	4.21	-	-	276.21	64.80	280.26	75.05
Other liabilities (including trade payable)	390.70	328.61	113.59	71.92	239.26	222.95	806.76	288.21	1,550.31	911.69
<b>Total current liabilities</b>	<b>2,077.28</b>	<b>1,783.53</b>	<b>172.58</b>	<b>113.35</b>	<b>272.82</b>	<b>258.98</b>	<b>1,597.67</b>	<b>370.20</b>	<b>4,120.35</b>	<b>2,526.06</b>
<b>Non current liabilities</b>										
Financial liabilities (excluding trade payable)	3,732.06	4,634.18	68.44	106.58	2,622.14	2,332.42	257.73	325.50	6,680.37	7,398.68
Deferred tax liabilities	0.26	0.39	-	-	21.85	23.47	49.07	52.42	71.18	76.28
Other liabilities (including trade payable)	159.07	141.95	3.87	3.24	62.02	49.03	28.19	26.37	253.15	220.59
<b>Total non current liabilities</b>	<b>3,891.39</b>	<b>4,776.52</b>	<b>72.31</b>	<b>109.82</b>	<b>2,706.01</b>	<b>2,404.92</b>	<b>334.99</b>	<b>404.29</b>	<b>7,004.70</b>	<b>7,695.55</b>
Less: Non controlling interest	(19.21)	(19.29)	-	-	-	-	(8.66)	-	(27.87)	(19.29)
<b>Net assets</b>	<b>1,431.09</b>	<b>1,677.34</b>	<b>263.70</b>	<b>227.76</b>	<b>975.63</b>	<b>889.32</b>	<b>1,884.92</b>	<b>1,819.73</b>	<b>4,555.34</b>	<b>4,614.15</b>

\*\* Refer Note 9a(L)(3) and 9a(L)(5)

Notes to the consolidated financial statements for the year ended March 31, 2018

(3) Reconciliation of carrying amounts of material joint ventures

Particulars	GEL and its components**		DDFS		GMCAC		PTGEMS and its components		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2018	March 31, 2017
Opening net assets	1,677.34	*	227.76	193.36	889.32	790.42	1,819.73	1,648.42	4,614.15	2,632.20
Profit for the year	(245.07)	*	124.09	90.69	144.83	128.17	777.68	237.27	801.53	456.13
Other Comprehensive Income	(1.18)	*	(8.71)	(0.54)	0.28	(0.28)	(6.09)	(8.14)	(15.70)	(8.96)
Dividends paid	-	*	(66.00)	(46.14)	-	-	(592.13)	(108.35)	(658.13)	(154.49)
Dividend distribution tax	-	*	(13.44)	(9.61)	-	-	-	-	(13.44)	(9.61)
Foreign currency translation difference account	-	*	-	-	(58.80)	(28.99)	(114.27)	50.53	(173.07)	21.54
<b>Closing net assets</b>	<b>1,431.09</b>	<b>1,677.34</b>	<b>263.70</b>	<b>227.76</b>	<b>975.63</b>	<b>889.32</b>	<b>1,884.92</b>	<b>1,819.73</b>	<b>4,555.34</b>	<b>2,936.81</b>
Proportion of the group's ownership	51.73%	51.73%	66.93%	66.93%	40.00%	40.00%	30.00%	30.00%		
Group's share	740.30	867.69	176.49	152.44	390.25	355.73	565.48	545.92	1,872.52	1,921.78
<b>Adjustments to the equity values</b>										
a) Fair valuation of Investments	2,405.36	2,446.51	-	-	-	-	-	-	2,405.36	2,446.51
b) Goodwill	-	-	80.03	80.03	-	-	2,586.17	2,703.27	2,666.20	2,783.30
<b>Carrying amount of the investment</b>	<b>3,145.66</b>	<b>3,314.20</b>	<b>256.52</b>	<b>232.47</b>	<b>390.25</b>	<b>355.73</b>	<b>3,151.65</b>	<b>3,249.19</b>	<b>6,944.08</b>	<b>7,151.59</b>

\* Indicates disclosure not applicable  
 \*\* Refer Note No. 9a(1)(3) and 9a(1)(5)

(4) Summarised statement of profit & loss for material joint ventures

(₹ in crore)

Particulars	GKEL*		GEL and its components		DDFS		GMCAC		PTGEMS and its components		Total	
	March 31, 2018	Upto November 04, 2016	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2018	March 31, 2017
Revenue from operations	-	1,104.22	1,810.86	716.07	1,118.09	1,000.29	298.55	265.82	5,017.04	2,606.40	8,244.54	5,692.80
Interest income	-	7.16	48.10	25.94	16.43	15.45	0.70	48.44	43.43	113.67	133.67	92.47
Depreciation and amortisation expenses	-	174.67	180.47	86.52	20.09	19.73	3.21	1.67	29.62	30.57	233.39	313.16
Finance Cost	-	390.28	638.42	380.16	11.12	16.05	27.68	25.46	29.53	35.06	706.75	847.01
Other expenses (net of other income)	-	722.20	1,288.97	547.11	917.03	831.17	120.84	108.47	3,897.43	2,250.11	6,224.27	4,464.06
Tax expenses / (income)	-	(2.98)	(3.83)	2.34	62.19	58.10	2.69	2.54	315.46	96.82	376.51	156.82
Profit / (loss) from continuing operations	-	-	(739.6)	(274.12)	124.09	90.69	144.83	128.17	793.44	237.27	988.40	182.01
Profit / (loss) from discontinued operations	-	(177.79)	(171.11)	-	-	-	-	-	-	-	(171.11)	(177.79)
Profit / (loss) for the year	-	(177.79)	(245.07)	(274.12)	124.09	90.69	144.83	128.17	793.44	237.27	817.29	4.22
Less : Non controlling interest	-	-	-	-	-	-	-	-	(15.76)	-	(15.76)	-
Profit / (loss) for the year attributable to parent	-	(177.79)	(245.07)	(274.12)	124.09	90.69	144.83	128.17	777.68	237.27	801.53	4.22
Other comprehensive income	-	(0.01)	(1.26)	(0.38)	(8.71)	(0.54)	0.28	(0.28)	(6.53)	(8.14)	(16.22)	(9.35)
Less : Non controlling interest	-	-	0.08	-	-	-	-	-	0.44	-	0.52	-
Other comprehensive income attributable to parent	-	(0.01)	(1.18)	(0.38)	(8.71)	(0.54)	0.28	(0.28)	(6.09)	(8.14)	(15.70)	(9.35)
Total comprehensive income to parent	-	(177.80)	(246.25)	(274.50)	115.38	90.15	145.11	127.89	771.59	229.13	785.83	(5.13)
Less : DDT paid	-	-	-	-	(13.44)	-	-	-	-	-	(13.44)	-
Total comprehensive income to parent net of DDT	-	(177.80)	(246.25)	(274.50)	101.94	90.15	145.11	127.89	771.59	229.13	772.39	(5.13)
Group share of profit / (loss) for the year	-	(152.89)	(127.39)	(141.97)	68.23	60.34	58.04	51.16	231.48	68.74	230.36	(114.62)
Dividend received by Group from Joint ventures	-	-	-	-	44.17	31.59	-	-	177.64	32.51	221.81	64.10

\* Subsequent to November 04, 2016 GKEL has been included as a part of GEL and its components and disclosed accordingly.

## Notes to the consolidated financial statements for the year ended March 31, 2018

## (5) Financial information in respect of other joint ventures

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Aggregate carrying amount of investments in individually immaterial joint ventures	213.26	98.28
Aggregate amount of group's share of :		
- Profit / (loss) for the year	38.22	34.73
- Other comprehensive income for the year	(0.01)	-
- Total comprehensive income for the year	38.21	34.73
- Less : DDT paid	(2.76)	(3.37)
- Total comprehensive income for the year (net of DDT)	35.45	31.36

## (6) Contingent liabilities in respect of joint ventures (Group's share)

## a) Contingent liabilities (Group's share)

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
<b>Contingent Liabilities</b>		
Corporate guarantees	760.76	760.76
Bank guarantees outstanding / Letter of credit outstanding	229.31	251.22
Disputed entry tax liabilities	83.24	83.24
Claims against the Group not acknowledged as debts	13.51	13.09
Disputed arrears of electricity charges	5.34	5.34
Matters relating to income tax under dispute	45.43	48.49
Matters relating to indirect taxes duty under dispute	0.53	1.73
Disputed demand for deposit of fund setup by water resource department	27.13	-
<b>Total</b>	<b>1,165.25</b>	<b>1,163.87</b>

## b) Notes

- i) The management of the Group believes that the ultimate outcome of the above matters will not have any material adverse effect on the Group's consolidated financial position and result of operations.
- ii) Refer Note 50(b) with regard to corporate guarantee provided by the Group on behalf of joint ventures.
- iii) Entry Tax and penalty demand of GKEL of ₹ 184.07 crores (Group's share is ₹ 83.24 crores) (March 31, 2017 : ₹ 184.07 crores; Group's share is ₹ 83.24 crores) was raised by the Additional Commissioner Cuttack, for non payment of entry tax on imported plant and machineries from outside India as per Orissa Entry Tax Act, 1999. GKEL has deposited ₹ 28.00 crores (March 31, 2017 : ₹ 28.00 crores) under protest and had filed appeal before the appellate authorities and special leave petition before Hon'ble Supreme Court. On April 7, 2017 the Hon'ble Supreme Court has passed an Order in favour of the Commercial tax department by giving liberty to the petitioner to review their writ petition and making appropriate application to the High Court. Further, GKEL has filed writ petition with the Hon'ble High Court, Odisha. The management of the Group believes that the demand is not tenable and said litigation will not have any impact on the consolidated financial statements of the Group.
- iv) A search under section 132 of the IT Act was carried out at the premises of the GEL and certain entities of the GEL Group by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates during the year ended March 31, 2013 to check the compliance with the provisions of the IT Act. The Income Tax Department has subsequently sought certain information / clarifications. During the year ended March 31, 2015 and March 31, 2016, block assessments have been completed for some of the companies of the Group and appeals have been filed with the income tax department against the disallowances made in the assessment orders. The management of the Group believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

## Notes to the consolidated financial statements for the year ended March 31, 2018

**c) Others in addition to (a) and (b) above:**

- i) During the year ended March 31, 2012, GEL received an intimation from the Chief Electrical Inspectorate, Government of Andhra Pradesh ('GoAP'), whereby GoAP had demanded electricity duty on generation and sale of electrical energy amounting to ₹ 11.06 crores (Group's share is ₹ 5.72 crores) calculated at the rate of six paise for each electricity unit generated by GEL for the period from June 2010 to December 2011.

Based on an internal assessment and a legal opinion obtained by GEL, the management of the Group is confident that the provisions of Electricity Duty Act and Rules, 1939 in respect of payment of electricity duty are not applicable to GEL and accordingly, electricity duty liability of ₹ 14.61 crores (Group's share is ₹ 7.56 crores) for the period June 2010 to March 31, 2018 has been considered as a contingent liability and accordingly no adjustments have been made in these consolidated financial statements of the Group for the year ended March 31, 2018.

- ii) GEL had entered into a Power Purchase Agreements ('PPAs') with Karnataka Power Transmission Corporation Limited for supply of energy during the period December 15, 1997 to July 07, 2008. GEL had a Fuel Supply Agreement ('FSA') with a fuel supplier towards purchase of Naptha for generation of electricity during the aforementioned period. The FSA provided for payment of liquidated damages to the fuel supplier in the event there was a shortfall in the purchase of the annual guaranteed quantity.

During the year ended March 31, 2013, GEL received a demand towards liquidated damages amounting to ₹ 296.16 crores (Group's share is ₹ 153.20 crores) along with an interest of ₹ 5.55 crores (Group's share is ₹ 2.87 crores) towards failure of GEL to purchase the annual guaranteed quantity for the period from November 21, 2001 to June 06, 2008 under the erstwhile FSA. GEL had disputed the demand from the supplier towards the aforementioned damages.

During the year ended March 31, 2014, the fuel supplier had filed a petition in the Hon'ble High Court of Karnataka seeking appointment of a sole arbitrator for the resolution of the dispute. GEL filed its reply and as per the High court order, arbitrators have been appointed. During the year ended March 31, 2015, the fuel supplier has submitted its statement of claim amounting to ₹ 272.64 crores (after adjusting dues of ₹ 29.08 crores payable to GEL) towards liquidated damages and interest at the rate of 15% p.a. on such liquidated damages. Further, GEL has filed its statement of defense and counter claim amounting to ₹ 35.96 crores along with interest at the rate of 18% p.a. During the year ended March 31, 2017, the Arbitration Tribunal issued its arbitral award directing the fuel supplier to pay ₹ 32.21 crores to GEL towards its counter claim filed by GEL and rejected the claims of the fuel supplier. Subsequently, the fuel supplier filed an appeal before the District Civil Court of Bangalore for setting aside the entire arbitration award. The fuel supplier has also filed an interim application under Section 36 of the Arbitration and Conciliation Act for grant of interim stay on execution of the Arbitration award.

The District City Civil Court vide its order issued the stay order on the operation of the Arbitration Award on furnishing of a bank guarantee by the fuel supplier equivalent to 50% of counter claim amount. Fuel supplier has filed writ petition before Karnataka High Court for setting aside the interim stay order dated March 04, 2017. Karnataka high court has dismissed the objection petition. GEL has filed execution petition before Delhi High Court for execution of Arbitral award, the outcome of which is awaited. Fuel supplier has filed an appeal before Bangalore High court against the order passed by the District Civil Court, the outcome of which is awaited. The final outcome of the case is pending conclusion. However based on its internal assessment and a legal opinion, the management of the Group is confident that the claim of the fuel supplier towards such liquidated damages is not tenable and accordingly no adjustments have been made to the consolidated financial statements of the Group and the claim from the fuel supplier has been considered as a contingent liability.

- iii) During the year ended March 31, 2012, GVPGL, a subsidiary of GEL, had received a demand of ₹ 48.21 crore (Group's share is ₹ 24.94 crore) for the period September 2006 to November 2011 from the Chief Electrical Inspectorate, GoAP, whereby GoAP has imposed electricity duty on generation and sale of electrical energy calculated at the rate of six paise for each electricity unit generated by GVPGL since commencement of commercial operations. Based on an internal assessment and an expert opinion, the management of the Group is confident that the provisions of Electricity Duty Act and Rules, 1939 in respect of payment of electricity duty are not applicable to GVPGL. Accordingly, electricity duty liability of ₹ 63.10 crore (Group's share is ₹ 32.64 crore) for the period September 2006 to March 2018 has been considered as a contingent liability.

- iv) During the year ended March 31, 2010, GVPGL was granted a refund of customs duty of ₹ 69.10 crore which was paid earlier towards the import of plant and machinery. Subsequently, GVPGL received a refund of ₹ 59.11 crore.

a. During the year ended March 31, 2011, GVPGL received an intimation from the Office of the Joint Director General of Foreign Trade ('DGFT') for cancellation of duty drawback refund order received in 2009-10 to the extent of ₹ 9.99 crore.

b. During the year ended March 31, 2012, GVPGL received a further intimation from DGFT for cancellation of duty drawback refund order of ₹ 59.11 crore received in 2009-10, thereby seeking refund of the amount that it received earlier. Based on an expert's opinion

## Notes to the consolidated financial statements for the year ended March 31, 2018

the management is confident that the duty drawback refund granted earlier was appropriate and that the cancellation of the duty drawback refund is not tenable. Accordingly, no adjustment has been made with regard to the refund of ₹ 59.11 crores (Group's share is ₹ 30.58 crores) already received by GVPGL in the consolidated financial statements of the Group.

- c. GVPGL has filed a writ petition with the Hon'ble High Court of Delhi in November 2011. During the year ended March 31, 2015, the matter has been transferred to Hon'ble Supreme Court of India and will be concluded along with other similar cases and is pending finalization as at March 31, 2018. GVPGL considers ₹ 59.11 crores as government grant received as per Ind AS 20 - 'Accounting for Government Grants and Disclosure of Government Assistance' and recognises the same as income on a straight line basis in the Statement of profit and loss over the concession period.
- v) GKEL had appointed SEPCO Electric Power Construction Corporation (SEPCO) as the engineering, procurement and construction contractor for the power project pursuant to an international competitive bidding process. Subsequently GKEL and SEPCO have initiated arbitration proceedings towards settlement of disputed dues / claims of both the parties. GKEL invoked the bank guarantees of its EPC contractors amounting to ₹ 579.30 crores on November 12, 2014 for liquidated damages, non-payment of debit notes issued by the GKEL and outstanding liabilities to sub-contractors of EPC contractor. The EPC contractors have filed a claim approximately of ₹ 1,967.00 crores (group's share is ₹ 889.48 crores) in Singapore International Arbitration Counsel. GKEL has also filed its reply to the statement of claims and have filed counter claims approximating of ₹ 1,660.03 crores (Group's share is ₹ 750.67 crores). Based on internal assessments and an external legal opinion, the management of the Group believes that the claim of the EPC contractor is not tenable and the said litigation will not have any impact on the consolidated financial statements of the Group.
- vi) GKEL has entered into a Bulk Power Transmission Agreement with Power Grid Corporation of India Limited ('PGCIL') for availing Long Term Access ('LTA') for inter-state transmission of 800MW of power from its three units of generating station on long term basis. During the earlier year, one of the unit was subsequently connected with the Odisha State Transmission System thereby resulting in the reduction in connectivity upto 647 MW. PGCIL failed to make necessary corrections in the LTA/BPTA on account of reduction in connectivity and allocation remain unchanged to GKEL despite repeated requests to modify the same thus making GKEL liable for relinquishment charges. GKEL filed petition before CERC seeking relief on relinquishment charges which was rejected by CERC. Further GKEL filed petition before APTEL against the impugned CERC order. GKEL till date has not received any demand for monthly payments on the relinquished capacity nor any waiver towards relinquishment charges. The management of the Group is of the opinion that the grant of LTA is beyond the generation capacity of the plant and requirement of reduction of LTA was not on GKEL's own accord but was forced due to reasons attributable to implementing agencies. GKEL is hopeful of getting relief as requested in his petition before APTEL and does not foresee any financial implication that requires any adjustments to the consolidated financial statements of the Group.
- vii) GKEL and GWEL has been made a party to various litigation in relation to land acquired and other matters for their power project. The compensation award has already been deposited with the Government and the possession of all these lands have already been handed over to GKEL/GWEL. In all these matters there are no adverse interim orders as at March 31, 2018. The management of the Group believes that the claims filed against GKEL/GWEL are not tenable and does not have any adverse impact on the consolidated financial statements.
- viii) State of Himachal Pradesh has filed claim against GBHHPL in District court of Himachal Pradesh seeking 1% additional free power from GBHHPL based on New Hydro Power Policy, 2008.
- ix) In case of GBHHPL, petition have been filed with Hon'ble Supreme Court challenging the grant of environmental clearance and approval granted for diversion of Forest land for shifting of project site from right to left bank of river Ravi.

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 9b. Interest in Associates

#### (1) Details of Associates :

Name of the Entity	Country of incorporation / Place of Business	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		
<b>a) Material associates :</b> GMR Chhattisgarh Energy Limited (GCEL) <sup>2</sup>	India	47.62%	47.62%	47.62%	47.62%	Owns and operates 1,370 MW coal based thermal power plant in Raipur district of Chattisgarh.	Equity Method
GMR Rajahmundry Energy Limited (GREL) <sup>2</sup>	India	45.00%	45.00%	45.00%	45.00%	Owns and operates 768 MW combined cycle gas based power plant at Rajahmundry, Andhra Pradesh.	Equity Method
TIM Delhi Airport Advertising Private Limited (TIMDAA)	India	31.94%	31.94%	49.90%	49.90%	Provides advertisement services at Indira Gandhi International Airport, New Delhi.	Equity Method
Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	India	16.64%	16.64%	26.00%	26.00%	Provides Cargo services at Indira Gandhi International Airport, New Delhi.	Equity Method
Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	25.60%	25.60%	40.00%	40.00%	Provides food & beverages services at Indira Gandhi International Airport, New Delhi.	Equity Method

#### Notes :

- Aggregate amount of unquoted investment in associates - ₹ 1,578.80 crore (March 31, 2017 : ₹ 2,114.96 crore).
- GCEL and GREL became associates during the year ended March 31, 2017 on account of SDR by the lenders. Were subsidiaries as at March 31, 2016. Refer Note No. 36(b) and 36(e).

#### (2) Summarised financial information for material associates

(₹ in crore)

Particulars	GCEL		GREL		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Current assets</b>						
Cash & cash equivalents	9.62	2.45	1.79	5.26	11.41	7.71
Current tax assets	-	-	0.34	0.57	0.34	0.57
Other assets	206.35	105.55	52.91	56.50	259.26	162.05
<b>Total current assets</b>	<b>215.97</b>	<b>108.00</b>	<b>55.04</b>	<b>62.33</b>	<b>271.01</b>	<b>170.33</b>
<b>Non current assets</b>						
Non current tax assets	0.31	0.69	-	-	0.31	0.69
Deferred tax assets	-	-	-	-	-	-
Other non current assets	10,080.64	10,540.01	2,271.16	3,218.64	12,351.80	13,758.65
<b>Total non current assets</b>	<b>10,080.95</b>	<b>10,540.70</b>	<b>2,271.16</b>	<b>3,218.64</b>	<b>12,352.11</b>	<b>13,759.34</b>
<b>Current liabilities</b>						
Financial liabilities (excluding trade payable)	1,936.41	874.39	552.31	212.48	2,488.72	1,086.87
Current tax liabilities	-	0.13	0.31	0.31	0.31	0.44
Other liabilities (including trade payable)	159.89	47.34	63.37	63.63	223.26	110.97
<b>Total current liabilities</b>	<b>2,096.30</b>	<b>921.86</b>	<b>615.99</b>	<b>276.42</b>	<b>2,712.29</b>	<b>1,198.28</b>



## Notes to the consolidated financial statements for the year ended March 31, 2018 (₹ in crore)

Particulars	GCEL		GREL		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Non current liabilities</b>						
Financial liabilities (excluding trade payable)	5,036.15	5,422.40	2,343.33	2,394.08	7,379.48	7,816.48
Deferred tax liabilities	-	-	0.45	-	0.45	-
Other liabilities (including trade payable)	45.51	42.80	11.41	15.77	56.92	58.57
<b>Total non current liabilities</b>	<b>5,081.66</b>	<b>5,465.20</b>	<b>2,355.19</b>	<b>2,409.85</b>	<b>7,436.85</b>	<b>7,875.05</b>
<b>Net assets</b>	<b>3,118.96</b>	<b>4,261.64</b>	<b>(644.98)</b>	<b>594.70</b>	<b>2,473.88</b>	<b>4,856.34</b>

## (3) Reconciliation of carrying amounts of material associates

(₹ in crore)

Particulars	GCEL		GREL		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Opening net assets	4,261.64	*	594.70	*	4,856.34	*
Profit/(Loss) for the year	(1,142.80)	*	(1,267.19)	*	(2,409.99)	*
Other Comprehensive income	0.12	*	27.51	*	27.63	*
Other Equity	-	*	-	*	-	*
<b>Closing net assets</b>	<b>3,118.96</b>	<b>4,261.64</b>	<b>(644.98)</b>	<b>594.70</b>	<b>2,473.98</b>	<b>4,856.34</b>
Proportion of the group's ownership	47.62%	47.62%	45.00%	45.00%		
Group's share	1,485.25	2,029.39	(290.24)	267.62	1,195.01	2,297.01
<b>Adjustments to the equity values</b>						
a) Additional impairment charge	-	-	(267.62)	(267.62)	(267.62)	(267.62)
b) Amount shown under Current Liabilities	-	-	557.86	-	557.86	-
<b>Carrying amount of the investment</b>	<b>1,485.25</b>	<b>2,029.39</b>	<b>-</b>	<b>-</b>	<b>1,485.25</b>	<b>2,029.39</b>

\*Indicates disclosure not applicable. Refer note 9(b)(1)(2)

## (4) Summarised Statement of Profit &amp; Loss for material associates

(₹ in crore)

Particulars	GCEL		GREL		Total	
	March 31, 2018	March 31, 2017*	March 31, 2018	March 31, 2017**	March 31, 2018	March 31, 2017
Revenue from operations	368.30	45.87	-	274.84	368.30	320.71
Interest income	7.94	0.97	0.58	3.91	8.52	4.88
Depreciation and amortisation expenses	366.28	29.89	178.50	181.48	544.78	211.37
Finance Cost	777.36	78.45	274.32	236.33	1,051.68	314.78
Other expenses (net of other income)	375.93	192.98	828.63	269.35	1,204.56	462.33
Tax expenses / (income)	(0.53)	0.18	(13.68)	(0.88)	(14.21)	(0.70)
Profit / (loss) for the year	(1,142.80)	(254.66)	(1,267.19)	(407.53)	(2,409.99)	(662.19)
Other comprehensive income	0.12	(0.05)	27.51	-	27.63	(0.05)
Total comprehensive income	(1,142.68)	(254.71)	(1,239.68)	(407.53)	(2,382.36)	(662.24)
Group share of profit / (loss) for the year	(544.14)	(120.83)	(557.86)	(183.39)	(1,102.00)	(304.22)
Impairment Loss shown under exceptional item	-	-	(385.70)	-	(385.70)	-
Net Group share of profit / (loss) for the year	(544.14)	(120.83)	(172.16)	(183.39)	(716.30)	(304.22)
Dividend received by Group from associates	-	-	-	-	-	-

\*For the period March 01,2017 to March 31,2017

\*\* For the period May 12,2016 to March 31,2017

## (5) Financial information in respect of other associates

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Aggregate carrying amount of investments in individually immaterial associates	93.55	85.57
Aggregate amount of group's share of :		
- Profit / (loss) for the year	21.46	17.09

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
- Other comprehensive income for the year	(0.07)	(0.06)
- Total comprehensive income for the year	21.39	17.03
- Less : DDT paid	(2.27)	(2.17)
- Total comprehensive income for the year (net of DDT)	19.12	14.86

### (6) Carrying amount of investments in joint ventures, associates and others

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Material joint ventures (refer note no. - 9(a))	6,944.08	7,151.59
Material associates (refer note no. - 9(b))	1,485.25	2,029.39
Other joint ventures (refer note no. - 9(a))	213.26	98.28
Other associates (refer note no. - 9(b))	93.55	85.57
Other non-current investments (refer note no. - 9(c))	95.43	83.46
<b>Total</b>	<b>8,831.57</b>	<b>9,448.29</b>

### (7) Share in profits / (loss) of joint ventures / associates (net)

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Material joint ventures	230.36	(114.62)
Material associates	(716.30)	(304.22)
Other joint ventures	35.45	31.36
Other associates	19.13	14.86
<b>Total</b>	<b>(431.36)</b>	<b>(372.62)</b>

### (8) Share of exceptional items

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Material associates	(385.70)	-
<b>Total</b>	<b>(385.70)</b>	<b>-</b>

### (9) a) Contingent liabilities in respect of associates (Group's share)

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Bank guarantees outstanding / Letter of credit outstanding	485.53	499.85
Claims against the Group not acknowledged as debts	1.49	12.39
Matters relating to income tax under dispute	0.13	-
Matters relating to indirect taxes duty under dispute	0.02	-
<b>Total</b>	<b>487.17</b>	<b>512.24</b>

b) Refer Note 50(b) with regard to corporate guar antee provided by the Group on behalf of associates.

#### c) Others in addition to (a) and (b) above:

i) The environmental clearance for Talabira - 1 Coal Mine vested to the Group from Hindalco Industries Limited ('prior allottee') in terms of the Vesting Order received from the Nominated Authority, Ministry of Coal, GOI has been challenged at the National Green Tribunal, Eastern Bench, Kolkata. The said dispute is continuing from the time of Hindalco industries Limited and is pending as on the date. However, the management of the Group is of the opinion that the dispute raised does not have any legal validity and accordingly no adjustments are required to be made in these consolidated financial statements for the year ended March 31, 2018.

ii) Also refer Note 9(b)(13)(v).

## Notes to the consolidated financial statements for the year ended March 31, 2018

**10 Capital Commitments in respect of joint ventures and associates****a) Capital commitments in respect of joint ventures**

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	681.96	869.33

**b) Capital commitments in respect of associates**

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	19.51	78.46

**11 Other Commitments of / towards joint ventures and associates**

- i) Certain entities in power sector have entered into PPAs with customers, pursuant to which these entities have committed to sell power of contracted capacity as defined in the respective PPAs, make available minimum Power Load Factor (PLF) over the period of tariff year as defined in the respective PPAs. The PPAs contain provision for disincentives and penalties in case of certain defaults.
- ii) Certain entities in power sector have entered into fuel supply agreements with suppliers whereby these entities have committed to purchase and suppliers have committed to sell contracted quantity of fuel for defined period as defined in the respective fuel supply agreements, including the fuel obtained through the suppliers outside India.
- iii) One of the overseas entities in power sector and the Government of Indonesia (Government) have entered into coal sale agreement for a defined period pursuant to which the entity is required to pay to the Government, amount equivalent to a specified percentage of proceeds from sale of the coal by the entity. Further, based on a regulation of the Government, all Companies holding mining rights have an obligation to pay an exploitation fee equivalent to certain percentage, ranging from 3% - 5% of sales, net of selling expenses and in certain cases, it is required to pay fixed payment (deadrent) to the Government based on total area of land in accordance with the rates stipulated therein.
- iv) One of the overseas entities in power sector (as the buyer) and its joint ventures (as the seller) in power sector have entered into a coal sale agreement for sale and purchase of coal, whereby the buyer entity and seller entity have committed to, respectively, take delivery and to deliver, minimum specified percentage of the annual tonnage as specified in the agreement for each delivery year, based on the agreed pricing mechanism. The buyer entity is also committed to use the coal for the agreed use, provided that it shall not sell any coal to any person domiciled or incorporated in the country in which the seller entity operates.
- v) One of the overseas entities in power sector has entered into a Cooperation Agreement with a third party whereby the entity is required to pay Land management fee from USD 1/ton up to USD 4.75/ton based on the provision stated in the agreement.
- vi) One of the overseas entities in power sector has entered into a Road Maintenance Agreement with third parties whereby the entity is required to maintain the road during the road usage period.
- vii) Certain entities in the power sector have entered into long term assured parts supply and maintenance agreements with sub-contractors whereby these entities have committed to pay fixed charges in addition to variable charges based on operating performance as defined in the agreements. The entities have also committed to pay incentives on attainment of certain parameters by the sub-contractors.
- viii) GEL has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of its project stage subsidiaries, to the extent as defined in the agreements executed with the respective lenders.
- ix) One of the entities in airports sector has entered into a tripartite Master Service Agreement ('MSA') with the service provider and the holding company of the service provider, whereby this entity is committed to pay annually to the service provider if the receivable of the service provider falls short of subsistence level (as defined in the said MSA). Also in case of delay in payment of dues from customers to the service provider, this entity would fund the deficit on a temporary basis till the time the service provider collects the dues from aforementioned customers.
- x) In respect of Group's investments in certain jointly controlled entities, other joint venture partners have the first right of refusal in case any of the joint venture partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.
- xi) In respect of Group's investments in jointly controlled entities, the Group cannot transfer / dispose its holding for a period as specified in the respective joint venture agreements.
- xii) Shares of the certain joint ventures have been pledged as security towards loan facilities sanctioned to the Group. Refer Notes 19 and 24.
- xiii) The Group has committed to provide continued financial support to some of the joint ventures and associates, to ensure that these entities are able to meet their debts and liabilities as they fall due and they continue as going concerns.
- xiv) Certain entities in power sector have made a commitment towards expenditure on corporate social responsibility activities amounting to ₹ 54.52 crores (March 31, 2017 : ₹ 50.64 crores).
- xv) GEL has entered into a Share Subscription and Share Holding Agreement with Infrastructure Development Finance Company Limited ('shareholder')

## Notes to the consolidated financial statements for the year ended March 31, 2018

in which it has committed to the shareholder that either the Company directly, or indirectly (along with the other Group companies as defined in the shareholding agreement) will hold at least 51% of the paid up equity share capital of GKEL.

- xvi) The Group has committed to provide financial support to GREL, as required by the SDR scheme, to enable GREL to meet its liabilities as and when it falls due, operational expense and losses for a period not less than 12 months.

### 12 Trade receivables in respect of joint ventures and associates

- i) GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') on March 17, 2010 for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with APTEL. APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly as at March 31, 2018, GWEL has raised claim of ₹ 311.04 crore (Group's share is ₹ 160.90 crores) towards reimbursement of transmission charges from March 17, 2014 till March 31, 2018. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and also applied for stay proceedings for the above order of APTEL, which was rejected by the Hon'ble Supreme Court of India.

In view of the favorable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of ₹ 311.04 crore (Group's share is ₹ 160.90 crores) relating to the period from March 17, 2014 to March 31, 2018 (including ₹ 88.28 crore for the year ended March 31, 2018) in the Statement of profit and loss.

- ii) GWEL and GMR Kamalanga Energy Limited ('GKEL'), a joint venture of GEL had claimed compensation for various "change in law" events including compensation for additional fuel cost on account of shortage of linkage coal in its power purchase agreements ('PPA') and filed Petition with Central Electricity Regulatory Commission (CERC). CERC has disallowed the claims in some of PPA's and appeals are pending for adjudication.

However, Supreme Court in its order dated April 11, 2017 in case of Energy watchdog vs CERC and Ors, concluded that deviation in New Coal Distribution Policy (NCDP) would constitute to change in law event. Subsequent to the same, CERC in the case of TANGEDCO and PTC India Limited held deviation in NCDP as change in law event and allowed the GWEL's and GKEL's claim of Coal Cost Pass through.

In view of the Supreme Court Order and CERC order in its own case and as per the legal opinion received from the legal counsel, GWEL and GKEL has recognized the income of ₹ 97.79 crore (Group's share is ₹ 50.59 crore) and ₹ 170.92 crore (Group's share is ₹ 77.29 crore) respectively against the PPA's during the year ended March 31, 2018, which were earlier disallowed by the CERC and management of the Group is confident of recovering the receivables.

- iii) GWEL during the year has raised supplementary invoices with regard to claims towards change in Law events relating to the period from October 2015 to January 2018 on TANGEDCO amounting to ₹ 73.02 crore (Group's share is ₹ 37.77 crore) which are duly acknowledged by the customer and also accrued income of ₹ 2.02 crore (Group's share is ₹ 1.04 crore related to the period from February 2018 to March 2018. In view of the Order of CERC dated March 16, 2018 with regard to petition filed by GWEL and Supreme Court's order, as detailed in ii) above, management of the Group is confident of recovering the receivables.
- iv) GKEL has committed to sell up to 300MW to Uttar Harayana Bijli Vidyut Nigam Limited and Dakshin Harayana Bijli Vidyut Nigam Limited ('Harayana Discoms') through PTC India Limited (PTC) under Section 63 of the Electricity Act, 2003 (ie; competitive bidding). GKEL filed a petition before CERC claiming additional tariff considering the change in law impact of various variable cost components. The CERC has after considering the submission by both the parties allowed GKEL's claim and accordingly GKEL has recognised revenue. However, PTC has not paid GKEL's claim on change in law amounting approximately to ₹ 158.29 crore (Group's share is ₹ 71.58 crore) (net of advance of ₹ 97.75 crore) from July 2016 onwards. GKEL had filed clarification application before CERC seeking confirmation on such operational parameters which have been upheld in the favour of GKEL by CERC vide its Order dated March 20, 2018. The management of the Group is confident of recovering the receivables.
- v) GKEL has entered into long-term PPA's with GRIDCO Limited, CERC has issued favourable orders with regard to GKEL's additional tariff claims for 2009-14 tariff period, pursuant to which GKEL has submitted bills and recognised revenue of ₹ 612.11 crore (Group's share is ₹ 276.80 crore) till date. The said bills have been acknowledged by the customers and presently under their verification. GRIDCO has withheld ₹ 320.62 crore (Group's share is ₹ 144.98 crore) which will be settled once quantitative reconciliation is completed. The management of the Group is confident in recovery the dues and hence no provision for doubtful debt has been made in the financial statements of GKEL.

Further, GKEL with reference to the clause 6.2.2 of the PPA executed with GRIDCO Limited on January 04, 2011, has recognised revenue with regard to the reimbursement of Electricity Duty on Auxillary consumption for the period from January, 2013 to March, 2018 for ₹ 16.19 crore (Group's share is ₹ 8.38 crore).

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 13 Others

- i) The Group entered into a Subscription and Shareholders Agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the investors have acquired a 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of USD 30.00 crore through primary issuance of equity shares of GEL. The transaction was completed on November 4, 2016 and GEL allotted equity shares to the Investors for the said consideration of USD 30.00 crore. As per the conditions precedent to the completion of the transaction, GEL's investment in certain entities was transferred from GEL to other subsidiaries of the Company along with novation of loans taken from the Company to GMR Generation Assets Limited ('GGAL') (formerly 'GMR Renewable Energy Limited') towards discharge of the purchase consideration.

Pursuant to the aforesaid transaction, GEL and its underlying entities ceased to be subsidiaries of the Company and have been considered as joint ventures as per the requirements of Ind AS -28.

- ii) The Group has investments of ₹ 3,145.66 crore in GEL, a joint venture of the Group as at March 31, 2018. GEL have certain underlying subsidiaries/ joint ventures/ associates which are engaged in energy sector including mining operations. GEL and some of its underlying subsidiaries/ joint ventures as further detailed in notes (iv), (vii) and (viii) below have been incurring losses. Based on the valuation assessment by the external expert during the year ended March 31, 2018 and the sensitivity analysis carried out for some of the aforesaid assumptions, the value so determined after discounting the projected cash flows using discount rate ranging from 14.00% to 16.00% across various entities indicates that there exists an impairment loss of ₹ 765.00 crore in the value of Group's investment in GEL and its subsidiaries/joint ventures/ associates as at March 31, 2018. However, for reasons as detailed in notes (iv), (vii) and (viii) below, the management is of the view that the carrying value of the Group's investment in GEL is appropriate and no further adjustment has been made in the consolidated financial statements for the year ended March 31, 2018 in this regard.
- iii) The Group has investments of ₹ 3,151.65 crore in PTGEMS, a joint venture of the Group as at March 31, 2018. PTGEMS along with its subsidiaries is engaged in the business of coal mining and trading activities. The cost of investments made by the Group is significantly higher than the book value of assets of PTGEMS and includes certain future benefits including Coal Supply Agreement ('CSA') of GCRPL with PTGEMS whereby the Group is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount. The Group has not significantly commenced the offtake of the coal under the CSA, however an amended CSA has been executed during the year ended March 31, 2018, pursuant to which the supplies are expected to commence in the next financial year. Further, during the year ended March 31, 2017, Group had restructured its loan facility with the lenders whereby the loan is repayable over a period of 5 years commencing January 2017. After a significant decline in 2016 and 2017, the coal prices in the international markets have exhibited stability during the last few quarters making the operations of the mines more profitable. Though the shares of PTGEMS are listed on the overseas exchanges, the management is of the view that the quoted prices are not reflective of the underlying value of the mines as in the past few years the shares have been very thinly traded and trading is suspended as at March 31, 2018. Based on these factors and valuation assessment carried out by an external expert during the year ended March 31, 2018, the management of the Group believes that the carrying value of aforesaid investments in PTGEMS as at March 31, 2018 is appropriate.
- iv) In view of lower supplies / availability of natural gas to the power generating companies in India, GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GMR Rajahmundry Energy Limited ('GREL') are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL has not generated and sold electrical energy since April 2013. GVPGL and GREL emerged as successful bidders in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 and October 2015 respectively till September 2016. These entities have ceased operations and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply. During the year ended March 31, 2017, GEL had entered into a MOU with an external party for sale of its 220 MW gas based power plant, however the sale was not completed. Presently, the management of the Company is actively identifying the customers for the barge mount plant held by GEL.

GREL had not commenced commercial operations pending linkages of natural gas supply from the Ministry of Petroleum and Natural Gas till the period ended September 30, 2015. As a result, the consortium of lenders of GREL decided to implement Strategic Debt Restructuring Scheme, under the Framework of Reserve Bank of India for Revitalizing Distressed Assets in the Economy, whereby the lenders have to collectively hold 51% or more of the equity share capital in such assets by converting part of the debt outstanding into equity and to undertake flexible structuring of balance debt post conversion as a Corrective Action Plan for improving viability and revival of the project. Pursuant to the scheme, borrowings aggregating to ₹ 1,308.57 crore and interest accrued thereon amounting to ₹ 105.42 crore was converted into equity shares of GREL on May 12, 2016 for 55% stake in equity share capital of GREL and the Group has given a guarantee of ₹ 2,571.71 crore to the lenders against the remaining debt. Under the SDR Scheme, the bankers had to find new promoters for GREL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018. Meanwhile, Reserve Bank of India (RBI) has issued a circular "Resolution of Stressed Assets - Revised Framework" on February 12, 2018. With this circular, all existing frameworks for stressed asset resolution including SDR stand discontinued and the resolution plan is to be implemented within 180 days from the reference date, viz., March 01, 2018. The lenders and the management are exploring various options for revival of the project and is confident of implementing a resolution plan within the period of 180 days, as allowed by the RBI circular. The lenders have advised the Company and GGAL to ensure payment of their dues failing which the lenders shall be constrained to invoke the guarantees.

Consequent to the SDR and the conversion of loans into equity share capital by the consortium of lenders, GREL ceased to be a subsidiary of the Group and the Group has accounted its investments in GREL under the Equity Method as per the requirements of Ind AS - 28.

## Notes to the consolidated financial statements for the year ended March 31, 2018

Further, during the year ended March 31, 2014, in case of GVPGL's litigation with APDISCOMs, Appellate Tribunal for Electricity ('APTEL') had passed orders declaring that natural gas for the purpose of Power Purchase Agreement ('PPA') includes Regasified Liquefied Natural Gas ('RLNG'). During the year ended March 31, 2018, pursuant to the appeal filed by APDISCOMs, the Honorable Supreme Court has held that RLNG is not natural gas for the purpose of the said PPA and accordingly GVPGL cannot be entitled for capacity charges based on availability declaration for generation of power on the basis of RLNG.

The management of the Group is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management of the Group carried out a valuation assessment of GVPGL and GREL during the year ended March 31, 2018 which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff and other operating parameters, which it believes reasonably reflect the future expectations from these projects. The management of the Group will monitor these aspects closely and take actions as are considered appropriate and is confident that these gas based entities will be able to generate sufficient profits in future years and meet their financial obligations as they arise. Based on the aforementioned reasons and business plans, the management is of the view that the carrying value of the investment of ₹ 898.38 crore of GEL and GVPGL as at March 31, 2018 is appropriate. The Group has provided for its investment in full in GREL and the management is confident of implementing a resolution plan with the lenders for the guarantee provided to the lenders against the remaining debt.

- v) The Group has investments of ₹ 1,536.88 crore (including ₹ 51.63 crore towards advances and receivables) in GMR Chhattisgarh Energy Limited ('GCEL') after providing for diminution in the value of investment. GCEL has declared commercial operations of Unit I on November 1, 2015 and Unit II on March 31, 2016 of its 1,370 MW coal based thermal power plant at Raipur district, Chhattisgarh. GCEL does not have any long - term PPAs currently and has been incurring losses since the commencement of its commercial operations and has accumulated losses of ₹ 3,146.56 crore as at March 31, 2018. During the year ended March 31, 2018, GCEL has been successful in its bid under the Tolling Linkage initiative of the Government of India and has won a Power Purchase Agreement for supply of power to the extent of 500MW to Gujrat Urja Vikas Nigam Limited ('GUVNL') for a period of 8 months which has commenced during the year ended March 31, 2018.

GCEL has experienced certain delays and incurred cost overruns in the completion of the project including receipt of additional claims from the EPC contractors. The claims of the key EPC contractor of USD 14.36 crore, Doosan Power Systems India Private Limited ('DPS') is under arbitration in the Singapore International Arbitration Centre (SIAC). Based on the legal opinion, the management is confident that it has strong defence for the claims raised by the EPC contractor and believes that the claims are not tenable in law and accordingly no financial implications are expected out of the said arbitration.

GCEL has also obtained provisional Mega Power status certificate from the Ministry of Power, GoI, and accordingly has availed an exemption of customs and excise duty against bank guarantees of ₹ 955.68 crore and pledge of deposits of ₹ 54.90 crore. The grant of final mega power status of GCEL was dependent on its achieving tie up for supply of power for 70% of its installed capacity through the long term power purchase agreements by way of competitive bidding and the balance through regulated market within stipulated time (i.e., March 2022) The management of GCEL is certain of fulfilling the conditions relating to Mega Power status in the foreseeable future, pending which cost of customs and excise duty has not been included in the cost of the project.

Further, GCEL was allotted two coal mines at Ganeshpur and Talabira to meet its fuel requirements. During the period ended September 30, 2017, GCEL has filed writ petition with Delhi High Court for surrendering both the coal blocks allotted during the year ended March 31, 2015. The management is of the opinion that in view of the recent decisions by the Delhi High Court in similar cases, no adjustments will be required to the accompanying consolidated financial statements of the Group in connection with the surrender of mines.

GCEL had entered into Bulk Power Transmission Agreement ('BPTA') with Power Grid Corporation of India Limited ('PGCIL'), per which GCEL was granted Long Term Access (LTA) of 386MW in Western Region and 430MW in Northern Region. GCEL has written letters to PGCIL for surrendering these transmission lines and has filed a petition before Central Electricity Regulatory Commission ('CERC') for acceding to GCEL's request. During the year ended March 31, 2018, PGCIL operationalized the LTA and issued two letters calling upon the GCEL to schedule the transfer of power against LTA and establish a letter of credit failing which regulatory action would be initiated. GCEL has filed a petition before the Delhi High Court against the letters issued by PGCIL. The Delhi High Court issued an interim order during the year ended March 31, 2018 staying the operation of the impugned letters till GCEL has the opportunity to approach CERC for such relief and accordingly GCEL has submitted an application with CERC on October 21, 2017 to restrain PGCIL from operationalizing LTA and consequently raising the bill for the same. GCEL based on an internal assessment is of the view that the factors adversely impacting the supply of power by GCEL is "Force Majeure" as per BPTA and accordingly, believes that this will not have financial implications on GCEL.

During the year ended March 31, 2017, under a Framework for Revitalizing Distressed Assets in the Economy by RBI, the lenders of GCEL have implemented the Strategic Debt Restructuring ('SDR') Scheme on February 21, 2017 pursuant to which borrowings of GCEL aggregating to ₹ 2,992.22 crore (including interest accrued thereon of ₹ 654.73 crore) got converted into equity shares. The aforesaid conversion has resulted in loss of control by the Group over GCEL and the Consortium of bankers have taken over 52.38% of the paid up equity share capital of GCEL and the bankers have to find a new promoter for GCEL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018. Further, majority of the lenders have reduced interest rates for GCEL. Consequent to the SDR as stated above, GCEL ceased to be a subsidiary of the Group and has been considered as an associate as per the requirement of Ind AS -28. Meanwhile, RBI has issued a circular "Resolution of Stressed Assets - Revised Framework" on February 12, 2018. With this circular, all existing frameworks for stressed asset resolution including SDR stand discontinued and the resolution plan is to be implemented within 180 days from the reference date, viz., March 01, 2018. The

## Notes to the consolidated financial statements for the year ended March 31, 2018

Consortium of lenders are in the process of identifying investors for GCEL so as to revive the operational and financial position of GCEL and has shortlisted prospective investors, with whom discussions are currently in progress.

The management of the Group carried out a valuation assessment of GCEL during the year ended March 31, 2018 which includes certain assumptions relating to future revenues, profitability in operation and servicing of its debts which is dependent upon tying up of its entire generation capacity at profitable rates through long term and medium term PPA in a power scarce market, achievement of higher PLF, projected sales mix of PPA, fuel linkage tie ups, refinancing of existing loans with lower rates of interest with banks, achievement of mega power status, successful gains from upcoming PPA Bids, successful outcome of all legal disputes and non-extraction of coal from Ganeshpur Mines. The cash flows so projected based on the aforementioned assumptions are discounted using a discount rate of 17.00%. Based on the aforesaid valuation assessment by the external expert and the sensitivity analysis carried out for some of the aforesaid assumptions the value so determined indicates that there exists a further diminution in the value of Company's investment in GCEL of ₹ 1,485.00 crore as at March 31, 2018.

As per the RBI circular dated February 12, 2018 for resolution of stressed assets stated above, the management of the Group, including the lenders of GCEL, who also collectively are the majority shareholders, have initiated a process for 'change of control' of GCEL, which entails sale of up to 100% equity stake of GCEL. The process is in an advanced stage and is expected that the process of change in control would be completed by August 2018 as per the timelines indicated in the RBI circular for resolution of stressed assets. In view of the confidentiality involved in the resolution process, the management is not in receipt of any bid value from the prospective buyers/ lenders and is confident that it will succeed in completing the change of control and subsequently the Group will be able to recover the carrying value of assets in GCEL and accordingly, the management of the Group is of the view that the carrying value of the investments in GCEL of ₹ 1,536.88 crore (net of provision for diminution in the value of investments) as at March 31, 2018 is appropriate.

- vi) GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a subsidiary of GEL, is in the process of setting up 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended March 31, 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. During the year ended March 31, 2018, the validity of Environmental Clearance ('EC') granted to GBHPL by the MoEF ceased to exist. Pursuant to an application made by GBHPL, the MoEF vide its letter dated April 17, 2018, proposed to extend the EC granted to GBHPL for a period of 3 years, subject to the final outcome of the matter pending before the Court. Based on its internal assessment and a legal opinion, the management of the Group is confident of obtaining the requisite clearances and based on business plan and a valuation assessment carried out by an external expert during the year ended March 31, 2018, the management of the Group is of the view that the carrying value of net assets of GBHPL as at March 31, 2018 is appropriate.
- vii) GWEL is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora. GWEL has accumulated losses of ₹ 718.26 crore as at March 31, 2018 which has resulted in substantial erosion of GWEL's net worth. GWEL has achieved the COD of Unit I in March 2013 and of Unit II in September 2013 and has tied up entire power supplies capacity with customers and has completed the refinancing of its term and other loans with the lenders which has resulted in the reduction in the rate of interest and extended repayment period. Though the net worth of GWEL is fully eroded, the management of GWEL expects that the plant will generate sufficient profits in the future years and based on business plans and valuation assessment by an external expert during the year ended March 31, 2018, the management of the Group is of the view that the carrying value of the net assets in GWEL by GEL as at March 31, 2018 is appropriate.
- viii) GKEL is engaged in development and operation of 3\*350 MW under Phase I and 1\*350 MW under Phase II, coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of ₹ 1,817.55 crore as at March 31, 2018, which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. GKEL has a fuel supply agreement for 500 MW with Mahanadi Coal Fields Limited, a subsidiary of Coal India Limited. Further, GKEL has fuel supply agreement for 493 MW with Shakti Linkage. Pursuant to the Reserve Bank of India's framework for revitalizing distressed assets in the economy (including strategic debt restructuring scheme), the consortium of bankers have amended the rupee term loan agreement on June 29, 2015 and accordingly loan is to be repaid in 66 quarterly structured instalments from October 1, 2017. Further, GKEL received certain favourable orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers. In view of these matters, business plans, valuation assessment by an external expert during the year ended March 31, 2018, the management is of the view that the carrying value of the net assets in GKEL by GEL as at March 31, 2018 is appropriate.

## (9) c) Financial Assets - Non-current investments

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
<b>Investments carried at fair value through consolidated statement of profit or loss</b>		
In equity shares of other companies	0.56	0.59
<b>Investments at amortised cost</b>		
Investment in Debentures <sup>1</sup>	93.64	81.36
In other securities	1.23	1.51
	<b>95.43</b>	<b>83.46</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

Particulars	March 31, 2018	March 31, 2017
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	95.43	83.46

1. During the year ended March 31, 2011, GSPHPL had invested ₹ 100.00 crore in Kakinada Infrastructure Holding Private Limited (KIHPL), a shareholder in KSPL, through cumulative optionally convertible debentures with coupon rate of 0.10% p.a. GSPHPL is entitled to exercise the option of conversion of the aforesaid debentures into equity shares of KIHPL at a mutually agreed valuation at any time not exceeding 36 months from the date of execution of the debenture agreement (March 18, 2011). This period had been extended by 18 months with effect from March 18, 2014. During the year ended March 31, 2016, this period has been further extended by 36 months from September 18, 2015. In the event GSPHPL does not exercise the option to convert the debentures into shares within the said period, the debentures shall be compulsorily converted by KIHPL into equity shares on expiry of the aforementioned period. The investment in KIHPL of ₹ 100.00 crore has been carried at amortised cost as per Ind AS 109.

### 10. Trade receivables

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
<b>Unsecured, considered good</b>	81.63	42.23	1,769.65	1,736.74
	<b>81.63</b>	<b>42.23</b>	<b>1,769.65</b>	<b>1,736.74</b>
<b>Unsecured, considered doubtful</b>	10.35	9.04	23.11	13.69
Less: Allowances for doubtful receivables, including allowance for expected credit losses	(10.35)	(9.04)	(23.11)	(13.69)
	-	-	-	-
<b>Total</b>	<b>81.63</b>	<b>42.23</b>	<b>1,769.65</b>	<b>1,736.74</b>

- (i) Refer note 50 for trade or other receivables due from directors or other officers of the Group either severally or jointly with any other person and trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) Trade receivables are non-interest bearing, except receivables of GHIAL amounting to ₹ 88.61 crore which is at 18% p.a.
- (iii) Includes retention money deducted by customer to ensure performance of the Group's obligations and hence are receivable on the completion of contract or after the completion of defect liability period as defined in the respective contract and accordingly no discounting has been done for the same.

### 11. Loans

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
<b>Security Deposit</b>				
Unsecured, considered good				
Security deposit with related parties (refer note below)	0.11	0.11	31.09	31.09
Security deposit with others	26.81	35.31	7.70	5.23
Unsecured, considered doubtful	0.20	0.31	-	-
	27.12	35.73	38.79	36.32
Provision for doubtful deposits	(0.20)	(0.31)	-	-
<b>Total (A)</b>	<b>26.92</b>	<b>35.42</b>	<b>38.79</b>	<b>36.32</b>
<b>Other loans</b>				
Unsecured, considered good				
Loan to related parties (refer note below)	81.52	370.72	437.61	100.12
Loan to others	36.22	45.45	3.10	14.44
Loan to employees	0.58	0.53	2.38	4.65
	<b>118.32</b>	<b>416.70</b>	<b>443.09</b>	<b>119.21</b>



## Notes to the consolidated financial statements for the year ended March 31, 2018

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
Unsecured, considered doubtful				
Loan to related parties (refer note below)	214.82	214.82	-	-
Loan to others	0.59	-	-	-
	215.41	214.82	-	-
Provision for doubtful loans	(215.41)	(214.82)	-	-
<b>Total (B)</b>	<b>118.32</b>	<b>416.70</b>	<b>443.09</b>	<b>119.21</b>
<b>Total (A+B)</b>	<b>145.24</b>	<b>452.12</b>	<b>481.88</b>	<b>155.53</b>
<b>Security deposit includes deposits with related parties:</b>				
GMR Family Fund Trust ('GFFT')	-	-	31.09	31.09
Others	0.11	0.11	-	-
	<b>0.11</b>	<b>0.11</b>	<b>31.09</b>	<b>31.09</b>
<b>Loan to related parties considered good include :</b>				
GMR Enterprises Private Limited ('GEPL')	-	331.00	373.40	10.00
Laqshya	2.65	4.76	-	-
MGCJV	10.04	-	-	-
GOSEHHHPL	-	14.30	-	-
GKEL	1.44	-	14.42	-
GVPGL	1.59	-	9.76	12.45
GBHPL	16.30	-	3.15	40.30
GMCAC	17.85	16.75	-	-
GREL	-	-	0.36	1.04
GWEL	1.44	1.43	14.84	8.25
GEL	-	-	1.68	0.82
GCEL	3.66	2.48	2.54	2.45
GBHHPL	-	-	2.55	1.26
GAGL	-	-	-	10.25
WAISL	-	-	8.09	6.27
AAI	-	-	6.80	7.03
GMEL	-	-	0.02	-
TIMDA	0.75	-	-	-
GBEPL	25.80	-	-	-
	<b>81.52</b>	<b>370.72</b>	<b>437.61</b>	<b>100.12</b>
<b>Loan to related parties considered doubtful include :</b>				
GKEL	212.00	212.00	-	-
WAISL	2.82	2.82	-	-
	<b>214.82</b>	<b>214.82</b>	-	-

1. Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Group. The carrying value may be affected by the changes in the credit risk of the counter parties.

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 12 Other financial assets

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances (refer note 16)	401.60	500.44	-	-
<b>Total (A)</b>	<b>401.60</b>	<b>500.44</b>	<b>-</b>	<b>-</b>
<b>Derivative instruments at fair value through OCI</b>				
Derivatives designated as hedge				
Cross currency swap (refer note 52)	71.69	-	-	-
<b>Total (B)</b>	<b>71.69</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Derivative instruments at fair value through profit or loss</b>				
Derivatives not designated as hedge				
Call spread option (refer note 52)*	19.80	-	-	-
Interest rate swaps	-	-	-	8.64
<b>Total (C)</b>	<b>19.80</b>	<b>-</b>	<b>-</b>	<b>8.64</b>
<b>Unsecured, considered good unless stated otherwise</b>				
Receivable against service concession arrangements	1,172.95	1,291.07	113.11	150.76
Unbilled revenue	54.03	26.92	474.90	368.64
Interest accrued on fixed deposits	-	0.50	32.00	28.30
Interest accrued on long term investments (refer note 50)	-	-	11.99	6.73
Non trade receivable (refer note 50)	-	-	118.84	64.03
<b>Total (D)</b>	<b>1,226.98</b>	<b>1,318.49</b>	<b>750.84</b>	<b>618.46</b>
<b>Total (A+B+C+D)</b>	<b>1,720.07</b>	<b>1,818.93</b>	<b>750.84</b>	<b>627.10</b>

\*Financial assets at fair value reflect the change in fair value of call spread options, designated as cash flow hedges to hedge the future cash outflow in USD on settlement of foreign exchange borrowings of USD 81.14 crore (₹ 5,301.36 crore) [March 31, 2017 USD 60.26 crore (₹ 3,953.06 crore)] on senior secured foreign currency notes.

### 13 Other assets

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
<b>Capital advances</b>				
Unsecured, considered good				
Capital advances to related parties (refer note below)	72.90	72.90	-	-
Capital advances to others	160.11	134.01	-	-
<b>Total (A)</b>	<b>233.01</b>	<b>206.91</b>	<b>-</b>	<b>-</b>
<b>Advances other than Capital advances</b>				
Unsecured, considered good				
Advances other than capital advances	8.03	8.91	170.92	151.36
Passenger service fee (Security Component) [Refer note 42(d)(v)]	24.74	42.21	-	-
Unsecured, considered doubtful	0.04	0.45	-	-
	32.81	51.57	170.92	151.36
Provision for doubtful advances	(0.04)	(0.45)	-	-
<b>Total (B)</b>	<b>32.77</b>	<b>51.12</b>	<b>170.92</b>	<b>151.36</b>
<b>Other advances</b>				
Prepaid expenses	8.93	10.13	44.29	34.89
Deposit/balances with statutory/ government authorities	65.34	54.02	31.27	19.29
Other receivable	-	-	6.78	-
<b>Total (C)</b>	<b>74.27</b>	<b>64.15</b>	<b>82.34</b>	<b>54.18</b>
<b>Total (A+B+C)</b>	<b>340.05</b>	<b>322.18</b>	<b>253.26</b>	<b>205.54</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

<b>Capital advances includes advances to related parties:</b>				
GEPL	50.00	50.00	-	-
Polygon Enterprises Private Limited ('Polygon')	22.90	22.90	-	-
<b>Total</b>	<b>72.90</b>	<b>72.90</b>	<b>-</b>	<b>-</b>

**14 Inventories**

	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
Raw materials (refer note 28)	38.60	66.52
Traded Goods (refer note 29)	16.92	16.85
Consumables, Stores and Spares	48.67	45.79
<b>Total inventories (valued at lower of cost and net realisable value)</b>	<b>104.19</b>	<b>129.16</b>

**15 Financial Assets - Current investments**

	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
<b>Investments carried at fair value through consolidated statement of profit or loss (unquoted)</b>		
Investment in domestic mutual funds	3,172.68	2,547.70
Investment in overseas funds by foreign subsidiaries	225.88	240.07
<b>Investments carried at amortised cost</b>		
Investment in commercial papers	594.88	140.49
Investments in domestic other funds	45.87	45.68
<b>Total Investments</b>	<b>4,039.31</b>	<b>2,973.94</b>

**Notes:**

1. Aggregate market value of current quoted investments - ₹ Nil (March 31, 2017: ₹ Nil)
2. Aggregate carrying amount of current unquoted investments ₹ 4,039.31 crore (March 31, 2017: ₹ 2,973.94 crore)
3. Aggregate provision for diminution in the value of current investments ₹ Nil (March 31, 2017: ₹ Nil)

**16 Cash and cash equivalents**

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
Balances with banks				
- on current accounts <sup>2,3,5,7</sup>	0.28	0.28	709.69	325.64
- Deposits with original maturity of less than three months	-	-	928.01	1,120.29
Cheques / drafts on hand	-	-	5.66	9.62
Cash on hand / credit card collection	-	-	3.80	3.21
<b>(A)</b>	<b>0.28</b>	<b>0.28</b>	<b>1,647.16</b>	<b>1,458.76</b>
<b>Bank balances other than cash and cash equivalents</b>				
- Deposits with original maturity for less than 12 months	-	-	275.19	311.82
- Restricted balances with banks <sup>1, 4,6</sup>	401.32	500.16	56.72	0.50
<b>(B)</b>	<b>401.32</b>	<b>500.16</b>	<b>331.91</b>	<b>312.32</b>
Amount disclosed under other financial assets (refer note 12)	(401.60)	(500.44)	-	-
<b>(C)</b>	<b>(401.60)</b>	<b>(500.44)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>-</b>	<b>1,979.07</b>	<b>1,771.08</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

- Includes fixed deposits in GICL of ₹ 184.59 crore (March 31, 2017: ₹ 229.60 crore) with Euro bank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. The management is of the view that in spite of such economic difficulties the amount held as fixed deposit with Euro bank is good for recovery though withdrawal of the amount from the Republic of Cyprus would be subject to restriction as may be imposed by the Central Bank of Cyprus. Accordingly, the amount of deposit has been considered as non current.
- Includes balances in Exchange Earner's Foreign Currency ('EEFC') Accounts.
- Includes unclaimed dividend of ₹ 0.27 crore (March 31, 2017 : ₹ 0.27 crore) and ₹ 0.01 crore (March 31, 2017: ₹ 0.01 crore) towards DSRA maintained by the Company with ICICI.
- Restricted deposits includes margin money deposit and deposits with banks that are pledged by the Group with the Government and other authorities and with lenders against long-term and short-term borrowings availed by the Group and for hedging of FCCB interest / towards bank guarantee and letter of credit facilities availed by the Group.
- Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Group and earn interest at the respective short-term deposit rates.
- Refer notes 19 and 24 as regards restriction on balances with banks arising in connections with the borrowings made by the Group.
- Includes Marketing Fund in DIAL of ₹ 1.23 crore (March 31, 2017: ₹ 2.34 crore). Refer note 46.
- For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Particulars	(₹ in crore)	
	March 31, 2018	March 31, 2017
Balances with banks:		
- On current accounts	709.69	325.64
Deposits with original maturity of less than three months	928.01	1,120.29
Cheques / drafts on hand	5.66	9.62
Cash on hand / credit card collection	3.80	3.21
Cash at bank and short term deposits attributable to entities held for sale (refer note 36)	3.39	5.89
Less: Bank overdraft**	(0.97)	(9.08)
<b>Cash and cash equivalents for consolidated statement of cash flow</b>	<b>1,649.58</b>	<b>1,455.57</b>

\*\*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Group has considered only such bank overdrafts which fluctuates from being positive to overdrawn often.

### 17 Equity

	Equity Shares		Preference Shares	
	In Numbers	(₹ in crore)	In Numbers	(₹ in crore)
<b>Authorised share capital:</b>				
<b>At April 01, 2016</b>	<b>13,500,000,000</b>	<b>1,350.00</b>	<b>6,000,000</b>	<b>600.00</b>
Increase / (decrease) during the year	-	-	-	-
<b>At March 31, 2017</b>	<b>13,500,000,000</b>	<b>1,350.00</b>	<b>6,000,000</b>	<b>600.00</b>
Increase / (decrease) during the year	-	-	-	-
<b>At March 31, 2018</b>	<b>13,500,000,000</b>	<b>1,350.00</b>	<b>6,000,000</b>	<b>600.00</b>

#### a. Issued equity capital Equity shares of ₹ 1 each issued, subscribed and fully paid

	In Numbers	(₹ in crore)
<b>At April 01, 2016</b>	<b>6,035,945,275</b>	<b>603.59</b>
Changes during the year	-	-
<b>At March 31, 2017</b>	<b>6,035,945,275</b>	<b>603.59</b>
Changes during the year	-	-
<b>At March 31, 2018</b>	<b>6,035,945,275</b>	<b>603.59</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 equity shareholders.

**c. Terms/ rights attached to preference shares**

During the year ended March 31, 2014, pursuant to the equity shareholders' approval obtained on March 20, 2014, the Company issued 11,366,704 CCPS of face value of ₹ 1,000 each comprising of (a) 5,683,351 Series A CCPS each fully paid up, carrying a coupon rate of 0.001% per annum ('p.a.') and having a term of 17 months from the date of allotment and (b) 5,683,353 Series B CCPS each fully paid up, carrying a coupon rate of 0.001% p.a. and having a term of 18 months from the date of allotment, to IDFC Limited, Dunearn Investments (Mauritius) Pte Limited, GKFF Ventures, Premier Edu-Infra Solutions Private Limited and Skyron Eco-Ventures Private Limited. The Series A CCPS and Series B CCPS were convertible into equity shares upon the expiry of their respective terms in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2009, as amended ('ICDR Regulations') on the basis of the minimum permissible price, computed in accordance with Regulation 76 read with Regulation 71(b) of the SEBI ICDR Regulations on the conversion date. Pursuant to the approval of the Management Committee of the Board of Directors dated August 26, 2015 and September 26, 2015, the Company approved the allotment for conversion of aforesaid Series A CCPS into 359,478,241 equity shares of face value of Re. 1 each at a price of ₹ 15.81 per equity share (including securities premium of ₹ 14.81 per equity share) and the Series B CCPS into 380,666,645 equity shares of face value of ₹ 1 each at a price of ₹ 14.93 per equity share (including securities premium of ₹ 13.93 per equity share) respectively. The presentation of the liability and equity portions of the share is explained in the summary of significant accounting policy.

**d. Shares held by holding company/ultimate holding company and/ or their subsidiaries/ associates.**

Name of the shareholder	March 31, 2018		March 31, 2017	
	No. of shares held	(₹ in crore)	No. of shares held	(₹ in crore)
<b>GMR Infra Ventures LLP ('GIVLLP'), an associate of the Holding Company</b> Equity shares of ₹ 1 each, fully paid up	31,321,815	3.13	31,321,815	3.13
<b>GMR Enterprises Private Limited ('GEPL'), an associate of the Holding Company (till August 10, 2016) and holding company w.e.f August 11, 2016.</b> Equity shares of ₹ 1 each, fully paid up	2,878,245,098	287.82	2,878,245,098	287.82
<b>Welfare Trust of GMR Infra Employees ('GWT'), an associate of the Holding Company</b> Equity shares of ₹ 1 each, fully paid up	17,999,800	1.80	17,999,800	1.80
<b>GMR Business and Consulting LLP ('GBC'), an associate of the Holding Company</b> Equity shares of ₹ 1 each, fully paid up	805,635,166	80.56	805,635,166	80.56
<b>Cadence Retail Private Limited ('CRPL'), a subsidiary of the Holding Company</b> Equity shares of ₹ 1 each, fully paid up	100,000	0.01	100,000	0.01

## Notes to the consolidated financial statements for the year ended March 31, 2018

**e. Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	March 31, 2018		March 31, 2017	
	No. of shares held	% holding in class	No. of shares held	% holding in class
<b>Equity shares of ₹ 1 each fully paid</b>				
GEPL	2,878,245,098	47.69%	2,878,245,098	47.69%
GBC	805,635,166	13.35%	805,635,166	13.35%
Dunearn Investments (Mauritius) Pte Limited	218,528,214	3.62%	513,639,481	8.51%

As per records of the Company including its register of shareholders / members, the above share holding represents both legal and beneficial ownership of shares.

**f. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

During the year ended March 31, 2016, 5,683,351 Series A CCPS and 5,683,353 Series B CCPS of face value of ₹ 1,000 each have been converted into 359,478,241 equity shares of face value of ₹ 1 each at a price of ₹ 15.81 per equity share (including securities premium of ₹ 14.81 per equity share) and 380,666,645 equity shares of face value of ₹ 1 each at a price of ₹ 14.93 per equity share (including securities premium of ₹ 13.93 per equity share) respectively (refer note 17(c)).

**g. Shares reserved for issue under options**

For details of shares reserved for issue on conversion of foreign currency convertible bonds ('FCCB'), please refer note 19(7) related to terms of conversion/ redemption of FCCB.

**18 Other Equity**

(₹ in crore)

<b>Equity component of preference shares (refer note 46(xi))</b>		
Balance as at April 01, 2016		507.09
Balance as at March 31, 2017		507.09
Less: Amount transferred to surplus in the consolidated statement of profit and loss.		(133.94)
<b>Balance as at March 31, 2018</b>	<b>(A)</b>	<b>373.15</b>
<b>Treasury shares (refer note 18(h))</b>		
Balance as at April 01, 2016		(101.54)
Balance as at March 31, 2017		(101.54)
<b>Balance as at March 31, 2018</b>	<b>(B)</b>	<b>(101.54)</b>
<b>Securities premium</b>		
Balance as at April 01, 2016		9,819.04
Add: Disposal of a subsidiary during the year		1,296.76
Balance as at March 31, 2017		11,115.80
<b>Balance as at March 31, 2018</b>	<b>(C)</b>	<b>11,115.80</b>
<b>Debenture redemption reserve (refer note 18(c))</b>		
Balance as at April 01, 2016		179.56
Add: amount transferred from the surplus balance in the consolidated statement of profit and loss		29.89
Less: amount transferred to the surplus in the consolidated statement of profit and loss		(28.13)
Balance as at March 31, 2017		181.32
<b>Balance as at March 31, 2018</b>	<b>(D)</b>	<b>181.32</b>
<b>Capital reserve on consolidation</b>		
Balance as at April 01, 2016 (refer note 18(f))		(71.23)
Less: Disposal of a subsidiary during the year		(90.84)
Balance as at March 31, 2017		(162.07)
<b>Balance as at March 31, 2018</b>	<b>(E)</b>	<b>(162.07)</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

<b>Capital reserve on acquisition (refer note 18(a))</b>		
Balance as at April 01, 2016		3.41
Balance as at March 31, 2017		3.41
<b>Balance as at March 31, 2018</b>	<b>(F)</b>	<b>3.41</b>
<b>Capital reserve on government grant (refer note 18(d))</b>		
Balance as at April 01, 2016		67.41
Balance as at March 31, 2017		67.41
<b>Balance as at March 31, 2018</b>	<b>(G)</b>	<b>67.41</b>
<b>Capital redemption reserve</b>		
Balance as at April 01, 2016		28.53
Less: Disposal of a subsidiary during the year		(28.53)
Balance as at March 31, 2017		-
<b>Balance as at March 31, 2018</b>	<b>(H)</b>	<b>-</b>
<b>Capital reserve on forfeiture (refer note 18(e))</b>		
Balance as at April 01, 2016		141.75
Balance as at March 31, 2017		141.75
<b>Balance as at March 31, 2018</b>	<b>(I)</b>	<b>141.75</b>
<b>Foreign currency monetary translation difference account (FCMTR) (refer note 18(g))</b>		
Balance as at April 01, 2016		(0.88)
Add: Exchange differences on FCCB recognised during the year		35.07
Less: FCMTR amortisation during the year		(0.76)
Balance as at March 31, 2017		33.43
Add: Exchange differences on FCCB recognised during the year		7.80
Less: FCMTR amortisation during the year		(0.83)
<b>Balance as at March 31, 2018</b>	<b>(J)</b>	<b>40.40</b>
<b>Special Reserve u/s 45-IC of Reserve Bank of India ('RBI') Act (refer note 18(b))</b>		
Balance as at April 01, 2016		19.52
Add: Amount transferred from surplus / (deficit) in the statement of profit and loss		7.12
Balance as at March 31, 2017		26.64
Add: Amount transferred from surplus / (deficit) in the statement of profit and loss		43.82
<b>Balance as at March 31, 2018</b>	<b>(K)</b>	<b>70.46</b>
<b>Surplus in the consolidated statement of profit and loss</b>		
Balance as at April 01, 2016		(6,544.04)
Profit/ (Loss) for the year		(564.38)
Add: Amount transferred from debenture redemption reserve		28.13
Less: Transfer to debenture redemption reserve		(29.89)
Less: Special Reserve u/s 45-IC of RBI Act (refer note 18(b))		(7.12)
Less: Re-measurement (losses) / gains on post employment defined benefit plans		(5.29)
Less: Preference share dividend declared by a subsidiary		(2.16)
Less: Dividend distribution tax on preference share dividend declared by subsidiaries		(0.56)
Balance as at March 31, 2017		(7,125.31)
Profit/ (Loss) for the year		(1,363.86)
Add: Amount transferred from equity component of preference shares		133.94
Less: Special Reserve u/s 45-IC of RBI Act (refer note 18(b))		(43.82)
Less: Re-measurement (losses) / gains on post employment defined benefit plans		(3.10)
Less: Preference share dividend declared by a subsidiary		(3.77)
Less: Dividend distribution tax on preference share dividend declared by subsidiary		(0.77)
Less: Dividend distribution tax on equity share dividend declared by subsidiaries		(44.14)
<b>Balance as at March 31, 2018</b>	<b>(L)</b>	<b>(8,450.83)</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

<b>Components of Other Comprehensive Income ('OCI')</b>		
<b>Foreign currency translation reserve (FCTR)</b>		
Balance as at April 01, 2016		33.43
Movement during the year		27.54
Non-controlling interest		0.57
Balance as at March 31, 2017		61.54
Movement during the year		(134.68)
Non-controlling interest		2.22
<b>Balance as at March 31, 2018</b>	<b>(M)</b>	<b>(70.92)</b>
<b>Cash Flow Hedge Reserve</b>		
Balance as at April 01, 2016		-
Movement during the year		(16.84)
Non-controlling interest		6.06
Balance as at March 31, 2017		(10.78)
Movement during the year		27.09
Non-controlling interest		(9.90)
<b>Balance as at March 31, 2018</b>	<b>(N)</b>	<b>6.41</b>
<b>Total other equity (A+B+C+D+E+F+G+H+I+J+K+L+M+N)</b>		
<b>Balance as at March 31, 2017</b>		<b>4,738.69</b>
<b>Balance as at March 31, 2018</b>		<b>3,214.75</b>

- (a) GAPL purchased the aircraft division of GMR Industries Limited ('GIDL') under slump sale on October 01, 2008 for a purchase consideration of ₹ 29.00 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of ₹ 3.41 crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognised as capital reserve on acquisition.
- (b) As required by section 45-1C of the RBI Act, 20% of DSPL and GAL's net profit of the year is transferred to special reserve. The said reserve can be used only for the purpose as may be specified by the RBI from time to time.
- (c) The Company GPEPL, GAEL and GATL has issued redeemable non-convertible debentures ('NCD'). Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of the debentures. All these companies have made losses during the current year.
- (d) During the year ended March 31, 2006, GHIAL had received a grant of ₹ 107.00 crore from Government of Telangana [formerly Government of Andhra Pradesh ('GoAP')] towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project and accordingly, the Group's share amounting to ₹ 67.41 crore as at April 1, 2011 was included in Capital reserve (government grant).
- (e) On July 02, 2014, the Board of Directors of the Company approved an issue and allotment of up to 180,000,000 warrants having an option to apply for and be allotted equivalent number of equity shares of face value of ₹ 1 each on a preferential basis under chapter VII of the SEBI ICDR Regulations and provisions of all other applicable laws and regulations and accordingly the Company received an advance of ₹ 141.75 crore against such share warrants. The shareholders approved the aforesaid issue of warrants through postal ballot on August 12, 2014. Pursuant to the approval of the Management Committee of the Board of Directors dated February 26, 2016 the outstanding warrants have been cancelled as the holders did not exercise the option within the due date of 18 months from the date of allotment and ₹ 141.75 crore received as advance towards such warrants has been forfeited in accordance with the SEBI ICDR Regulations during the year ended March 31, 2016. The said amount has been credited to Capital Reserve account during the year ended March 31, 2016.



## Notes to the consolidated financial statements for the year ended March 31, 2018

- (f) The Group has paid an additional consideration of ₹ 197.09 crore for acquisition of RSSL which has been adjusted against the capital reserve as at April 01, 2015.
- (g) The MCA, Government of India ('GoI') vide its Notification No GSR 225 (E) dated March 31, 2009 prescribed certain changes to AS - 11 on 'The Effects of Changes in Foreign Exchange Rates'. The Group has, pursuant to adoption of such prescribed changes to the said Standard, exercised the option of recognizing the exchange differences arising in reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of depreciable assets. Exchange differences are capitalized as per paragraph D13AA of Ind AS 101 'First time adoption' availing the optional exemption that allows first time adopter to continue capitalization of exchange differences in respect of long term foreign currency monetary items recognized in the consolidated financial statement for the period ending immediately beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange gain of ₹ 6.97 crore (March 31, 2017: exchange gain ₹ 34.31 crore), net of amortisation, on long term monetary asset has been accumulated in the 'Foreign currency monetary item translation difference account' and is being amortised in the statement of profit and loss over the balance period of such long term monetary asset. The unamortised balance as at March 31, 2018 amounts to exchange gain of ₹ 40.40 crore (March 31, 2017: exchange gain ₹ 33.43 crore).
- (h) Refer note 49(xii) for treasury shares issued to GWT.

## 19 Long-term borrowings

	Non- Current Portion		Current Maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
<b>Bonds / debentures</b>				
Debentures (secured)	1,032.70	973.74	215.92	182.55
Foreign currency senior notes (secured)	7,488.47	5,261.96	-	-
Foreign currency convertible bonds (unsecured)	1,920.62	1,930.14	-	-
<b>Term loans</b>				
Indian rupee term loans from banks (secured)	6,202.78	6,128.33	604.80	765.32
Indian rupee term loans from financial institutions (secured)	1,302.51	1,346.36	384.96	240.11
Indian rupee term loans from others (secured)	-	0.06	0.06	0.06
Foreign currency loans from banks (secured)	1,984.77	2,563.20	386.46	353.91
Indian rupee term loans from financial institutions (unsecured)	74.60	101.45	27.78	20.83
Indian rupee term loans from others (unsecured)	4.56	41.25	-	0.05
Foreign currency loans from banks (unsecured)	222.16	284.54	285.05	257.48
Foreign currency loans from others (unsecured)	-	9.37	-	-
Supplier's credit (secured)	-	-	-	19.30
<b>Liability component of compound financial instrument</b>				
Convertible preference shares (unsecured)	4.73	4.27	-	-
<b>Other loans</b>				
Finance lease obligation (secured)	-	-	0.66	0.66
Negative grant (unsecured)	-	-	66.41	66.41
From the State Government of Telangana ('GoT') (unsecured)	315.05	315.05	-	-
	<b>20,552.95</b>	<b>18,959.72</b>	<b>1,972.10</b>	<b>1,906.68</b>
<b>The above amount includes</b>				
Secured borrowings	18,011.23	16,273.65	1,592.86	1,561.91
Unsecured borrowings	2,541.72	2,686.07	379.24	344.77
Amount disclosed under the head 'Other current financial liabilities' (Refer note 21)	-	-	(1,972.10)	(1,906.68)
<b>Net amount</b>	<b>20,552.95</b>	<b>18,959.72</b>	<b>-</b>	<b>-</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

### Notes:

1. During the year ended March 31, 2012, the Company had entered into an agreement to issue 7,000 secured, redeemable, non-convertible debentures of ₹ 0.10 crore each to ICICI Bank Limited ('ICICI') ('Tranche 1'). During the year ended March 31, 2013 the Company had further entered into an agreement with ICICI to issue 3,000 secured, redeemable, non-convertible debentures of ₹ 0.10 crore each ('Tranche 2'). These debentures are secured by way of (i) first pari passu charge over 894.52 acres of land held by GKSEZ (ii) subservient charge on 8,236 acres of SEZ land held by KSPL (iii) first exclusive charge over Debt Service and Reserve Account ('DSRA') maintained by the Company with ICICI and (iv) second ranking pledge over 30% of fully paid-up equity shares of ₹ 10 each of GGAL. These debentures are redeemable at a premium yielding 14.50% p.a. till March 25, 2013 and after March 25, 2013 with a yield of base rate of ICICI plus 4.50% p.a. The Tranche 1 is redeemable in thirty seven quarterly unequal instalments commencing from March 25, 2012 and Tranche 2 is redeemable in thirty six quarterly unequal instalments commencing from June 25, 2012. As at March 31, 2018, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 567,500 (March 31, 2017: ₹ 717,500) per debenture and the carrying value of outstanding debentures is ₹ 566.07 crore (March 31, 2017: ₹ 714.33 crore). Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.
2. Secured, redeemable and non-convertible debentures of ₹ 0.10 crore each issued by GPEL amounting to ₹ 408.57 crore (March 31, 2017: ₹ 441.96 crore) bear an interest rate of 9.38% p.a. and are secured by way of first charge over all assets of GPEL, both movable (including future annuity receivable) and immovable properties, both present and future, excluding project assets (unless permitted by National Highways Authority of India ('NHAI') under the Concession agreement). These debentures are redeemable in thirty four unequal half yearly instalments commencing from April 2010 and ending in October 2026.
3. GAEL has issued ₹ 99.63 crore ( March 31, 2017 : Nil) 1,000 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹ 0.10 crore each and fixed interest of 8.55% per annum payable semi-annually and the interest rate shall be reset at the end of 4 years from the allotment as per the terms of debenture trust deed. Tenure of Non-Convertible Debentures (NCDs) is 7 years from the date of allotment and is due for payment at the end of 7th year from the date of allotment.

The Debentures are secured by:

- (a) First pari-passu charge by way of equitable mortgage of leasehold rights of the land of GAEL to the extent of 16.46 acres on which MRO facilities are constructed along with the buildings, structures, etc. on the land.
  - (b) First ranking pari passu charge on all movable assets of GAEL, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.
  - (c) First ranking pari passu charge on the transaction accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future of GAEL.
  - (d) First ranking pari passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of GAEL in the project documents and operation and maintenance related agreements, clearances approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and the insurance Proceeds received by GAEL.
  - (e) Unconditional and irrevocable corporate guarantee given by GHIAL.
  - (f) As per the debenture trust deed dated October 04, 2017, debenture trustee (acting on the instruction of Majority Resolution) may permit GAEL to create a charge on the security in favour of lenders advancing loan equivalent risk facility ("LER Facility") to GAEL. The security interest created over the Security for securing the LER Facility shall be second charge and shall rank subservient to the charge of the debenture holders.
4. GATL has issued of ₹ 174.35 crore (March 31, 2017: ₹ Nil) 1,750 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹ 0.10 crore each and fixed interest of 8.55% per annum payable semi-annually and the interest rate shall be reset at the end of 4 years from the allotment as per the terms of debenture trust deed. Tenure of Non-Convertible Debentures (NCDs) is 7 years from the date of allotment and is due for payment at the end of 7th year from the date of allotment.

## Notes to the consolidated financial statements for the year ended March 31, 2018

The Debentures are secured by:

- (a) First ranking pari passu charge on all movable assets of GATL, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.
  - (b) First ranking pari passu charge on the transaction accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, of issuer, present and future of GATL.
  - (c) First ranking pari passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of GATL in the project documents and operation and maintenance related agreements, clearances approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and the insurance proceeds received by GATL.
  - (d) Unconditional and irrevocable corporate guarantee given by GHIAL.
  - (e) The charge created against debt as per the debenture trust deed dated October 04, 2017 in all respects, rank pari-passu inter se amongst the debenture holders and the working capital lenders, without any preference or priority to one over the other or others.
5. DIAL has issued 6.125% Senior Secured Foreign Currency Notes ('Notes') of USD 28.88 crore (₹ 1,857.93 crore) (March 31, 2017: USD 28.88 crore (₹ 1,859.24 crore)) in International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Notes are due for repayment in February 2022. The Notes are secured by a first rank pari-passu charge on all the future revenues, receivables, Trust and Retention account ('TRA'), any other reserve, other bank accounts and insurance proceeds of DIAL and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.
  6. DIAL has issued 6.125% Notes of USD 52.26 crore (₹ 3,391.19 crore) (March 31, 2017: USD 52.26 crore (₹ 3,402.72 crore)) in International capital market carrying a fixed interest rate of 6.125% p.a. plus applicable withholding tax. The Notes are due for repayment in October 2026. The Notes are secured by first rank pari-passu charge on all the future revenues, receivables, TRA, any other reserve, other bank accounts and insurance proceeds of DIAL and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA.
  7. GHIAL has issued 4.25% Notes of USD 35.00 crore (₹ 2,239.35 crore) (March 31, 2017: ₹ Nil) on October 27, 2017 to refinance secured rupee term loans and foreign currency loans and airport expansion project works. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. October 27, 2027 (bullet repayment). 4.25% senior secured notes are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2,136.455 acres), freehold land of 8.824 acres and first pari passu charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of GHIAL in, to and in respect of the Project Agreements (i.e. Concession agreements, State support agreement, Land lease agreement and the CNS-ATS agreement) as detailed in the Indenture to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of GHIAL and floating charge on all GHIAL's accounts and each of the other accounts required to be created by GHIAL pursuant to the Security Documents (excluding any Excluded Accounts) and including in each case, all monies lying credited/ deposited into such accounts. GHIAL has to follow fixed charge coverage ratio as provided under the Indenture for any additional indebtedness and other limitations. The SSN issued were utilised for the following purpose (i) repay the existing Rupee Facilities and the External Commercial Borrowing (ECB) Facility and pay the termination payments for the interest rate swaps (IRS) related thereto, and (ii) use any remaining amounts for capital expenditures with respect to Airport Activities (as defined in the Concession Agreement) as part of airport expansion.
  8. Pursuant to the approval of the Management Committee of the Board of Directors dated December 10, 2015, the Company has issued 7.50% Unlisted FCCBs of USD 30.00 crore to Kuwait Investment Authority with a maturity period of 60 years. The Subscriber can exercise the conversion option on and after 18 months from the closing date up to close of business on maturity date. Interest is payable on an annual basis. The FCCBs are convertible at ₹ 18 per share which can be adjusted downwards at the discretion of the Company, subject to the regulatory floor price. The exchange rate for conversion of FCCBs is fixed at ₹ 66.745/ USD. The Company needs to take necessary steps in case the bondholders direct the Company to list the FCCBs on the Singapore Exchange Trading Limited.

## Notes to the consolidated financial statements for the year ended March 31, 2018

9. 6% Redeemable, Convertible, Non-Cumulative Preference Shares of ₹ 100 each fully paid up issued by GCORRPL, are redeemable at par on June 1, 2026. These preference shares can be redeemed at the option of GCORRPL at any time, as may be determined by the Board of Directors of GCORRPL with one month prior notice to the preference shareholders. These preference shares have been classified as financial liability by GCORRPL and are measured at amortised cost of ₹ 4.73 crore (March 31, 2017: ₹ 4.27 crore).
10. Secured Indian rupee term loan from a bank of ₹ Nil (March 31, 2017: ₹ 41.59 crore) of KSPL was secured by pari passu first charge on land and buildings appurtenant thereon and first ranking exclusive charge over DSRA. Further secured by an irrevocable and unconditional guarantee given by the Company. The loan carried an interest rate of 9.00% p.a. plus spread of 5.50% p.a. (March 2017: 9.25% to 10% p.a. plus spread of 5.50% p.a.) and was repaid during the current year.
11. Secured Indian rupee term loan from a bank of ₹ Nil (March 31, 2017: ₹ 79.59 crore) of the Company carried interest of base rate of lender plus spread of 1.50% p.a. (March 31, 2017: base rate of lender plus spread of 1.50% p.a.) and interest was payable on a monthly basis. The loan was secured by i) an exclusive charge on loans and advances provided by the Company out of this loan facility ii) DSRA covering interest payment of one month and iii) securities as set out in note 71. The loan was repayable in five equal quarterly instalments commencing from March 26, 2017 as per the revised agreement dated May 23, 2016. The loan has been repaid in full during the current year.
12. Secured Indian rupee term loans from banks and financial institutions of ₹ 1,551.24 crore (March 31, 2017: ₹ 1,575.57 crore) of GHVEPL are secured by way of pari passu first charge over GHVEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GHVEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GHVEPL in respect of monies lying to the credit of trust and retention account and other accounts and substitution agreements and collection of tolls unless restricted by NHAI under the concession agreement and by way of pledge of 1,300,000 equity shares and 7,733,000 preference shares held by GMRHL in GHVEPL. The loans carry an interest rate ranging from 11.00% to 11.25% p.a. and are repayable in forty six unequal quarterly instalments commencing from April 2013.
13. Secured Indian rupee term loans from a bank of ₹ 14.07 crore (March 31, 2017: ₹ 35.00 crore) of GHVEPL is secured by way of first pari passu charge on the same securities offered as security for the Project Loan mentioned in point 12 above and is repayable in thirty six monthly instalments commencing after 24 months from the date of first disbursement i.e. March 2014. The loan carries an interest rate of 2.75% over bank's base rate.
14. Secured Indian rupee term loans from banks of ₹ 248.00 crore (March 31, 2017: ₹ 252.09 crore) of GACEPL are secured by way of pari passu first charge over GACEPL's immovable properties and movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GACEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GACEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 100% equity shares of GACEPL held by the Company, GEL and GMRHL. During the year ended March 31, 2016, the loans have been restructured. The loans carry an interest at bank's base rate plus spread, fixed presently at 11.15% p.a. which shall be reset yearly and are repayable in 42 unequal quarterly instalments with the last instalment due in September 2025. GACEPL has agreed to pay an additional interest of 0.60% p.a. on the loan from August, 2010 onwards if the claim submitted by GACEPL is awarded in favour of GACEPL during arbitration proceedings.
15. Secured Indian rupee term loans from banks of ₹ 88.22 crore (March 31, 2017: ₹ 129.70 crore) of GTTEPL are secured by way of mortgage of all the present and future immovable fixed assets of GTTEPL, hypothecation of movable fixed assets of GTTEPL and the annuity / receivables, investments made out of the balance lying in TRA, assignment of all contractor guarantee, performance bond guarantee and liquidated damages, assignment of all the rights, titles, interest in the assets of the project and all project documents, assignment of all insurance policies, pledge of 51% of equity shares of GTTEPL, assignment of revolving letter of credit issued by NHAI, corporate guarantee by GEPL to cover any short fall in the amount payable in respect of the facility in the event of termination due to any event of default other than NHAI event of default. The loans carry an interest rate of 8.25% p.a. ± 10% spread now fixed at 9.08% p.a. and are repayable in 29 unequal half yearly instalments commencing from November 2005.
16. Secured Indian rupee term loans from banks of ₹ 660.30 crore (March 31, 2017: ₹ 665.52 crore) of GCORRPL are secured by way of pari passu first charge over GCORRPL's movable properties, both present and future, including plant and machinery; rights, title, interest, benefit, claims of GCORRPL in respect of the project agreements executed / to be executed, insurance policies both present and future and all rights, title, interest, benefit, claims, demands of GCORRPL in respect of monies lying to the credit of TRA and other accounts and substitution agreements and receipts of annuity unless restricted by Government of Tamil Nadu under the Concession Agreement. The loans carry an interest of 10.60% to 11.25% p.a.

## Notes to the consolidated financial statements for the year ended March 31, 2018

subject to reset from time to time. During the year ended March 31, 2015, GCORRPL had undertaken negotiation with the lenders pursuant to which, the repayment of the aforesaid loans has been rescheduled. The loans are repayable in 27 unequal half yearly instalments commencing from June 2014.

17. Secured Indian rupee term loans from banks of ₹ 69.59 crore (March 31, 2017: ₹ 101.08 crore) of GTAEPL are secured by way of mortgage of all the present and future immovable fixed assets of GTAEPL, hypothecation of movable fixed assets of GTAEPL and the annuity / receivables, investments made out of the balance lying in TRA, assignment of all contractor guarantee, performance bond guarantee and liquidated damages, assignment of all the rights, titles, interest in the assets of the project and all project documents, assignment of all insurance policies, pledge of 51% of equity shares of GTAEPL, assignment of revolving letter of credit issued by NHAI, corporate guarantee from GEPL to cover any short fall in the amount payable in respect of the facility in the event of termination due to any event of default other than NHAI event of default. The loans carry an interest rate of 8.25% ± 10% spread now fixed at 9.08% p.a. and are repayable in 29 unequal half yearly instalments commencing from November 2005.
18. Secured Indian rupee term loans and foreign currency loans from Bank including the interest rate swap ('IRS') arrangement from banks of ₹ Nil (March 31, 2017: ₹ 1,759.02 crore) of GHIAL were secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land to an extent of 2,136.46 acres, freehold land of 8.82 acres and first pari passu charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the TRA, DSRA and were further secured by pledge of 16.41 crore and 2.87 crore equity shares, both present and future, held or to be held, up to 51% of the paid up share capital of GHIAL, as the case may be, by both, GAL and MAHB (Mauritius) Private Limited respectively. The foreign currency loans from banks of ₹ Nil (March 31, 2017: ₹ 483.17 crore) carried an interest rate of LIBOR plus agreed spread; however GHIAL had entered into an IRS arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate was 8.29% p.a. The Indian rupee term loans from banks of ₹ Nil (March 31, 2017: ₹ 1,275.85 crore) carried interest at base rate plus agreed spread, which was subject to reset at the end of agreed interval. The interest rate ranged from 10.25% to 10.70% p.a. Indian rupee term loans from banks were repayable in 51 quarterly instalments beginning from October 2016. The secured foreign currency loan from a bank was repayable in 56 quarterly instalments beginning from July 2010. However, during the current year, these loans were repaid utilising the proceeds from the issue of Notes in GHIAL.
19. Secured Indian rupee term loans from banks of ₹ Nil (March 31, 2017: ₹ 60.33 crore) of GHASL were secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land and an exclusive charge on all movable and immovable assets, operating cash flows, book debts, receivables, commissions, revenue of whatsoever nature, both present and future and an exclusive charge on all bank accounts of the project, including TRA, escrow accounts etc. The rupee term loan carried an interest rate of 11.00% p.a and was repaid during the year.
20. Secured Indian rupee term loans (including FITL) from banks of ₹ Nil (March 31, 2017: ₹ 278.00 crore) of GAEL were secured by first pari-passu charge (a) by way of equitable mortgage of leasehold rights of land of GAEL and GATL to the extent of 16.46 acres on which MRO facilities are constructed with all the buildings, structures, etc. on such land; (b) hypothecation of all the movable assets of the GAEL and GATL, including, but not limited to plant and machinery, machinery spares, tools and accessories, current assets; (c) book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future of GAEL and GATL; (d) all rights, title, interests, benefits, claims and demands whatsoever of GAEL and the subsidiary, GATL, with respect to the insurance contracts; (e) on all the bank accounts of GAEL and GATL; (f) pledge of 51% of paid up share capital of GAEL held by GHIAL; and (g) unconditional and irrevocable corporate guarantee of GHIAL pari passu among the lenders for their respective term loans and funded interest term loan. The loans carried an interest rate of 11.00% p.a and was repaid during the year.
21. Secured Indian rupee term loans from banks of ₹ 92.08 crore (March 31, 2017: ₹ 109.88 crore) of DAPSL are secured by way of an exclusive first charge on the revenue, profit, receivables, book debts, outstanding monies, recoverable claims and cash flows, both present and future and by way of pledge of 30% of the issued and paid up capital of DAPSL, to be pledged at all the times during the tenure of loan. The loans carry an interest rate ranging from 8.55% to 8.85% p.a. (March 2017: 8.55% to 10.50% p.a.) subject to reset at the end of every 12 months from the date of first disbursement. The loans were earlier repayable in 38 quarterly structured instalments commencing from October 2015, however pursuant to refinancing the loans are repayable in 32 quarterly structured instalments commencing from June 2017.
22. Secured Indian rupee term loan from a bank of ₹ 49.21 crore (March 31, 2017: ₹ 73.14 crore) of GADL is secured by first exclusive charge on GADL's loans and advances, current assets, cash flows and interest on inter corporate deposits/ sub debt including corporate guarantee from the Company and GAL. The loan is repayable in 28 quarterly instalments commencing from December 2013 and carries an interest rate of 11.75% p.a.
23. Secured Indian rupee term loan from a bank of ₹ 484.63 crore (March 31, 2017: ₹ 482.43 crore) of the Company carries interest of base rate of

## Notes to the consolidated financial statements for the year ended March 31, 2018

lender plus spread of 4.75% p.a. (March 31, 2017: 4.75% p.a.) payable on a monthly basis. The loan is secured by (i) first pari passu charge on 894.52 acres of land held by GKSEZ and (ii) subservient charge on 8,236 acres of SEZ land held by KSPL. The loan is repayable in twelve structured quarterly instalments commencing from April 25, 2021 and ending on January 25, 2024 as per the revised agreement dated May 27, 2016. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.

24. Secured Indian rupee term loan from a bank of ₹ 41.03 crore (March 31, 2017: ₹ 60.35 crore) of the Company carries interest of base rate of lender plus spread of 0.85% p.a. (March 31, 2017: base rate of lender plus spread of 0.85% p.a.) and interest is payable on a monthly basis. The loan is secured by i) 10% of cash margin on the outstanding amount in the form of lien on fixed deposits in favour of the lender ii) an exclusive charge on assets created out of this facility iii) corporate guarantee of GEPL and iv) securities as set out in note 71. The loan is repayable in ten structured quarterly instalments commencing from March 6, 2017 as per the revised agreement dated May 23, 2016. The bank has a put option for full or part of the facility amount at the end of thirty six months from the date of first disbursement and every three months thereafter. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.
25. Secured Indian rupee term loan from a bank of ₹ 103.59 crore (March 31, 2017: ₹ 117.07 crore) of the Company carries interest of base rate of lender plus spread of 1.50% p.a. (March 31, 2017: base rate of lender plus spread of 1.50% p.a.) and interest is payable on a monthly basis. The loan is secured by i) 10% of cash margin on the outstanding amount in the form of lien on fixed deposits in favour of the lender ii) charge on assets created out of this facility and iii) securities as set out in note 71. The loan is repayable in eight equal quarterly instalments commencing from January 27, 2018 as per the revised agreement dated May 23, 2016. The bank has a put option for full or part of the facility amount at the end of eighteen months from the date of first disbursement and every three months thereafter. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.
26. Secured Indian rupee term loan from a bank of ₹ 76.42 crore (March 31, 2017: ₹ 82.44 crore) of the Company carries interest of base rate of lender plus spread of 1.25% p.a. (March 31, 2017: base rate of lender plus spread of 1.25% p.a.) and interest is payable on a monthly basis. The loan is secured by i) 10% of cash margin on the outstanding amount in the form of lien on fixed deposits in favour of the lender ii) an exclusive charge on assets created out of underlying facility by GISPL in favour of lender approved correspondent bank iii) second charge on cash flows of GISPL from coal trading under Coal Sales and Purchase Agreement with GCRPL iv) exclusive charge on loans given to GEL v) DSRA covering interest payment for the next three months and vi) securities as set out in note 71. The loan is repayable in fourteen unequal semi-annually instalments commencing after twelve months from the date of first disbursement. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.

Secured Indian rupee term loan from a bank of ₹ 7.51 crore (March 31, 2017: ₹ 44.75 crore) of the Company carries interest at base rate of lender plus applicable spread of 3.25% p.a. (March 31, 2017: base rate of lender plus applicable spread of 3.25% p.a.) and the interest is payable on a monthly basis. The loan is secured by an exclusive first mortgage and charge on i) residential property of Mr. G.B.S Raju, Director at Bangalore ii) certain immovable properties of Boyance Infrastructure Private Limited ('BIPL') iii) non-agricultural land of Hyderabad Jabilli Properties Private Limited ('HJPPL') at Andhra Pradesh iv) non-agricultural lands of Mr. G. M. Rao, Chairman and v) commercial apartment owned by Honey Flower Estates Private Limited ('HFEPL') and additionally secured by a) an irrevocable and unconditional guarantee of BIPL and HJPPL Limited to the extent of the value of their property as stated aforesaid b) an irrevocable and unconditional guarantee of GEPL, BIPL and HFEPL and c) demand promissory note equal to principal amount of the loan and interest payable on the loan given by the Company. The loan is repayable in thirteen equal quarterly instalments starting July 1, 2015 as per the revised agreement dated April 10, 2015. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.

27. Secured loan from a bank of ₹ 0.08 crore (March 31, 2017: ₹ 0.28 crore) of the Company carries interest @ 10.00% p.a. (March 31, 2017: 10.00% p.a.) and the same is payable on a monthly basis. The loan is repayable in sixty equal monthly instalments commencing from October 01, 2013 and is secured by the vehicle taken on loan.
28. Secured Indian rupee term loan from a bank of ₹ 2.86 crore (March 31, 2017: ₹ 3.20 crore) of PAPPL is secured by 20.03 acres of immovable property of PAPPL. The loan carries a floating rate of 10.90% p.a. and is repayable in 108 monthly instalments commencing from October 2015.
29. Secured Indian rupee term loan from a bank of ₹ Nil (March 31, 2017: ₹ 393.86 crore) of GAL was secured by exclusive first charge by way of hypothecation on GAL's movable fixed assets (except investments) and current assets, revenues and receivables, both present and future, monies lying in the accounts of GAL, including TRA. Further secured by pledge of 26% equity shares of GAL held by the Company, an unconditional and irrevocable corporate guarantee from the Company, non-disposal undertaking and power of attorney executed in favour of bank (to be executed for any acquisition of shares by GAL in DIAL beyond 54%). The loan carried an interest at base rate plus agreed spread, which was subject to reset

## Notes to the consolidated financial statements for the year ended March 31, 2018

at the end of agreed interval. The rate of interest was ranging from 10.10% to 10.20% p.a. (March 2017: 10.20% to 10.25% p.a.) 76% of the loan was repayable in 15 quarterly equal instalments commencing from March 2017 till September, 2020. The balance 24% of the loan would be repaid as a bullet repayment in September 2020. Entire amount has been repaid during the current year.

30. Secured Indian rupee term loan from a bank of ₹ 211.34 crore (March 31, 2017: ₹ 253.73 crore) of the Company carries interest of base rate of lender plus spread of 0.50% p.a. (March 31, 2017: base rate of lender plus spread of 0.50% p.a.) and interest is payable on a monthly basis. The loan is secured by i) 10% DSRA in the form of lien on fixed deposits in favour of the lender ii) Exclusive first charge on assets provided by the Company created out of this facility and iii) securities as set out in note 71. The loan is repayable in fourteen structured quarterly instalments commencing from January 15, 2017 as per the revised agreement dated May 23, 2016. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.
31. Secured Indian rupee term loan from a bank of ₹ 29.90 crore (March 31, 2017: ₹ 89.10 crore) of the Company carries interest of lender's MCLR plus spread of 5.00% p.a. (March 31, 2017: lender's MCLR plus spread of 5.00% p.a.) payable on a monthly basis. The loan is secured by a first mortgage and charge on 117.96 acres of land or such additional land held by GKSEZ to give a minimum cover equivalent to the facility amount. The loan is repayable in eighteen equal monthly instalments commencing from the end of six months from October 26, 2016.
32. Secured Indian rupee term loan from a bank of ₹ 145.25 crore (March 31, 2017: ₹ 183.25 crore) of the Company carries interest of the lender's Marginal Cost of Funds based Lending Rate of 1Y (I-MCLE-1Y) plus spread of 4.55% p.a. (March 31, 2017: the lender's Marginal Cost of Funds based Lending Rate of 1Y (I-MCLE-1Y) plus spread of 4.55% p.a.) and interest is payable on a monthly basis. The loan is secured by (i) first pari passu charge over 894.52 acres of land held by GKSEZ (ii) subservient charge on 8,236 acres of SEZ land held by KSPL (iii) charge over Dividend / Interest Escrow Account of the Company into which all dividends and/or interest receivable by the Company from GEL and GGAL would be deposited and (iv) first ranking pledge/ NDU over 49% of equity shares of GGAL. The loan is repayable in eighteen structured quarterly instalments commencing from December 25, 2016 and ending on March 25, 2021. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.
33. Secured Indian rupee term loan from a bank of ₹ 61.29 crore (March 31, 2017: ₹ 193.76 crore) of the Company carries interest of base rate of lender plus spread of 1.05% p.a. (March 31, 2017 base rate of lender plus spread of 1.05% p.a.) and interest is payable on a monthly basis. The loan is secured by i) residual charge over all current assets and movable fixed assets of the Company with negative lien ii) first charge over loans and advances of the Company (excluding EPC division) to provide minimum cover of 1.25 times of the facility outstanding iii) first charge over cash flows of GMRHL iv) DSRA covering interest payment for the first three months and v) securities as set out in note 71. The loan is repayable in six structured quarterly instalments commencing from March 26, 2017 as per the revised agreement dated May 23, 2016. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.
34. Secured Indian rupee term loan from a bank of ₹ 370.44 crore (March 31, 2017: ₹ 378.00 crore) of the Company carries interest of lender's marginal cost of funds based lending rate ('MCLR') plus spread of 1.45% p.a. (March 31, 2017: lender's marginal cost of funds based lending rate ('MCLR') plus spread of 1.45% p.a.) and interest is payable on a monthly basis. The loan is secured by i) first charge on assets created out of this facility ii) 10% of cash margin on the outstanding amount in the form of lien on fixed deposits in favour of the lender and iii) securities as set out in note 71. The loan is repayable in twenty eight structured quarterly instalments commencing from October, 2017. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof.
35. Secured Indian rupee term loan from a bank of ₹ 75.00 crore (March 31, 2017: ₹ 75.00 crore) of RSSL is secured by way of an irrevocable corporate guarantee issued by the Company, charge on present and future assets of RSSL created out of the term loan, charge on 10% of FD margin of the outstanding facility amount, mortgage of various immovable properties of the Group and pledge of the shares of various companies of the Group. The loan carries an interest rate of 1 year MCLR rate plus 1.45%, presently being 10.85% p.a. and is repayable in twenty eight quarterly instalments commencing from October 31, 2017.
36. Secured Indian rupee term loan from bank of ₹ 820.16 crore (March 31, 2017: ₹ Nil) of GMRHL is secured by First charge over current assets and movable fixed assets (present and future) of GMRHL, first Charge on the assets created out of this facility to provide minimum cover of 1.0x, pledge over 48% shares of GEL along with all beneficial/ economic voting rights and NDU over 2% shares of GEL (Prior to Disbursement), Pledge over 47% Shares of GAL along with all beneficial/ economic voting rights to be pledged by GIL, Unconditional and Irrevocable Corporate Guarantee of the Company, and Margin of 6% - 19.14% of outstanding amount (in form of FD/ cash or any other instrument) which shall be lien marked/pledged to the bank prior to first disbursement. The loan carries an interest rate ranging from 3.10% to 3.20% p.a ("Spread") over and above the bank 1 Year MCLR and is repayable in 14 half yearly instalments after the moratorium period of 12 months.

## Notes to the consolidated financial statements for the year ended March 31, 2018

37. Secured Indian rupee term loan from a bank of ₹ 44.64 crore (March 31, 2017: ₹ Nil) of GIAL is secured by way of (i) First charge on the escrow account, debt service reserve and any other reserves and other bank accounts; (ii) Assignment of rights, interests and obligations as per the Substitution Agreement and (iii) Mortgage/ Pledge/ Hypothecation of assets other than Project Assets. The rupee term loan is repayable in relation to: (i) 80% of the Rupee Facility in 55 structured quarterly instalments commencing after construction period of 3 years and moratorium period of 1 year; and (ii) The remaining 20% of the rupee facility as a bullet payment. The loan carries an interest rate of 10.25% p.a (MCLR rate plus 2.00% spread)
38. Secured Indian rupee term loan from a bank of ₹ 43.09 crore (March 31, 2017: ₹ Nil) of HAPL under lease rental discounting scheme is secured by way of (a) assignment of lease rental receivables from Amazon (b) exclusive first charge on all fixed asset of HAPL leased out to Amazon (c) equitable mortgage of leasehold right of land measuring 17 acres of GHIAL at Rangareddy, Telangana. The loan carries an interest rate of 9.00% p.a., i.e., 1 year MCLR plus 1%, repayable over 144 structures monthly instalments beginning from October 2017.
39. Secured Indian rupee term loan from a bank of ₹ 138.12 Crore (March 31, 2017: ₹ Nil) of RSSL is secured by way of an irrevocable Corporate Guarantee issued by the Company, charge on assets of RSSL created out of the term loan, charge on 6% of margin in form of Current Investment of the outstanding facility amount, mortgage of various immovable properties of the group and pledge of the shares of various companies of the group. The loan carries an interest rate of 12.00% p.a (1 year MCLR rate plus 3.20%) payable on monthly basis and is repayable in twenty four half-yearly instalments commencing from May, 2018.
40. Secured Indian rupee term loan from bank of ₹ 150.00 crore ( March 31, 2017 : ₹ Nil) of GSPHPL is secured by (a) exclusive charge over current assets of GSPHPL (b) unconditional and irrevocable corporate guarantee from the Company, (c) extension of pledge over 28% shares of GEL and NDU over 2% shares of GEL, (d) pledge over 23.5% shares of GAL. The rupee term loan carries an interest rate of ₹ 11.90% p.a with tenor of 96 months.
41. Secured Indian rupee term loan from bank of ₹ 269.79 crore (March 31, 2017: ₹ Nil) of GETL is secured by first charge, in favour of Security Trustee, over the assets created out of bank loan facility to provide a minimum cover on the entire outstanding amount under the Term Loan Facility including hypothecation on the movable assets, book debts and others (assets created out of this bank loan facility), by pledge of 8% shares of GEL in addition to the extension of Pledge over 20% shares already cross collateralized by other Group Companies, along with all beneficial / economic voting rights and NDU over 2% shares of GEL and pledged 23.5% shares of GAL along with all beneficial / economic voting rights and by unconditional and irrevocable Corporate Guarantee from the Company. The rupee term loan carries an interest rate ranging from 9.90% to 12.10% and is repayable in 14 half yearly instalments after the moratorium period of 12 months from the date of first draw down.
42. Secured Indian rupee term loan from bank of ₹ 553.42 crore (March 31, 2017: ₹ Nil) of GGAL carries an interest rate ranging from 10.40% p.a. to 10.50% p.a. The loan is repayable in 14 half yearly instalments starting from March 2019 and last instalment is payable in September 2025. The term loan is secured by (a) exclusive charge over current assets and movable fixed assets (present and future) of GGAL, (b) unconditional and irrevocable corporate guarantee from the Company, (c) pledge over 28% shares of GEL and NDU over 2% shares of GEL, (d) pledge over 23.5% shares of GAL (e) exclusive charge over assets created out of the proceeds of the loan.
43. Secured Indian rupee term loan from a bank of ₹ 500.70 crore (March 31, 2017: ₹ Nil) of the Company carries interest of lender's marginal cost of funds based lending rate ('MCLR') plus spread of 3.10% p.a. (March 31, 2017: Nil) and interest is payable on a monthly basis. The loan is secured by (i) first charge on the assets taken on loan by the Company to provide minimum cover of 1.00 times of the facility outstanding (ii) extension of pledge over 20% shares of GEL along with all beneficial/ economic voting rights (already cross collateralized for existing term loan facilities at the Company, RSSL, GGAL (Term Loan-I) GMRHL (Term Loan-I)) (iii) additional pledge over 8% shares of GEL long with all beneficial/ economic voting rights and non-disposal undertaking over 2% shares of GEL (prior to disbursement) (iv) pledge over 23.5% shares of GAL along with all beneficial/ economic voting rights (v) margin of 19.14% of outstanding amount (in form of FD/ cash or any other instrument to the satisfaction of the lender). The loan is repayable in fourteen half yearly structured instalments commencing after a moratorium period of one year from the date of first disbursement. Further the lender has certain mandatory prepayment rights as per the terms of the agreements.
44. Secured Indian rupee term loan from a bank of ₹ 14.89 crore (March 31, 2017: ₹ Nil) of the Company carries interest of lender's marginal cost of funds based lending rate ('MCLR') plus spread of 1.35% p.a. and is payable on a monthly basis. The loan is secured by i) hypothecation of construction equipment's/ machineries purchased out of the term loan on exclusive basis and ii) pari passu first charge on the current assets of the Company and bank accounts of the GIL-SIL JV. The loan is repayable in nineteen structured monthly instalments commencing after 2 months from the date of first disbursement.
45. Secured Indian rupee term loan from a bank of ₹ 28.65 crore (March 31, 2017: ₹ Nil) of the Company carries interest @ 11.50% p.a. linked to MCLR



## Notes to the consolidated financial statements for the year ended March 31, 2018

- and is payable on a monthly basis. The loan is secured by i) exclusive charge on the equipment's purchased by the Company out of the term loan and ii) second charge on the current assets/ non-current assets including bank account in respect of Dedicated Freight Corridor Corporation (DFCC) - 201 project. The loan is repayable in thirteen structured monthly instalments commencing from December 01, 2017.
46. Secured Indian rupee term loan from financial institutions of ₹ 58.87 (March 31, 2017: ₹ Nil) of GHASL is secured by first ranking charge on leasehold right, title, interest and benefit in respect of sub-leasehold land together with all buildings, structures etc. on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. The rupee term loan carries an interest rate of 9.40% p.a. and is repayable over fifty one structured quarterly instalments beginning from September 2017.
  47. Secured Indian rupee term loan from a financial institution of ₹ 399.62 crore (March 31, 2017: ₹ 498.61 crore) of the Company carries interest @ 11.75% p.a. (March 31, 2017: 11.75% p.a.) payable on a half yearly basis. The loan is repayable in ten equated annual instalments commencing from December 2012. The loan is secured by a first pari passu charge on 8,236 acres of land held by KSPL.
  48. Secured Indian rupee term loans from financial institutions of ₹ Nil (March 31, 2017: ₹ 10.97 crore) of GAPL was secured by way of hypothecation of aircrafts of GAPL and guarantee issued by the Company. The loan carried an interest rate of 10.22% p.a. The loan was repayable in quarterly instalments of ₹ 1.22 crore each with an option to pre-close at the end of year 1 and thereafter on every interest reset date with 30 days written notice to the lender without any prepayment premium. The loan has been repaid during the year.
  49. Secured Indian rupee term loans from financial institutions of ₹ 51.13 crore (March 31, 2017: ₹ Nil crore) of GAPL are secured by way of (a) exclusive charge on the aircraft (b) first charge on all current assets of GAPL and (c) irrevocable and unconditional corporate guarantee issued by the Company. The loan carries an interest rate of 12.99% p.a. (March 31, 2017: Nil) for a term of 5 years payable in fifty four equated monthly instalments.
  50. Secured Indian rupee term loan from a financial institution of ₹ 128.52 crore (March 31, 2017: ₹ 149.82 crore) of the Company carries interest @ 12.00% p.a. (March 31, 2017: 12.00% p.a.) payable on a quarterly basis. The loan is repayable in seven equal annual instalments commencing at the end of four years from the date of first disbursement. The loan is secured by exclusive first charge on land held by GKSEZ.
  51. Secured Indian rupee term loan from a financial institution of ₹ 8.27 crore (March 31, 2017: ₹ 19.26 crore) of the Company carries interest @ 14.75% p.a. linked with SBR on reducing balance (March 31, 2017: 14.75% p.a. linked with SBR on reducing balance) and is payable on a monthly basis. The loan is repayable in fifty seven monthly instalments commencing from April, 2014. The loan is secured by a charge on the assets purchased out of the loan proceeds by the Company.
  52. Secured Indian rupee term loan from a financial institution of ₹ 129.42 crore (March 31, 2017: ₹ 172.38 crore) of the Company carries interest rate @ 14.25% p.a. (March 31, 2017: 14.25% p.a.) and is payable on a monthly basis. The loan is repayable in eighteen quarterly instalments commencing from October' 2016. The loan is secured by way of i) first mortgage and charge on non-agriculture lands of SJK Powergen Limited ('SJK') ii) pledge of 2.00 crore equity shares of Re. 1 each of the Company, held by GEPL and iii) pledge of such number of equity shares of ₹ 10 each of GEL having book value of minimum of ₹ 400.00 crore held by the Company and in case of default of repayment of loan, the lender has the right to convert the loan into equity.
  53. Secured Indian rupee term loan from a financial institution of ₹ 259.90 crore (March 31, 2017: ₹ 259.74 crore) of the Company carries interest @ 12.15% p.a. (March 31, 2017: 12.15% p.a.) payable on a quarterly basis. The loan is repayable in six equal annual instalments commencing at the end of five years from the date of first disbursement. The loan is secured by an exclusive first charge on certain immovable properties located in the State of Andhra Pradesh ('AP') owned by Namitha Real Estate Private Limited (NREPL), a subsidiary of the Company, Corporate Infrastructure Services Private Limited, a fellow subsidiary, Varalaxmi Jute & Twine Mills Private Limited, Vijay Niwas Real Estates Private Limited and Smt. G. Varalakshmi.
  54. Secured Indian rupee loan from a financial institution of ₹ 70.00 crore (March 31, 2017: ₹ 62.49 crore) of SJK is secured by the way of (a) pledge on 1.70 crore equity shares of the Company; (b) pledge on 100% equity shares of GPEL; (c) pledge on 49% equity shares of GTAEPL; (d) pledge on 49% equity shares of GTTEPL; (e) pledge on 26% equity shares of GHVEPL; (f) First pari passu charge on loans and advances of the above mentioned road companies; (g) pledge on 21% equity shares of GMRHL; (h) pledge on 26% preference share capital of GMRHL; (i) charge by the way of mortgage on certain properties; and (j) charge by the way of mortgage on 82 acres of immovable property located at Maharashtra. The loan carries interest rate at lender's benchmark rate less spread of 6.00% p.a. The entire loan is repayable on bullet repayment on the date falling 36 months from the date of first disbursement. The loan is falling due for repayment during the year ended March 31, 2019.

## Notes to the consolidated financial statements for the year ended March 31, 2018

55. Secured Indian rupee term loan from a financial institution of ₹ 93.60 crore (March 31, 2017: ₹ 149.58 crore) of KSPL is secured by pari passu first charge on land to the extent of 8,236.50 acres along with escrow of receivable from land leasing of 916 acres under Phase-I and lien on fixed deposit of ₹ 5.65 crore. Further secured by an irrevocable and unconditional guarantee given by the Company. The loan carries an interest rate of 10.20% p.a. plus spread of 3.00% p.a. (March 31, 2017: 10.75% p.a. plus spread of 3.00% p.a.) and is repayable in eight equal quarterly instalments commencing from the end of 27 months from the first drawdown date i.e. September 2017.
56. Secured Indian rupee term loan from financial institution of ₹ 121.08 crore (March 31, 2017: ₹ 122.70 crore) of GHRL is secured by first pari passu charge on immovable assets (including assignment of leasehold rights in the case of leasehold land) movable assets, revenues, book debts, bank accounts and a pledge over 30% of the equity shares of GHRL. Further the loan is secured by an irrevocable and unconditional corporate guarantee given by the GHIAL. The loan carries an interest rate ranging from 9.25% to 10.80% p.a. The loan is repayable in fifty four quarterly instalments commencing from January 2017.
57. Secured Indian rupee term loan from a financial institution of ₹ 137.61 crore (March 31, 2017: ₹ Nil) of the Company carries interest at the lender's benchmark rate plus spread of 3.30% p.a. The loan is secured by i) a mortgage on exclusive first charge basis on (a) 99.76 acres of immovable property held by RSSL (b) 10 acres of immovable property held by GEPL (c) 10 acres of immovable property held by Fabcity Properties Private Limited (d) 11.46 acres of immovable property held by GMR Bannerghatta Properties Private Limited (e) 10 acres of immovable property held by Sri Varalakshmi Jute Twine Mills Private Limited (f) 13.09 acres of land held by BIPL. (g) 246.10 square meter of house property located in New Delhi held by DG Buildwell Private Limited (h) commercial property held by Grandhi Enterprises Private Limited and corporate guarantee of these entities which are giving mortgage charge ii) minimum 0.75 time cover on the loan amount by way of first pari-passu charge over SEZ land held by KSPL iii) pledge of 10,551,655 unlisted shares of Rajam Enterprises Private Limited iv) Pledge of 6,024,097 listed shares of the Company on exclusive charge basis v) DSRA covering interest payment for two quarters and principal repayment for one quarter in the form of fixed deposit vi) escrow over all the receivables from KSPL on exclusive charge basis and vii) post-dated cheques ('PDC') for interest and principal repayments. The loan is repayable in forty eight monthly instalments commencing after a moratorium of 12 months from the date of first disbursement. Further the lender has certain mandatory prepayment rights as per the terms of the agreements.
58. Secured vehicle loan taken from a financial institution of ₹ 17.56 crore (March 31, 2017: ₹ Nil) of the Company carries interest @ 9.50% p.a. (March 31, 2017: Nil) payable on a monthly basis. The loan is repayable in thirty four monthly instalments commencing after two months from the date of first disbursement. The loan is secured by a charge on the assets purchased out of loan proceeds by the Company.
59. Secured loan from a financial institution of ₹ 73.96 crore (March 31, 2017: ₹ Nil) of the Company carries interest at SREI Benchmark Rate (SBR) less spread of 4.25% p.a. (March 31, 2017: Nil) payable on a monthly basis. The loan is repayable in five equal monthly instalments commencing from January 2019. The loan is secured by (i) first charge on all the current assets, present and future, including the cash flow of the DFCC-202 project (ii) second charge over all the movable fixed asset of the DFCC-202 project including project documents and all licences, permits, approvals, consent and insurance policies (iii) exclusive charge by way of pledge of 19% equity share of GMRHL. Further the lender has certain mandatory prepayment rights as per the terms of the agreements.
60. Secured vehicle loan from others of ₹ 0.06 crore (March 31, 2017: ₹ 0.12 crore) carries interest @10.33% p.a. (March 31, 2017 @10.33% p.a) and interest is payable on a monthly basis. The loan is repayable in sixty equal monthly instalments commencing from April, 2014 and is secured by vehicle purchased out of the loan proceeds.
61. Secured foreign currency loans from banks of ₹ 2,371.23 crore (March 31, 2017: ₹ 2,433.94 crore) of GCRPL are secured by a charge over all tangible and intangible assets of GCRPL and a charge over the shares of GCRPL. Further, secured by way of guarantee by the Company and a non-disposable undertaking with respect to shares held in PTGEMS by GCRPL. The loan carried interest rate of six month LIBOR plus 4.25% p.a. The term loans were repayable in 4 instalments of 5% of the loans within 24 months from the first utilisation date i.e. in October 2011, 10% within 36 months from the first utilisation date, 10% within 48 months from the first utilization date and the final instalment of 75% on the maturity date i.e. in October 2016. During the year ended March 31, 2017, GCRPL entered into an arrangement with the lenders to reschedule the loan. As per the revised arrangement, the loan carries an interest rate of six months LIBOR plus 4.25% p.a. for the first 24 months and an interest rate of six months LIBOR plus 5.25% p.a. for the remaining period and is repayable over a period of 5 years commencing from January 2017.
62. Unsecured foreign currency loan from a bank of ₹ 507.21 crore (March 31, 2017: ₹ 542.02 crore) of GISPL is secured by an irrecoverable and unconditional standby letter of credit up to a limit of USD 4.90 crore guaranteed by GISPL. The loan carries an interest at 3 months LIBOR plus margin of 2.25% p.a. The loan amount of ₹ 223.79 crore is due for repayment on March 19, 2019 and the balance amount is repayable over a period of 6 years over twelve instalments.

## Notes to the consolidated financial statements for the year ended March 31, 2018

63. Unsecured foreign currency loan from others of ₹ Nil (March 31, 2017: ₹ 9.37 crore) of GALM carried an interest rate of 1.20% p.a. and was repayable in a single instalment on maturity, i.e. April 2018.
64. Unsecured Indian rupee loan from a financial institution of ₹ 102.38 crore (March 31, 2017: ₹ 122.28 crore) of GGAL carries an interest rate of 13.00% p.a. The loan is repayable in fifty four equal monthly instalments starting from July 2017.
65. Unsecured Indian rupee term loan from others of ₹ 0.37 crore (March 31, 2017: ₹ 0.42 crore) of HMA CPL is interest free. The loan is repayable in fifteen equal annual instalments of ₹ 0.10 crore each commencing from April 2009.
66. Unsecured Indian rupee term loan from others of ₹ 4.19 crore (March 31, 2017: ₹ Nil) of KSPL carries an interest rate of 12.25% p.a., payable on quarterly basis, repayable at the end of 3rd year (repayment starting from October 2019).
67. Secured suppliers' credit of ₹ Nil (March 31, 2017: ₹ 19.30 crore) of GAPL was secured by way of hypothecation of aircrafts, guarantee issued by the Company and a bank guarantee given by GAPL. The rate of interest was six months LIBOR plus spread of 115 bbps. The interest rate was hedged at 3.66% p.a. The loan was repaid during the current year.
68. Finance lease obligations of ₹ 0.66 crore (March 31, 2017: ₹ 0.66 crore) of GPCL are secured by underlying assets taken on finance lease arrangement. The lease term is of 5 years and it carries an interest of 10.00% p.a.
69. Negative grant of ₹ 66.41 crore (March 31, 2017: ₹ 66.41 crore) of GACEPL is interest free and recorded at amortised cost. Negative grant is repayable in unequal yearly instalments over the next 5 years. As at March 31, 2018, an amount of ₹ 66.41 crore (March 31, 2017: ₹ 66.41 crore) is due and GACEPL has obtained an interim stay order from the arbitration tribunal against the recovery of the negative grant till further orders. In accordance with the terms of the Concession agreement entered into with NHAI by GACEPL dated November 16, 2005, GACEPL has an obligation to pay an amount of ₹ 174.75 crore by way of Negative Grant to NHAI. GACEPL has paid an amount of ₹ 108.34 crore till March 31, 2018 (March 31, 2017: ₹ 108.34 crore).
70. Interest free loan from GoT of ₹ 315.05 crore (March 31, 2017: ₹ 315.05 crore) of GHIAL received from the State Government of Telangana (erstwhile State Government of Andhra Pradesh) is repayable in five equal instalments commencing from 16<sup>th</sup> anniversary of the commercial operations date of GHIAL i.e. March 2008.
71. Securities for the facilities mentioned in note nos. 11, 24, 25, 26, 31, 34, 35
- First charge over 30% pledge of shares of Raxa Security Services Limited and 70% shares under NDU arrangement to be kept in lenders demat account.
  - Charge over 30% pledge of shares of GGAL.
  - Mortgage on Andhra Pradesh land (piece and parcel of the property admeasuring 55776 acres in aggregate of land situated at Kothavalasa, Vizianagaram District of Andhra Pradesh).
  - Pledge over 30% shares of GMRHL held by the Company.
  - Undertaking from the Company to hold majority stake in GMRHL.
  - Pledge/ charge on the advances/ CCPS invested by GISPL in GCRPL in favour of lender/ lender approved correspondent bank.
  - Pledge of 12% of Delhi Duty Free Services Private Limited (DDFS) free shares held by GAL.
  - Mortgage on office space at Bandra Kurla Complex, Mumbai.
  - Pledge of 30% shares of GPCL.
  - NDU of 21% shareholding of GPCL.
  - First charge over properties located at Rajam Mandal, Srikakulam District, Andhra Pradesh or equivalent cash margin.
72. Unsecured Indian rupee loan from others of ₹ Nil (March 31, 2017: ₹ 9.50 crore) of GPIL. The loan carried interest rate of 13.75 % p.a and was repaid during the current year.
73. Unsecured Indian rupee loan from others of ₹ Nil (March 31, 2017: ₹ 31.38 crore) of GCRPL carried interest rate of 6 months LIBOR plus 350 bps p.a. The loan was repayable during the current year.

## Notes to the consolidated financial statements for the year ended March 31, 2018

74. The period and amount of default as on the balance sheet date with respect to abovementioned borrowings are as follows:

Particulars	Nature	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	Period of Default (No. of Days)
Indian Rupee term loans from banks and financial institutions	Payment of Interest	-	123.02	0-360
Foreign currency loans from banks	Payment of Interest	-	80.63	0-360
Loan from a Group Company	Payment of Interest	-	5.92	0-210
Bank overdraft	Payment of Interest	-	0.73	0-30
Foreign Currency loans from banks	Payment of Principal	-	32.80	0-90
Indian Rupee term loans from banks and financial institutions	Payment of Interest	45.35	-	0-90
Indian Rupee term loans from banks and financial institutions	Payment of Principal	2.92	2.92	0-90
<b>Total</b>		<b>48.27</b>	<b>246.02</b>	

### 20 Trade payables

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
Trade payables <sup>1</sup>	-	-	1,957.24	1,410.30
	-	-	<b>1,957.24</b>	<b>1,410.30</b>

1. Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing
- For explanations on the Group's credit risk management processes, refer note 53
- The dues to related parties are unsecured.

### 21 Financial liabilities

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives not designated as hedge				
Foreign exchange forward contracts (refer note 52)	-	-	0.31	1.57
Principal and interest rate swap (refer note 52)	-	67.24	-	-
Call spread option (refer note 52)	-	-	-	6.01
<b>Financial liabilities at fair value through OCI</b>				
Derivatives designated as hedge				
Call spread option (refer note 52)	18.83	-	-	36.57
<b>Total (A)</b>	<b>18.83</b>	<b>67.24</b>	<b>0.31</b>	<b>44.15</b>
<b>Other financial liabilities at amortized cost</b>				
Security deposit from concessionaires / customers	329.38	293.77	189.23	155.86
Security deposit from commercial property developers ('CPD')	7.48	7.59	116.75	-
Concession fee payable	212.01	195.98	22.15	-
Non-trade payable (including retention money) <sup>1</sup>	12.34	5.03	1,070.05	1,031.92
Liability towards negative net asset of an associate	-	-	557.85	-
Liability for voluntary retirement scheme	1.35	16.94	15.47	14.44
Interest payable	-	-	352.97	435.76

## Notes to the consolidated financial statements for the year ended March 31, 2018

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
Current maturities of long term borrowings (refer note 19)	-	-	1,971.44	1,906.02
Current maturities of finance lease obligations (refer note 19)	-	-	0.66	0.66
<b>Total (B)</b>	<b>562.56</b>	<b>519.31</b>	<b>4,296.57</b>	<b>3,544.66</b>
Financial guarantees	62.17	104.79	6.10	5.34
<b>Total (C)</b>	<b>62.17</b>	<b>104.79</b>	<b>6.10</b>	<b>5.34</b>
<b>Total (A+B+C)</b>	<b>643.56</b>	<b>691.34</b>	<b>4,302.98</b>	<b>3,594.15</b>

- Retention money is payable on the completion of the contracts or after the completion of the defect liability period as defined in the respective contracts. These payments are kept as retention to ensure performance of the vendor obligation and hence are not discounted for present value of money.

**22 Provisions**

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
<b>Provision for employees benefits</b>				
Provision for gratuity (refer note 41)	12.68	11.53	9.33	9.77
Provision for compensated absences	-	-	62.52	63.80
Provision for other employee benefits	-	-	18.51	11.60
<b>Total (A)</b>	<b>12.68</b>	<b>11.53</b>	<b>90.36</b>	<b>85.17</b>
<b>Other provisions</b>				
Provision for operation and maintenance (refer note 44)	165.44	227.67	190.99	33.57
Provision for asset retirement obligation / decommissioning liability (refer note 44)	-	7.14	7.70	-
Provision for power banking arrangement (refer note 44)	-	-	64.67	90.53
Provision for debenture redemption premium	-	-	1.50	1.91
<b>Total (B)</b>	<b>165.44</b>	<b>234.81</b>	<b>264.86</b>	<b>126.01</b>
<b>Total (A+B)</b>	<b>178.12</b>	<b>246.34</b>	<b>355.22</b>	<b>211.18</b>

**23 Other liabilities**

	Non-current		Current	
	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
Advance received from customers and CPD's	134.84	240.58	881.63	1,010.69
Deferred / unearned revenue	1,643.42	1,811.73	199.91	94.73
Statutory dues payable	-	-	116.58	85.92
Marketing fund liability (refer note 46(vii))	-	-	51.51	53.43
Other Liabilities	46.13	32.10	49.54	37.10
	<b>1,824.39</b>	<b>2,084.41</b>	<b>1,299.17</b>	<b>1,281.87</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 24 Short-term borrowings

	March 31, 2018 ₹ in crore	March 31, 2017 ₹ in crore
<b>Secured</b>		
Cash credit and overdraft from banks	205.73	178.66
Indian rupee short term loans from banks	7.97	24.18
<b>Unsecured</b>		
Cash credit and overdraft from banks	-	10.02
Indian rupee short term loans from financial institutions	185.00	-
Indian rupee short term loans from others	143.67	404.70
	<b>542.37</b>	<b>617.56</b>
<b>The above amount includes</b>		
Secured borrowings	213.70	202.84
Unsecured borrowings	328.67	414.72
	<b>542.37</b>	<b>617.56</b>

#### Notes:

- Cash credit from a bank of ₹ Nil (March 31, 2017: ₹ 2.87 crore) of GAPL was secured by way of a corporate guarantee from the Company and a charge over current assets of GAPL. The rate of interest was 14.35% p.a.
- Cash credit from a bank of ₹ Nil (March 31, 2017: ₹ 21.05 crore) of GATL was secured by first charge on entire current assets and cash flows including stocks, receivables, bank balances etc., first pari passu charge by way of extension of equitable mortgage of leasehold rights of land to the extent of 16.46 acres registered in the name of GAEL on which MRO facilities have been created along with all the buildings and structures, first pari passu charge by way of hypothecation of all the movable assets belonging to GATL and GAEL and including but not limited to plant and machinery, machinery spares, tools and accessories and corporate guarantee from GAEL. The rate of interest was base rate of the bank plus 3.95% p.a.
- Cash credit from a bank of ₹ Nil (March 31, 2017: ₹ 16.33 crore) of RSSL was secured by way of exclusive charge on receivables of RSSL, fixed deposit of ₹ 6.00 crore and irrevocable corporate guarantee issued by the Company. The interest rate was 12.50% p.a.
- Cash credit from a bank of ₹ Nil (March 31, 2017: ₹ 10.02 crore) of GETL was secured by an unconditional and irrevocable corporate guarantee by GEL and the Company. The rate of interest was ranging from 11.82% to 13.03% p.a.
- Cash Credit from a bank of ₹ 45.00 crore (March 31, 2017: ₹ 47.52 crore) of GETL is secured by way of first charge on the current assets including book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future and unconditional and irrevocable corporate guarantee by the Company. The rate of interest is ranging from 10.67% to 10.82% p.a. in 2018 (March 31, 2017: 10.72% to 12.82% p.a.)
- Overdraft facility from banks amounting to ₹ 125.73 crore (March 31, 2017: ₹ 76.31 crore) of the Company is secured by first charge on current assets of the EPC division of the Company, first mortgage on the Company's entire fixed asset pertaining to DFCC- 201 project, a first charge on all the Company's bank accounts including, without limitation, the TRA/ Escrow account and lien on fixed deposits with banks and carries an interest ranging between 12.30% to 13.75% p.a. (March 31, 2017: 13.00% to 13.75% p.a.).
- Overdraft facility from a bank of ₹ 28.00 crore (March 31, 2017: ₹ Nil) of GATL is repayable on demand and is secured by way of fixed deposit placed by GHIAL. The rate of interest is fixed deposit rate plus 150 bps.
- Overdraft Facility from a bank of ₹ 7.00 crore (March 31, 2017: ₹ 14.58 crore) of GMRHL is secured by way of pledge of fixed deposits of certain Group companies. This facility carries an interest rate of Bank base Rate + 2% i.e effective rate is 11.65% p.a. payable monthly.
- Secured Indian rupee short term loans from banks of ₹ 7.97 crore (March 31, 2017: ₹ 7.93 crore) of DSPL are secured against fixed deposits of certain Group Companies. The rate of interest is ranging from 8.55% to 9.60% p.a. in 2018 (March 31, 2017: 8.55% to 11.30% p.a.)
- Secured Indian rupee short term loan from a bank of ₹ Nil (March 31, 2017: ₹ 5.25 crore) of GAPL was secured by charge on fixed deposits of the

## Notes to the consolidated financial statements for the year ended March 31, 2018

Company. The interest rate was 9.70% p.a.

11. Unsecured Indian rupee short term loan from others of ₹ Nil (March 31, 2017: ₹ 311.03 crore) of DSPL carried interest rate ranging from 6.00% to 12.25% p.a.
12. Unsecured Indian rupee short term loan from a financial institution of ₹ 185.00 crore (March 31, 2017: ₹ Nil) of the Company carries interest @ 9.75% p.a. (March 31, 2017: Nil). The loan is repayable in September' 2018.
13. Unsecured Indian rupee short term loan from others of ₹ 0.80 crore (March 31, 2017: ₹ 0.80 crore) of GPCL carries an interest rate of 9.00% p.a. The loan is repayable on demand.
14. Unsecured Indian rupee short term loan of GETL from GEL of ₹ 126.67 crore (March 31, 2017: ₹ 75.84 crore) carries an interest rate ranging from 8% to 12.25% p.a. The loan is repayable on demand.
15. Unsecured Indian rupee short term loan of GLHPPL from GBEPL of ₹ 16.20 crore (March 31, 2017: ₹ 16.20 crore) carries an interest rate of 11.25% p.a. The loan is repayable on demand.
16. Secured Indian rupee short term loan from a bank of ₹ Nil (March 31, 2017: ₹ 11.00 crore) of GMRHL was secured by way of pledge of fixed deposits of a Group company. The interest rate was 8.30% p.a.

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 25 Sales / income from operations

(₹ in crore)

	March 31, 2018	March 31, 2017
<b>Sale of products</b>		
Power segment:		
Income from sale of electrical energy	3.56	2.23
	<b>3.56</b>	<b>2.23</b>
<b>Traded goods</b>		
Power segment:		
Income from sale of electrical energy	1,267.86	812.50
Income from coal trading	261.70	459.35
	<b>1,529.56</b>	<b>1,271.85</b>
Airport segment:		
Non-aeronautical		
Sale of duty free goods	118.86	106.52
	<b>118.86</b>	<b>106.52</b>
<b>Sale of services</b>		
Airport segment:		
Aeronautical	2,510.83	4,638.65
Non-aeronautical	2,458.51	2,055.25
Improvements to concession assets	2.95	3.86
Income from management and other services	116.56	102.00
	<b>5,088.85</b>	<b>6,799.76</b>
Roads segment:		
Annuity income from expressways		
Operation and maintenance income (SCA) (Annuity)	130.69	116.04
Construction income	23.94	13.28
Toll income from expressways	311.44	267.66
Income from management and other services	-	11.51
	<b>466.07</b>	<b>408.49</b>
EPC segment:		
Construction revenue	931.12	380.86
	<b>931.12</b>	<b>380.86</b>
Others segment:		
Income from hospitality services	63.00	55.30
Income from management and other services	140.73	112.82
	<b>203.73</b>	<b>168.12</b>
<b>Sales / income from operations</b>	<b>8,341.75</b>	<b>9,137.83</b>

### 26 Other operating income

(₹ in crore)

	March 31, 2018	March 31, 2017
Interest income on:		
Bank deposits and others	41.09	70.97
Receivables from service concession arrangements	123.63	156.61
Income from commercial property development	187.44	174.26
Net gain on sale or fair valuation of investments	14.28	9.63
Others	13.02	7.52
	<b>379.46</b>	<b>418.99</b>



## Notes to the consolidated financial statements for the year ended March 31, 2018

<b>27 Other income</b>		(₹ in crore)	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	
Interest income on bank deposits and others	169.47	166.16	
Provisions no longer required, written back	4.48	3.34	
Net gain on sale or fair valuation of investments	208.56	145.28	
Gain on account of foreign exchange fluctuations (net)	70.00	64.20	
Gain on fair valuation of derivative instrument	16.81	71.62	
Lease rentals	16.55	10.00	
Miscellaneous income	67.17	21.68	
	<b>553.04</b>	<b>482.28</b>	
<b>28 Cost of materials consumed</b>		(₹ in crore)	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	
Inventory at the beginning of the year	66.52	8.73	
Add: Purchases	360.41	178.79	
	426.93	187.52	
Less: Inventory at the end of the year (refer note 14)	(38.60)	(66.52)	
	<b>388.33</b>	<b>121.00</b>	
<b>29 Purchase of traded goods</b>		(₹ in crore)	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	
Purchase of electrical energy	1,228.43	792.81	
Purchase of coal for trading	251.85	447.38	
Purchase of duty free items	47.84	49.89	
Purchase of other goods for trading	2.08	3.47	
	<b>1,530.20</b>	<b>1,293.55</b>	
<b>30 (Increase) / decrease in stock in trade</b>		(₹ in crore)	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	
Stock as at April 1, (refer note 14)	16.85	9.99	
Less: Stock as at March 31, (refer note 14)	(16.92)	(16.85)	
	<b>(0.07)</b>	<b>(6.86)</b>	
<b>31 Employee benefit expenses</b>		(₹ in crore)	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	
Salaries, wages and bonus	597.00	524.01	
Contribution to provident and other funds (refer note 41)	43.24	37.31	
Gratuity expenses (refer note 41)	13.45	7.00	
Staff welfare expenses	36.66	27.37	
	<b>690.35</b>	<b>595.69</b>	
<b>32 Other expenses</b>		(₹ in crore)	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	
Consumption of stores and spares	54.57	41.55	
Electricity and water charges	167.48	139.53	
Airport service charges / operator fees	185.82	162.22	
Repairs and maintenance	311.22	273.42	
Manpower hire charges	91.25	62.76	
Legal and professional fees	242.03	229.95	

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

	March 31, 2018	March 31, 2017
Directors' sitting fees	1.41	1.64
Adjustments to the carrying amount of investments	2.42	1.25
Provision / write off of doubtful advances and trade receivables	24.26	26.22
Donation (includes corporate social responsibility expenditure)	27.77	29.91
Fixed assets written off / loss on sale of fixed assets (net)	2.78	0.38
Logo fees	1.70	0.95
Expenses of commercial property development	49.32	43.13
Miscellaneous expenses	324.08	260.38
	<b>1,486.11</b>	<b>1,273.29</b>

### 33 Depreciation and amortisation expenses

(₹ in crore)

	March 31, 2018	March 31, 2017
Depreciation on property, plant and equipment	931.34	937.51
Depreciation on investment property	0.88	0.70
Amortisation of intangible assets	96.18	80.44
	<b>1,028.40</b>	<b>1,018.65</b>

### 34 Finance costs

(₹ in crore)

	March 31, 2018	March 31, 2017
Interest on debts and borrowings	2,074.32	1,973.74
Bank charges	57.01	113.56
Call spread option premium	153.65	40.70
Interest on cross currency swap (refer note 52)	31.36	-
	<b>2,316.34</b>	<b>2,128.00</b>

### 35 Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

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

	March 31, 2018	March 31, 2017
Profit attributable to equity holders of the parent:		
Continuing operations (₹ in crore)	(1,345.04)	(748.37)
Discontinued operations (₹ in crore)	(18.82)	183.99
<b>Profit attributable to equity holders of the parent for basic / diluted earnings per share (₹ in crore)</b>	<b>(1,363.86)</b>	<b>(564.38)</b>
Weighted average number of equity shares for basic EPS	6,017,945,475	6,017,945,475
Effect of dilution:	-	-
Weighted average number of equity shares adjusted for the effect of dilution	6,017,945,475	6,017,945,475
Earnings per share for continuing operations - Basic and Diluted (₹)	(2.24)	(1.24)
Earnings per share for discontinued operations - Basic and Diluted (₹)	(0.03)	0.30
Earnings per share for continuing and discontinued operations - Basic and Diluted (₹)	(2.27)	(0.94)

Notes:

- Considering that the Company has incurred losses during the year ended March 31, 2018 and March 31, 2017, the allotment of conversion option in case of FCCBs would decrease the loss per share for the respective years and accordingly has been ignored for the purpose of calculation of diluted earnings per share. Management had computed diluted EPS using ₹ 18 per share as fair market value for computing the number of equity shares which would be issued on the conversion of FCCB.
- Weighted average number of equity shares used for computing earning per share (basic and diluted) have been adjusted for 17,999,800 treasury shares held by GWT as detailed in note 49(i).

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 36. Discontinued operations

- a) During the year ended March 31, 2016, GEL had entered into a memorandum of understanding ('MOU') for divestment of its 100% equity stake in its subsidiaries, MTSCCL and ATSCCL for a consideration of ₹ 100.35 crore. The transaction has been completed during the year ended March 31, 2017 and the Group has realized a profit of ₹ 12.35 crore on such sale of shares which has been included as an 'exceptional item' from discontinued operations in the consolidated financial statements of the Group for the year ended March 31, 2017.
- b) GREL had not commenced commercial operations pending linkages of natural gas supply from the Ministry of Petroleum and Natural Gas till the period ended September 30, 2015. As a result, the consortium of lenders of GREL decided to implement Strategic Debt Restructuring Scheme ('SDR'), under the Framework of Reserve Bank of India for Revitalizing Distressed Assets in the Economy, whereby the lenders have to collectively hold 51% or more of the equity share capital in such assets by converting part of the debt outstanding into equity and to undertake flexible structuring of balance debt post conversion as a Corrective Action Plan for improving viability and revival of the project. Pursuant to the scheme, borrowings aggregating to ₹ 1,308.57 crore and interest accrued thereon amounting to ₹ 105.42 crore was converted into equity shares of GREL on May 12, 2016 for 55% stake in equity share capital of GREL and the Group have given a guarantee of ₹ 2,571.71 crore to the lenders against the remaining debt. Under the SDR Scheme, the bankers had to find new promoters for GREL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018. Meanwhile, Reserve Bank of India (RBI) has issued a circular "Resolution of Stressed Assets - Revised Framework" on February 12, 2018. With this circular, all existing frameworks for stressed asset resolution including SDR stand discontinued and the resolution plan is to be implemented within 180 days from the reference date, viz., March 01, 2018. The lenders and the management are exploring various options for revival of the project and is confident of implementing a resolution plan within the period of 180 days, as allowed by the RBI circular. The lenders have advised the Group to ensure payment of their dues failing which the lenders shall be constrained to invoke the guarantees. Consequent to the SDR as stated above, GREL ceased to be a subsidiary of the Group and has been considered as a joint venture as per the requirement of Ind AS -28. Further, pursuant to the loss of control over GREL, the Group has recorded a profit of ₹ 518.04 crore, which has been included as an 'exceptional item' from discontinued operations in the consolidated financial statements of the Group for the year ended March 31, 2017.
- c) GMIAL had entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives, for the rehabilitation, expansion, modernization, operation and maintenance of Male International Airport ('MIA') for a period of 25 years ('the Concession Agreement'). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession Agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement and MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. The matter was under arbitration.

During the year ended March 31, 2017, the arbitration tribunal delivered its final award in favor of GMIAL, pursuant to which GMIAL received USD 27.10 crore from MACL, in view of which GMIAL has recognized income of ₹ 473.91 crore, being the difference between the claims received and the amount recorded as claims recoverable by GMIAL with regard to the aforesaid takeover and included the same as an 'exceptional item' from discontinued operations in the consolidated financial statements of the Group for the year ended March 31, 2017.

During the year ended March 31, 2018, Maldives Inland Revenue Authority ('MIRA') has issued tax audit reports and notice of tax assessments demanding business profit tax amounting to USD 1.44 crores, USD 0.28 crore as the additional withholding tax and USD 0.33 crore towards fines and penalties. However, management of the Group is of the view that the notice issued by MIRA is not tenable. Accordingly, no adjustments have been made to the accompanying consolidated financial statements of the Group for the year ended March 31, 2018.

- d) The Group entered into a Subscription and Shareholders Agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the Investors have acquired a 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of USD 30.00 crore through primary issuance of equity shares of GEL. The transaction was completed on November 4, 2016 and GEL has allotted equity shares to the Investors for the said consideration of USD 30.00 crore. As per the conditions precedent to the completion of the transaction, GEL's investment in certain subsidiaries have been transferred from GEL to other subsidiaries of the Group.

Pursuant to the aforesaid transaction, GEL and its subsidiaries ceased to be subsidiaries of the Group and have been considered as joint ventures as per the requirements of Ind AS -28. Further, pursuant to the loss of control over GEL and its subsidiaries, the Group has recorded a profit of ₹ 945.17 crore, which has been included as an 'exceptional item' from discontinued operations in the consolidated financial statements of the Group for the year ended March 31, 2017.

## Notes to the consolidated financial statements for the year ended March 31, 2018

- e) During the year ended March 31, 2017, under a Framework for Revitalizing Distressed Assets in the Economy by RBI, the lenders of GCEL have implemented the SDR Scheme on February 21, 2017 pursuant to which borrowings of GCEL aggregating to ₹ 2,992.22 crore (including interest accrued thereon of ₹ 654.73 crore) got converted into equity shares. The aforesaid conversion has resulted in loss of control by the Group over GCEL and the Consortium of bankers have taken over 52.38% of the paid up equity share capital of GCEL and the bankers have to find a new promoter for GCEL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018. Further, majority of the lenders have reduced interest rates for GCEL. Meanwhile, RBI has issued a circular "Resolution of Stressed Assets - Revised Framework" on February 12, 2018. With this circular, all existing frameworks for stressed asset resolution including SDR stand discontinued and the resolution plan is to be implemented within 180 days from the reference date, viz., March 01, 2018. The Consortium of lenders are in the process of identifying investors for GCEL so as to revive the operational and financial position of GCEL and has shortlisted prospective investors, with whom discussions are currently in progress.

Consequent to the SDR as stated above, GCEL ceased to be a subsidiary of the Group and has been considered as an associate as per the requirement of Ind AS -28. Further, pursuant to the loss of control over GCEL on account of the implementation of the SDR as detailed above, the Group has recorded a profit of ₹ 871.49 crore, which has been included as an 'exceptional item' from discontinued operations in the consolidated financial statements of the Group for the year ended March 31, 2017.

- f) During the year ended March 31, 2018, the Group has entered in to a Memorandum of Understanding with PTGEMS for the sale of entire stake in PTDSU for a sale consideration of USD 6.56 crore towards purchase of share and mandatory convertible bonds issued by PTDSU, subject to fulfilment of various conditions as specified in the said agreement. The transaction is expected to conclude by June 30, 2018, as per the latest amendment executed between the parties. Based on the aforesaid agreement, the management of the Group is of the view that the carrying value of net assets of ₹ 470.01 crore in PTDSU as at March 31, 2018 is appropriate.
- g) GKUAEL had entered into a Concession Agreement with National Highways Authority of India ('NHAI') for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways ('NH') 79A, NH 79, NH 76 and NH 8. Pursuant to non-fulfilment of the mandatory 'Conditions Precedent' specified under the Concession Agreement within the due date, GKUAEL had issued a notice to NHAI of its intention to terminate the Concession Agreement. In response, NHAI termed the notice not maintainable both in law and in facts and the matter was under arbitration.

During the year ended March 31, 2017, both the parties have settled their disputes before the arbitral tribunal after payment of penalty of ₹ 53.87 crore by GKUAEL to NHAI.

In addition, GKUAEL had awarded the EPC contract to GMR Enterprises Private Limited ('GEPL') and had given an advance of ₹ 590.00 crore. Pursuant to the issue of notice of dispute as stated above, GKUAEL terminated the contract on May 15, 2015. During the year ended March 31, 2017, GKUAEL has settled the claims of the EPC contractors for ₹ 259.00 crore. The aforesaid settlement expenses aggregating to ₹ 312.87 crore has been included as an 'exceptional item' from discontinued operations in the consolidated financial statements of the Group for the year ended March 31, 2017. The balance ₹ 331.00 crore is recoverable from GEPL as at March 31, 2017 and March 31, 2018. Subsequent to the year ended March 31, 2018, an amount of ₹ 231.00 crore has been received and the balance amount of ₹ 100.00 crore is expected to be received by June 30, 2018 and accordingly no further adjustments has been made in the consolidated financial statements for the year ended March 31, 2018.

- h) During the year ended March 31, 2018, the Group has entered into an agreement for sale of 4 x 50 MW diesel based power plant for a sale consideration of ₹ 57.00 crore. On account of the aforesaid discontinuance of operations, an amount of ₹ 26.10 crore has been disclosed under 'other income' from discontinued operations in the consolidated financial statements of the Group for the year ended March 31, 2018.

**(i) Profit / (loss) from discontinued operations**

Particulars	(₹ in crore)	
	March 31, 2018	March 31, 2017
<b>Income</b>		
Revenue from operations:		
Sales / income from operations	-	1,240.92
Other income	33.91	156.87
<b>Total income</b>	<b>33.91</b>	<b>1,397.79</b>
<b>Expenses</b>		
Consumption of fuel	-	589.86
Sub-contracting expenses	-	4.65
Employee benefit expenses	6.50	79.06

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Other expenses	34.32	294.24
Depreciation and amortisation expenses	20.68	524.78
Finance costs	4.38	1,825.82
<b>Total expenses</b>	<b>65.87</b>	<b>3,318.41</b>
<b>(Loss) / profit before share of profit / (loss) of associates and joint venture, exceptional items and tax from discontinued operations</b>	<b>(31.96)</b>	<b>(1,920.62)</b>
Share of (loss) / profit of associates / joint ventures (net)	-	(304.22)
<b>(Loss) / profit before exceptional items and tax from discontinued operations</b>	<b>(31.96)</b>	<b>(2,224.84)</b>
<b>Exceptional items</b>		
a) Profit/ (loss) on sale/dilution of subsidiaries/joint venture/associate (Refer note 36(a), 36(b), 36(d), 36(e))	-	2,347.05
b) Provision for diminution in value of non-current assets (Refer note 36(g))	-	(312.87)
c) Surplus of termination claim (Refer 36(c))	-	473.91
<b>Profit / (loss) from discontinued operations before tax expenses</b>	<b>(31.96)</b>	<b>283.25</b>
<b>Tax expenses of discontinued operations</b>		
Current tax	-	1.11
Deferred tax expense / (credit)	(0.02)	(2.24)
<b>Profit / (loss) after tax from discontinued operations</b>	<b>(31.94)</b>	<b>284.38</b>

## (j) Assets held for sale

The Group has following non-current assets / disposal groups recognized as held for sale as at March 31, 2018:

Asset / Disposal Group	Reportable segment
GMIAL	Airport segment
PTDSU	Power segment
GPCL	Power segment
EDWPCPL	Power segment
GKUAEL	Road segment
GOSEHHHPL	Road segment

The Group has following non-current assets / disposal groups recognized as held for sale as at March 31, 2017:

Asset / Disposal Group	Reportable segment
GMIAL	Airport segment
PTDSU	Power segment
EDWPCPL	Power segment
GKUAEL	Road segment
GOSEHHHPL	Road segment

The details of assets/disposal group classified as held for sale and liabilities associated thereto are as under:

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Group of assets classified as held for sale</b>		
Property, plant and equipment	10.82	5.42
Intangible assets (including goodwill)	256.89	255.73
Intangible assets under development	534.35	463.17
Investment in GOSEHHHPL	30.15	30.15
Investment in EDWPCPL	0.01	0.01
Other assets including claims recoverable	110.55	96.61
<b>Total</b>	<b>942.77</b>	<b>851.09</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

<b>Liabilities associated with group of assets classified as held for sale</b>		
Trade payables	-	5.70
Borrowings (refer note k)	271.36	294.20
Other liabilities	247.82	133.41
Provisions	10.30	-
Deferred tax liabilities	1.32	0.02
<b>Total</b>	<b>530.80</b>	<b>458.56</b>
<b>Other Comprehensive Income</b>		
<b>Exchange difference on translation of Foreign Operations</b>	<b>0.37</b>	<b>0.98</b>

**(k) Borrowings include:**

- Secured foreign currency loan from a bank of ₹ 235.22 crore (March 31, 2017: ₹ 259.71 crore) of PTBSL is secured by a charge over insurance, inventory, plant and machinery, receivables of PTBSL and further secured by corporate guarantee from the Company. The loan carries an interest rate of LIBOR plus 6.07% p.a. and is repayable in 10 half yearly instalments commencing after 42 months from the first utilization date.
- Unsecured foreign currency loan from others of ₹ 36.14 crore (March 31, 2017: ₹ 34.49 crore) of GMIAL carries an interest rate of 14% p.a. and is repayable in a single instalment on maturity.

**37. (a) Deferred Tax**

Deferred tax (liability) / asset comprises mainly of the following:

(₹ in crore)

S. No.	Particulars	March 31, 2018		March 31, 2017	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
<b>Deferred tax liability:</b>					
1	Depreciation	-	1,133.83	-	1,165.34
2	Carry forward losses / unabsorbed depreciation	662.31	-	622.59	-
3	Intangibles ( Airport Concession rights)	66.71	-	69.96	-
4	Others	74.58	69.83	88.50	29.52
	<b>Sub- total (A)</b>	<b>803.60</b>	<b>1,203.66</b>	<b>781.05</b>	<b>1,194.86</b>
	Deferred tax liability (net)		400.06		413.81
<b>Deferred tax asset :</b>					
1	Depreciation	0.19	7.33	-	3.81
2	Carry forward losses / unabsorbed depreciation	1.08	-	2.15	-
3	MAT credit entitlement	382.12	-	265.37	-
4	Others	17.11	4.24	12.43	4.58
	<b>Sub- total (B)</b>	<b>400.50</b>	<b>11.57</b>	<b>279.95</b>	<b>8.39</b>
	Deferred tax asset (net)	388.93		271.56	
	<b>Total (A+B)</b>	<b>1,204.10</b>	<b>1,215.23</b>	<b>1,061.00</b>	<b>1,203.25</b>
	(Deferred tax liability) /Deferred tax asset (net)	(11.13)		(142.25)	
	Change for the year		(131.12)		340.73
<b>Reconciliation to the consolidated statements of profit and loss from continuing and discontinued operations</b>					
	Charge/(credit) during the year as above		(131.12)		340.73
	Tax Income/(Expense) during the period recognized in OCI		(6.77)		-
	Add: Foreign currency translation reserve		(2.84)		15.22
	Charge/(credit) during the year		(140.73)		355.95

- In case of certain entities, deferred tax asset has not been recognised on unabsorbed losses on the grounds of prudence in view of the management's assessment of future profitability. The Group has recognised deferred tax asset on unabsorbed depreciation and carried forward losses as at March 31, 2018 and March 31, 2017 only to the extent of deferred tax liability as at March 31, 2018.

## Notes to the consolidated financial statements for the year ended March 31, 2018

- ii. In case of certain entities, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the Income Tax Act, 1961, deferred tax has not been recognised by these companies.
- iii. As at March 31, 2018 aggregate amount of temporary difference associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹ 645.54 crore. No liability has been recognised in respect of such difference as the Group is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.
- iv. GHIAL has recognized, Minimum alternate tax (MAT) credit entitlement of ₹ 269.10 crore (March 31, 2017: ₹ 167.95 crore), as GHIAL based on estimates expects to adjust this amount after expiry of the tax holiday period (i.e. AY 2022-23) u/s 80-IA of the Income Tax Act, 1961. Management is confident that in view of the anticipated tariff orders for the control periods which will be effective from financial year 2018-19, the Company's normal tax liability will be more than the MAT payable after considering the deduction under section 80-IA of the Income Tax, Act, 1961.

**37. (b) Income Tax**

The domestic subsidiaries of the Group are subject to income tax in India on the basis of their standalone financial statements. As per the Income Tax Act, these entities are liable to pay income tax which is the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of 15 years and can be offset against future tax liabilities.

**Income tax expenses in the consolidated statement of profit and loss consist of the following:**

(₹ in crore)

	March 31, 2018	March 31, 2017
<b>Tax expenses of continuing operations</b>		
(a) Current tax	195.35	389.90
(b) Adjustments of tax relating to earlier periods	(9.15)	(3.24)
(c) MAT credit entitlement	(110.36)	(100.12)
(d) Deferred tax expense / (credit)	(30.35)	458.31
<b>Tax expenses of discontinued operations</b>		
(a) Current tax	-	1.11
(b) Deferred tax expense / (credit)	(0.02)	(2.24)
<b>Total taxes</b>	<b>45.47</b>	<b>743.72</b>
<b>OCI Section</b>		
<b>Deferred tax related to items recognized in OCI during the year</b>		
Remeasurement gains / (losses) on defined benefit plans	(0.24)	-
Cashflow hedge reserve	(6.53)	-
<b>Income tax charged to OCI</b>	<b>(6.77)</b>	<b>-</b>
<b>Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:</b>		
(Loss) / profit before taxes from continuing operations	(1,037.16)	113.01
(Loss) / profit before taxes from discontinuing operations	(31.96)	283.25
Share of (loss) / profit of associates and joint ventures (net)	(431.36)	(372.62)
(Loss) / profit before taxes and share of profit/ (loss) of associates and joint ventures from continuing and discontinued operations	(637.76)	768.88
<b>Computed tax charge based on applicable tax rates of respective countries</b>	<b>(153.33)</b>	<b>305.62</b>
<b>Adjustments to taxable profits for companies with taxable profits</b>		
(a) Income exempt from tax	(218.36)	(62.62)
(b) Items not deductible	89.44	74.13
(c) Adjustments on which deferred tax is not created / reversal of earlier years	295.80	362.38
(d) Adjustments to current tax in respect of prior periods	(9.30)	(1.71)
(e) MAT adjustments	(4.42)	239.38
(f) Effect of profit from discontinued operations	-	(203.32)
(g) Deferred tax on undistributed profits of Joint Venture	18.79	-
(h) Others	26.84	29.86
<b>Tax expense as reported</b>	<b>45.47</b>	<b>743.72</b>

Certain entities of the Group have incurred losses during the relevant period, which has resulted in reduction of profit / increase of losses in the consolidated financial statements. However, the tax liability has been discharged by the respective entities on a standalone basis. Further, in view of absence of reasonable certainty, the Group has not recognised deferred tax asset in such companies.

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 38. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include impairment of investments, other non-current assets including Goodwill, determination of useful life of assets, estimating provisions, recoverability of deferred tax assets, commitments and contingencies, fair value measurement of financial assets and liabilities, applicability of service concession arrangements, treatment of certain investments as joint ventures/associates, applicability of embedded lease in an arrangement and estimation of payables to Government / statutory bodies.

#### a) Estimates and assumptions

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

##### i. Taxes

Deferred tax assets including MAT Credit Entitlement is recognized to the extent that it is probable that taxable profit will be available against which the same 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. Refer note 37 for further disclosures.

##### ii. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 53 for further disclosures.

##### iii. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual 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.

In respect of financial guarantees provided by the Group to third parties, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer note 42 for further disclosure.

##### iv. Revenue recognition

The Group uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the costs incurred till date as a proportion of the total cost to be incurred. Costs incurred have been used to measure progress towards completion as there is a direct relationship. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

##### v. Defined benefit plans (gratuity benefits)

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



## Notes to the consolidated financial statements for the year ended March 31, 2018

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

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

Further details about gratuity obligations are given in note 41.

**vi Impairment of non-current assets including property, plant and equipment, intangible assets, assets under construction/development, investments in joint ventures, associates and goodwill**

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units. The value in use calculation is based on Discounted Cash Flow Model ('DCF') model over the estimated useful life of the power plants, concession on roads, airports etc. Further, the cash flow projections are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc in case of investments in entities in the energy business, estimation of passenger traffic and rates and favorable outcomes of litigations etc. in the airport and expressway business which are considered as reasonable by the management (refer note 3,4,5,6,7,8,9 and 15).

**b) Significant judgements**

In the process of applying the Group's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognized in these consolidated financial statements.

**i. Determination of applicability of Appendix A of Service Concession Arrangement ('SCA'), under Ind AS - 11 'Construction contracts' in case of airport entities**

DIAL and GHIAL, subsidiaries of the Company, have entered into concession agreements with Airports Authority of India ('AAI') and the Ministry of Civil Aviation ('MoCA') respectively, both being Government / statutory bodies. The concession agreements give DIAL and GHIAL exclusive rights to operate, maintain, develop, modernize and manage the respective airports on a revenue sharing model. Under the agreement, the Government / statutory bodies have granted exclusive right and authority to undertake some of their functions, being the functions of operation, maintenance, development, design, construction, upgradation, modernization, finance and management of the respective airports and to perform services and activities at the airport constituting 'Aeronautical services' (regulated services) and 'Non-aeronautical services' (non-regulated services). Aeronautical services are regulated while there is no control over determination of prices for Non-aeronautical services. Charges for Non-aeronautical services are determined at the sole discretion of DIAL and GHIAL. The management of the Group conducted detailed analysis to determine applicability of SCA. The concession agreements of these entities, have significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from DIAL and GHIAL, the Government / statutory body and users / passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. The airport premises is being used both for providing regulated services (Aeronautical services) and for providing non-regulated services (Non-aeronautical services). Based on DIAL and GHIAL's proportion of regulated and non-regulated activities, the management has determined that over the concession period, the unregulated business activities drive the economics of the arrangement and contributes substantially to the profits of DIAL and GHIAL and accordingly, the management has concluded that SCA does not apply in its entirety to DIAL and GHIAL.

**ii. Determination of control and accounting thereof**

As detailed in the accounting policy, consolidation principles under Ind AS necessitates assessment of control of the subsidiaries independent of the majority shareholding. Accordingly certain entities like GKEL and DDFS, where though the Group have majority shareholding, they have been accounted as joint ventures on account of certain participative rights granted to other partners / investors under the shareholding agreements. Similarly, as detailed in note 36(d), consequent to investment made by Tenaga in GEL with certain participative rights in the operations of GEL, GEL and its underlying subsidiaries have also been accounted as joint ventures w.e.f November 04, 2016 under Ind AS. Further, as detailed in note 36(b) and 36(e) GREL and GCEL have been accounted as associates on account of the SDR and the conversion of loans into equity share capital by the consortium of lenders.

Under Ind AS, joint ventures are accounted under the equity method as per the Ind AS-28 against the proportionate line by line consolidation under previous GAAP.

Refer note 9 for further disclosure.

## Notes to the consolidated financial statements for the year ended March 31, 2018

### iii. Recognition of revenue for change in law and other claims

The recognition of revenue is based on the tariff rates/methodology prescribed under PPA/LOI with customers. Significant management judgement is required to determine the revenue to be recognized in cases where regulatory order in favour of the company is yet to be received or which is further challenged in higher judicial forums. The estimate of such revenue is based on similar existing other favourable orders/ contractual terms of the PPA with the customers.

### iv. Development Fund

The Airport Economic Regulatory Authority of India (AERA) had passed an order vide Order No. 28/2011-12, 30/2012-13 and AERA tariff order No. 03/2012-13 on determination of Aeronautical Tariff; issued on November 14, 2011, December 28, 2012 and April 24, 2012 respectively, in respect of levy of Development fee (DF) at Delhi Airport. As per the facts of the matter, DIAL is collecting tax/levy for the purpose of bridging the funding gap i.e. essentially a viability gap funding made by AERA to meet the project cost. The amount of funding, its securitisation and utilisation is closely monitored by AERA. The DF collected is not in the nature of tariffs or charges to be collected from passengers for the purpose of concession, but a levy or tax that has been collected by DIAL on behalf of AAI and utilised for the expansion and up-gradation of the Airport. Accordingly, the management has concluded that DF is a levy or tax and has been used/ collected under a mechanism for building infrastructure that has been part of concession.

### v. Leases: Whether an arrangement contains a lease

As per the terms of the Concession Agreement and Land Lease Agreement, the Government of Telangana leased the land to GHIAL for the concession period. The lease term neither constitutes a major part of the economic life nor the fair value of the land. Hence, all the significant risk and rewards of the ownership have not been transferred and accordingly the lease is classified as an operating lease.

### vi. Other significant judgements

- Refer note 46(xii) as regards the accounting of finance lease by DIAL for IT services provided by WAISL.
- Refer note 46(x) as regards the revenue share payable by DIAL and GHIAL to the grantor.
- Refer note 46(xi) as regards the accounting of CCPS issued by GAL.
- Refer 47(i) and 47(ii) as regard the recovery of claims in GACEPL and GHVEPL.

39. On October 09, 2017, the Group has acquired an additional 60.00% interest in the voting shares of APFT through GMR Hyderabad International Airport Limited, a subsidiary, thereby increasing its ownership interest to 100%, for a consideration of USD 1 paid to M/s Asia Pacific Flight Training Sdn Bhd, Malaysia. The carrying value of the net assets of APFT was negative ₹ 4.03 crore. The carrying value of the additional interest acquired at the date of acquisition was negative ₹ 2.41 crore which has been charged to consolidated statement of profit and loss during the year ended March 31, 2018.

## 40 Interest in material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below :

### 1 Details of material partly-owned subsidiaries :

Name of the Entity	Place of Business	Proportion of equity interest held by non-controlling interests (Effective)		Proportion of equity interest held by non-controlling interests (Direct)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
DIAL	India	36.00%	36.00%	36.00%	36.00%
GHIAL	India	37.00%	37.00%	37.00%	37.00%
GPCL	India	49.00%	49.00%	49.00%	49.00%
GMIAL	Republic of Maldives	23.00%	23.00%	23.00%	23.00%

## Notes to the consolidated financial statements for the year ended March 31, 2018

## 2 Accumulated balances of material non-controlling interest :

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
DIAL	1,032.51	1,083.11
GHIAL	415.30	253.82
GPCL	138.80	137.26
GMIAL	145.79	160.33

## 3 Profit / (loss) allocated to material non-controlling interest :

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
DIAL	18.40	204.62
GHIAL	228.52	160.71
GPCL	13.50	(179.79)
GMIAL	(11.92)	121.22

## 4. Summarised financial position :

The summarised financial position of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

(₹ in crore)

Particulars	DIAL		GHIAL		GPCL		GMIAL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016
<b>Non current assets</b>								
Property, plant & equipments	6,806.21	7,381.27	1,571.25	1,709.21	0.03	35.22	-	-
Capital work in progress	194.44	123.94	292.06	20.60	-	-	-	-
Intangible assets	395.30	404.07	1.41	1.77	-	-	-	-
Investments	289.37	181.04	525.33	486.15	0.54	0.54	-	-
Financial assets	3.67	1.48	91.62	136.55	22.45	1.49	-	-
Other non current assets (including non current tax assets)	56.28	91.29	87.63	74.50	11.62	4.71	-	-
Deferred tax assets	-	-	269.10	167.95	-	-	-	-
<b>Total</b>	<b>7,745.27</b>	<b>8,183.09</b>	<b>2,838.40</b>	<b>2,596.73</b>	<b>34.64</b>	<b>41.96</b>	-	-
<b>Current assets</b>								
Inventories	6.39	7.42	6.08	7.19	-	1.90	-	-
Financial assets	3,700.57	3,739.50	1,645.23	753.98	846.59	811.34	692.07	744.45
Other current assets	40.18	36.99	19.99	36.07	11.69	6.61	-	-
<b>Total</b>	<b>3,747.14</b>	<b>3,783.91</b>	<b>1,671.30</b>	<b>797.24</b>	<b>858.28</b>	<b>819.85</b>	<b>692.07</b>	<b>744.45</b>
<b>Non current liabilities</b>								
Financial liabilities	5,572.14	5,560.28	2,800.78	2,257.49	-	-	-	-
Other non current liabilities	1,681.25	1,895.47	73.44	61.52	-	-	-	0.12
Deferred tax liabilities	224.87	292.04	122.93	117.58	-	-	-	-
<b>Total</b>	<b>7,478.26</b>	<b>7,747.79</b>	<b>2,997.15</b>	<b>2,436.59</b>	-	-	-	<b>0.12</b>
<b>Current liabilities</b>								
Financial liabilities	866.83	812.78	328.83	236.90	45.90	20.36	58.19	47.23
Provisions	21.51	18.13	9.57	7.44	8.08	7.91	-	-
Other current liabilities (including liabilities for current tax)	257.73	379.65	51.73	27.05	566.78	564.41	-	-
<b>Total</b>	<b>1,146.07</b>	<b>1,210.56</b>	<b>390.13</b>	<b>271.39</b>	<b>620.76</b>	<b>592.68</b>	<b>58.19</b>	<b>47.23</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

Particulars	DIAL		GHIAL		GPCL		GMIAL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016
<b>Total equity :</b>	<b>2,868.08</b>	<b>3,008.65</b>	<b>1,122.42</b>	<b>685.99</b>	<b>272.16</b>	<b>269.13</b>	<b>633.88</b>	<b>697.10</b>
<b>Attributable to :</b>								
Equity holders of parents	1,835.57	1,925.54	707.12	432.17	133.36	131.87	488.09	536.77
Non-controlling interests	1,032.51	1,083.11	415.30	253.82	138.80	137.26	145.79	160.33

### 5 Summarised statement of profit and loss :

The summarised financial statement of profit and loss of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

(₹ in crore)

Particulars	DIAL		GHIAL		GPCL		GMIAL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016
Revenue from operations	3,680.97	5,632.52	1,252.04	1,105.40	-	-	-	-
Other income	361.87	306.99	150.28	102.67	35.36	70.48	1.96	699.39
Cost of material consumed	-	-	-	-	-	-	-	-
Revenue share paid / payable to concessionaire grantors	1,761.47	2,634.84	52.95	46.20	-	-	-	-
Employee benefits expense	165.24	129.47	72.41	59.65	1.63	3.85	5.24	6.05
Finance cost	579.15	527.25	198.27	201.06	2.93	0.59	3.67	148.81
Depreciation and amortisation	645.90	638.03	198.39	203.81	19.62	41.27	-	-
Other expenses	931.68	842.66	242.81	197.38	13.30	357.08	17.25	17.49
Exceptional items	-	40.80	-	(85.78)	(26.16)	42.42	-	-
<b>Profit before tax</b>	<b>(40.60)</b>	<b>1,126.46</b>	<b>637.49</b>	<b>585.75</b>	<b>24.04</b>	<b>(374.73)</b>	<b>(24.20)</b>	<b>527.04</b>
Tax expense	(78.85)	540.50	34.79	150.96	(3.47)	(7.82)	-	-
<b>Profit for the year</b>	<b>38.25</b>	<b>585.96</b>	<b>602.70</b>	<b>434.79</b>	<b>27.51</b>	<b>(366.91)</b>	<b>(24.20)</b>	<b>527.04</b>
Other comprehensive income	12.85	(17.57)	14.92	(0.45)	0.03	(0.01)	(27.33)	-
<b>Total comprehensive income</b>	<b>51.10</b>	<b>568.39</b>	<b>617.62</b>	<b>434.34</b>	<b>27.54</b>	<b>(366.92)</b>	<b>(51.53)</b>	<b>527.04</b>
% of NCI	36.00%	36.00%	37.00%	37.00%	49.00%	49.00%	23.00%	23.00%
<b>Attributable to the non-controlling interests</b>	<b>18.40</b>	<b>204.62</b>	<b>228.52</b>	<b>160.71</b>	<b>13.50</b>	<b>(179.79)</b>	<b>(11.92)</b>	<b>121.22</b>
Dividend paid to non-controlling interests (including DDT)	(69.00)	-	(67.04)	-	-	-	-	-

### 6 Summarised cash flow information :

The summarised cash flow information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

(₹ in crore)

Particulars	DIAL		GHIAL		GPCL		GMIAL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016
Cash flow from operating activities	966.53	1,846.54	890.87	789.42	(7.37)	(10.30)	(7.53)	1,645.74
Cash flow from investing activities	(468.66)	(1,141.10)	(708.39)	(284.89)	(2.80)	9.53	3.83	(419.01)
Cash flow from financing activities	(677.02)	(558.99)	101.48	(233.99)	12.61	-	-	(1,257.62)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(179.15)</b>	<b>146.45</b>	<b>283.96</b>	<b>270.54</b>	<b>2.44</b>	<b>(0.77)</b>	<b>(3.70)</b>	<b>(30.89)</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

## 41. Gratuity and other post employment benefits plans

## a) Defined contribution plan

Contributions to provident and other funds included in capital work-in-progress (note 4), intangible assets under development (note 8), investment property under construction (note 5), discontinued operations (note 36) and employee benefits expenses (note 31) are as under:

Particulars	(₹ in crore)	
	March 31, 2018	March 31, 2017
Contribution to provident fund	26.29	24.96
Contribution to superannuation fund	13.80	11.00
	<b>40.09</b>	<b>35.96</b>

## b) Defined benefit plan

## (A) Provident fund

Contributions to provident funds by DIAL included in capital work-in-progress (note 4) and employee benefits expenses (note 31) are as under:

Particulars	(₹ in crore)	
	March 31, 2018	March 31, 2017
Contribution to provident fund	7.13	5.73
	<b>7.13</b>	<b>5.73</b>

As per the requirements of Ind AS 19, benefits involving employer established provident funds, which require interest shortfalls to be re-compensated, are to be considered as defined benefit plans.

The details of the fund and plan asset position are as follows:

Particulars	(₹ in crore)	
	March 31, 2018	March 31, 2017
Plan assets at the year end, at fair value	111.59	94.27
Present value of benefit obligation at year end	111.59	94.27
Net (liability) / asset recognized in the balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	March 31, 2018	March 31, 2017
Discount Rate	7.60%	7.10%
Fund Rate	9.30%	9.50%
EPFO Rate	8.55%	8.60%
Withdrawal Rate	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2006-08) (modified)Ult *	Indian Assured Lives Mortality (2006-08) (modified)Ult *

\*As published by Insurance Regulatory and Development Authority ('IRDA') and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2013.

## (B) Gratuity Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

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

**Statement of profit and loss**

Gratuity expense included in capital work-in-progress (note 4), intangible assets under development (note 8), investment property under construction (note 5), discontinued operations (note 36) and employee benefits expenses (note 31) are as under:

(i) Net employee benefit expenses:

Particulars	(₹ in crore)	
	March 31, 2018	March 31, 2017
Current service cost	7.61	7.10
Past service cost	5.21	-
Net interest cost on defined benefit obligation	0.70	0.54
Net benefit expenses	<b>13.52</b>	<b>7.64</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

(ii) Remeasurement (gain)/ loss recognised in other comprehensive income: (₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Actuarial loss / (gain) due to defined benefit obligations ('DBO') and assumptions changes	2.95	6.58
Return on plan assets less / (greater) than discount rate	(0.70)	(1.24)
Actuarial losses / (gains) due recognised in OCI	2.25	5.34

**Balance Sheet** (₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Present value of defined benefit obligation	(60.89)	(46.81)
Fair value of plan assets	40.36	27.50
Plan asset / (liability)	(20.53)	(19.31)

**Changes in the present value of the defined benefit obligation are as follows:** (₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	46.81	45.48
Transferred to / transfer from the Group	0.98	(0.39)
Interest cost	3.07	2.90
Current service cost	7.61	7.10
Past service cost	5.21	-
Benefits paid	(5.73)	(6.81)
Actuarial (gains) / losses on obligation - assumptions	2.95	6.58
Discontinued operations	(0.01)	(8.05)
Closing defined benefit obligation	60.89	46.81

**Changes in the fair value of plan assets are as follows:** (₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Opening fair value of plan assets	27.50	35.91
Transferred to / transfer from the Group	(1.01)	(0.19)
Interest income on plan assets	2.37	2.36
Contributions by employer	16.65	3.30
Benefits paid	(5.73)	(6.81)
Return on plan assets greater/ (lesser) than discount rate	0.70	1.24
Discontinued operations	(0.12)	(8.31)
Closing fair value of plan assets	40.36	27.50

The Group expects to contribute ₹ 15.14 crore (March 31, 2017 : ₹ 7.80 crore) towards gratuity fund in next year.

The major category of plan assets as a percentage of the fair value of total plan assets is as follows:

Particulars	March 31, 2018	March 31, 2017
Investments with insurer managed funds	100.00%	100.00%

**Expected benefit payments for the year ending:** (₹ in crore)

Particulars	Amount
March 31, 2019	11.32
March 31, 2020	8.99
March 31, 2021	8.83
March 31, 2022	7.83
March 31, 2023	8.54
March 31, 2024 to March 31, 2028	43.91

**The principal assumptions used in determining gratuity obligations:**

Particulars	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	For Raxa		Other entities of the Group	
Discount rate (in %)	6.80%	6.40%	7.60%	7.10%
Salary Escalation (in %)	2.00%	6.00%	6.00%	6.00%
Expected rate of return on assets	7.60%	7.80%	7.60%	7.80%
Attrition rate (in %)	40.00%	40.00%	5.00%	5.00%

## Notes to the consolidated financial statements for the year ended March 31, 2018

Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
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**Notes :**

1. The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analyses for significant assumption is as shown below

Assumptions	Discount Rate		Future Salary Increases		Attrition Rate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Sensitivity Level (%)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Impact on defined benefit obligation due to increase	(5.34)	(4.36)	5.17	4.17	0.80	0.67
Impact on defined benefit obligation due to decrease	6.01	4.95	(4.79)	(3.91)	(0.81)	(0.77)

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

**(C) Other defined post employment benefit**

Certain entities in the group located outside India have defined unfunded post employment benefits, for its employees.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and amounts recognised in the balance sheet for these defined post-employment benefits.

**Statement of profit and loss**

Gratuity expense included in capital work-in-progress (note 4), intangible assets under development (note 8), investment property under construction (note 5), discontinued operations (note 36) and employee benefits expenses (note 31) are as under:

(i) Net employee benefit expense:

Particulars	₹ in crore	
	March 31, 2018	March 31, 2017
Current service cost	0.15	0.26
Past service cost	(0.01)	0.22
Interest cost on benefit obligation	0.14	0.20
Net benefit expenses	0.28	0.68

(ii) Amount recognised in Other Comprehensive Income:

Particulars	₹ in crore	
	March 31, 2018	March 31, 2017
Actuarial loss / (gain) due to DBO assumptions changes	0.61	(0.05)
Return on plan assets (greater)/less than discount rate	-	-
Actuarial (gains) / losses due recognised in OCI	0.61	(0.05)

**Balance Sheet**

Particulars	₹ in crore	
	March 31, 2018	March 31, 2017
Present value of defined benefit obligation	(1.48)	(1.99)
Fair value of plan assets	-	-
Plan asset / (liability)	(1.48)	(1.99)

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

Particulars	₹ in crore	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	1.99	2.99
Interest cost	0.14	0.20
Current service cost	0.15	0.26
Past service cost	(0.01)	0.22
Benefits paid	(1.48)	(1.48)
Actuarial (gains) / losses on obligation	0.61	(0.05)
Forex gain	0.08	(0.15)
Closing defined benefit obligation	1.48	1.99

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 42. COMMITMENTS AND CONTINGENCIES

#### a) Capital commitments

Particulars	(₹ in crore)	
	March 31, 2018	March 31, 2017
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	1,811.08	394.33

#### b) Other commitments

- i. Entities in roads sectors have entered into various Concession agreements with concessionaires for periods ranging from 17.5 years to 25 years from achievement of date of COD / appointed date as defined in the respective Concession agreements, whereby these entities have committed to comply with certain key terms and conditions pertaining to construction of roads / highways in accordance with the timelines and milestones as defined in the respective Concession agreements, COD as per the respective Concession agreements, construction, management, payment of fees (including revenue share), operation and maintenance of roads / highways in accordance with the respective Concession agreements, performance of the obligations under the respective financing agreements, non-transfer or change in ownership without the prior approval of the concessionaire and transfer of the roads / highways projects on termination of relevant agreements or in case of defaults as defined in the respective Concession agreements and utilisation of grants received as per the requirements of the respective concession agreements.
- ii.
  - a) Entities in airports sector have entered into various agreements with Concessionaires for periods ranging from 25 years to 35 years extendable by another 20 to 30 years in certain cases on satisfaction of certain terms and conditions of respective Concession agreements from dates as defined in the respective agreements for development, rehabilitation, expansion, modernisation, operation and maintenance of various airports in and outside India. Pursuant to these agreements, these entities have committed to comply with various terms of the respective agreements which pertains to payment of fees (including revenue share), development / expansion of Airports in accordance with the timelines and milestones as defined in the respective agreements, achievement of COD as per the respective agreements, development, management, operation and maintenance of airports in accordance with the respective agreements, performance of various obligations under the respective financing agreements, non-transfer or change in ownership without the prior approval of respective airport concessionaires, compliance with the applicable laws and permits as defined in the respective agreements, transfer of airports on termination of agreements or in case of defaults as defined in the respective agreements.
  - b) As per the terms of agreements with respective authorities, DIAL, GHIAL and GIAL are required to pay 45.99%, 4% and 36.99% of the revenue for an initial term of 30, 30 and 35 years which is further extendable by 30, 30 and 20 years respectively.
- iii. One of the entities in airports sector is committed to pay every year a specified percent of previous year's gross revenue as operator fee to the airport operator for the period specified in the Airport operator agreement.
- iv. During the year ended March 31, 2017, DIAL had entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2026) of USD 522.60 million, which is repayable in October 2026. Under this option, DIAL had purchased a call option for USD 522.60 million at a strike price of ₹ 66.85/USD and written a call option for USD 522.60 million at a strike price of ₹ 101.86/USD at October 31, 2026. As per terms of the agreements, DIAL is required to pay premium of ₹ 1,241.30 crore (starting from January 2017 to October 2026), which is payable on quarterly basis. DIAL has paid ₹ 140.73 crore (March 31, 2017: ₹ 14.96 crore) towards premium till March 31, 2018 and remaining balance of ₹ 1,100.57 crore is payable as at March 31, 2018 (March 31, 2017: ₹ 1,226.34 crore).
- v. During the year ended March 31, 2017, DIAL had entered into "Call spread Option" with various banks for hedging the repayment of part of 6.125% Senior secured notes (2022) of USD 80 million (out of USD 288.75 million), which is repayable in February 2022. Under this option, DIAL had purchased a call option for USD 80.00 million at a strike price of ₹ 68.00/USD and written a call option for USD 80 million at a strike price of ₹ 85.00/USD at February, 2022. As per terms of the agreements, DIAL is required to pay premium of ₹ 94.33 crore (starting from April 2017 to January 2022), payable on quarterly basis. DIAL has paid ₹ 18.46 crore towards premium till March 31, 2018 and remaining balance of ₹ 75.87 crore is payable as at March 31, 2018 (March 31, 2017: ₹ 94.33 crore).  
  
Further during the current year, DIAL has purchased a call option for remaining USD 208.75 million at a strike price of ₹ 63.80/USD and written a call option for USD 208.75 million at a strike price of ₹ 85.00/USD at February, 2022. As per terms of the agreements, DIAL is required to pay premium of ₹ 198.34 crore (starting from January 2018 to January 2022), payable on quarterly basis. DIAL has paid ₹ 0.26 crore towards premium till March 31, 2018 and remaining balance of ₹ 198.08 crore is payable as at March 31, 2018 (March 31, 2017: Nil).
- vi. The Group has entered into agreements with the lenders wherein the promoters of the Company and the Company have committed to hold



## Notes to the consolidated financial statements for the year ended March 31, 2018

at all times at least 51% of the equity share capital of the Company / subsidiaries and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders.

- vii. The Group has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of its project stage subsidiaries, to the extent as defined in the agreements executed with the respective lenders.
- viii. In respect of its equity investment in East Delhi Waste Processing Company Private Limited, DIAL along with SELCO International Limited has to maintain minimum 51% shareholding for a period of 2 years from the commissioning of the project and thereafter minimum 26% shareholding for next 10 years. The project has been commissioned with effect from April 01, 2017.
- ix. In terms of Section 115JB of Income Tax Act, 1961, certain Ind AS adjustments at the Ind AS transition date are to be included in book profits equally over a period of five years starting from the year of first time adoption of Ind AS i.e. FY 2016-17. Pursuant to above, the Group had made Ind AS adjustments as on March 31, 2016 and included 1/5th of the same while computing book profit for FY 2016-17 and FY 2017-18 and paid MAT accordingly. The remaining amount will be adjusted in the three subsequent years while computing book profit for MAT.
- x. GAL has entered into share purchase agreement dated February 02, 2018 with Malaysia Airport Holdings Berhad (MAHB) and MAHB (Mauritius) Private Limited to purchase 11% equity share capital of GHIAL. As on March 31, 2018, these shares are pending to be purchased / transferred. The long stop date for the said transaction is December 01, 2018.
- xi. Refer Note 43 for commitments relating to lease arrangements.
- xii. Refer Note 46(xi) for commitments arising out of convertible preference shares.
- xiii. Shares of the certain subsidiaries / joint ventures have been pledged as security towards loan facilities sanctioned to the Group.
- xiv. Refer Note 19(8), for commitments relating to FCCB.
- xv. Refer Note 9 with regards to other commitments of joint ventures and associates.
- xvi. Refer Note 49(ii) for commitments relating to rehabilitation and resettlement.

**c) Contingent liabilities**

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
1 Corporate guarantees	7,943.23	8,053.51
2 Bank guarantees outstanding / Letter of credit outstanding	1,442.24	1,684.34
3 Bonds issued to custom authorities	112.00	112.00
4 Fixed deposits pledged for loans taken by enterprises where key management personnel and their relatives exercise significant influence	-	5.00
5 Letter of comfort provided on behalf of joint ventures	994.10	682.19
6 Claims against the Group not acknowledged as debts <sup>(d)(xii)</sup>	130.28	613.00
7 Matters relating to income tax under dispute <sup>1</sup>	342.82	247.75
8 Matters relating to indirect taxes duty under dispute <sup>(d)(vii),(d)(viii)</sup>	371.37	357.42

**Notes:**

- 1 A search under section 132 of the IT Act was carried out at the premises of the Company and certain entities of the Group by the income tax authorities on October 11, 2012, followed by search closure visits on various dates during the year ended March 31, 2013 to check the compliance with the provisions of the IT Act. The income tax department has subsequently sought certain information / clarifications. Block assessments have been completed for some of the companies of the Group and they have received orders/demand from the Income Tax Authorities for earlier years. The management of the Group has filed the appeals with the income tax department against the disallowances made in the assessment orders and believes that these demands are not tenable as it has complied with all the applicable provisions of the IT Act with respect to its operations.

**(d) Others in addition to (c) above:**

- i) Refer Note 46(iv) with regard to contingent liability arising out of utilization of PSF(SC) Fund.
- ii) HMA CPL has accrued customs officers' salaries stationed at air cargo terminal based on debit notes raised by the customs department on GHIAL. GHIAL had filed a writ petition under Article, 226 of the Constitution of India in the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised by customs department. During the year ended March 31, 2013, GHIAL had received an order from the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad (Single Judge), stating that the grounds on which the levy was made by customs department were wholly unsustainable and accordingly, HMA CPL had reversed the accrued cost of custom's authorities amounting to ₹ 14.02 crore for the period from March 23, 2008 to March 31, 2012.

Subsequent to the above order, the customs department preferred an appeal against the same and on November 2, 2012, a bench of two

## Notes to the consolidated financial statements for the year ended March 31, 2018

judges of the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad passed an order for interim suspension of the said order passed by the Hon'ble Single Judge. The management, based on internal assessment, is confident that there is no financial impact of this interim suspension order and accordingly, no further adjustment has been made to these consolidated financial statements of the Group.

- iii) During the year ended March 31, 2011, GPCL had received a refund of customs duty of ₹ 29.57 crore which was paid earlier towards the import of the plant and machinery and which was passed on to Tamil Nadu Generation and Distribution Corporation Limited ('TANGEDCO') (formerly known as Tamil Nadu Electricity Board 'TNEB') as a pass through as per the terms of the PPA. During the year ended March 31, 2012, GPCL received an intimation for cancellation of the duty draw back refund received earlier. The Group does not foresee any liability in respect of the same demand as a liability, if any, is to be recovered from TANGEDCO, the ultimate beneficiary of the refund received earlier. Based on an internal assessment, the management of the Group is of the view that no adjustments are required to be made to these consolidated financial statements of the Group.
- iv) During the year ended March 31, 2015, in respect of matter detailed in note 48(i), TANGEDCO has claimed ₹ 285.00 crore before Tamil Nadu Electricity Regulatory Commission ('TNERC') against GPCL. Based on an internal assessment, the management of the Group is of the view that no adjustments are required to be made to these consolidated financial statements of the Group.
- v) In respect of ongoing land acquisition process of KSPL, there are claims of different types pending before various judicial forums such as, disputes between claimants, or writ petitions filed against property acquisitions, of land etc. As these cases are subject to judicial verdicts which are pending settlement and accordingly, no adjustments have been made to these consolidated financial statements of the Group for the year ended March 31, 2018.
- vi) During the year ended March 31, 2014, the Company along with its subsidiaries GIGL and GIOL entered into a definitive agreement ('SPA') with Malaysia Airport MSC Sdn Bhd ('the buyer') for sale of their 40% equity stake in jointly controlled entities Istanbul Sabiha Uluslararası Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi ('ISG') and LGM Havalimani Isletmeleri Ve Turizm Anonim Sirketi ('LGM') for a sale consideration of EURO 20.90 crore (Net of equity gap adjustment of Euro 1.60 crore and subject to debt and other working capital adjustments).

Pursuant to the SPA entered with the buyer, the group had provided a guarantee of Euro 4.50 Crore towards tax claims, as specified in the SPA for a period till May 2019.

- vii) The Director General of Central Excise Intelligence, New Delhi (DGCEI) has issued a Show Cause Notice on DIAL, proposing a demand of service tax of ₹ 59.91 crore (excluding interest and penalty) considering Advance Development Costs ('ADC') collected by DIAL from the Commercial Property Developers under the service tax category 'Renting of Immovable Property'.

DIAL has replied to the Show Cause Notice referred to above with appropriate authority on April 17, 2015.

Subsequently, Additional Director General (Adjudication), DGCEI passed Order No. 10/2016-ST dated May 02, 2016 confirming demand of service tax of ₹ 54.31 crore and imposed equivalent penalty in respect of this matter.

However, based on an internal assessment and legal opinions obtained by DIAL in this regard, the management is of the view that service tax is not leviable on ADC, as these are collected for development of certain infrastructure facilities for the common use and not for the exclusive use of any developer. Further, service tax liability on ADC, if any arises, shall be adjusted from ADC collected by DIAL from the Commercial Property Developers.

DIAL has filed appeal before CESTAT, New Delhi against the aforesaid order dated May 02, 2016; and has disclosed the demand of ₹ 54.31 crore along with penalty of ₹ 54.31 crore as contingent liability and no adjustments have been made to these consolidated financial statements of the Group.

- viii) The Commissioner of Service Tax, New Delhi had issued a demand of service tax aggregating to ₹ 275.53 crore (excluding interest and penalty) on the collection of Development Fee ('DF') from passengers in airport for the period from March, 2009 to September, 2013. Out of total demand of service tax of ₹ 275.53 crore, service tax amounting to ₹ 130.17 crore has already been paid by DIAL under protest.

Subsequently, the Commissioner of Service Tax, has passed an Order confirming the demand of service tax of ₹ 262.06 crore (after giving cum duty effect) and has appropriated amount deposited by DIAL under protest towards service tax, and have further imposed a penalty of ₹ 131.89 crore in respect of this matter.

However, based on an internal assessment and legal views obtained by DIAL in this regard, the management is of the view that service tax is not leviable on DF as the DF is a statutory levy and is meant to bridge financing gap funding for the airport project. The collection of DF from passengers is not in lieu of provision of any service to them. Further, there is no service provider and service recipient relationship between the DIAL and the passengers paying DF. Service tax liability, if any arises on DF, shall be decided by AERA, keeping in view the

## Notes to the consolidated financial statements for the year ended March 31, 2018

final pronouncement of the matter.

DIAL has filed an appeal against the order before CESTAT, New Delhi on October 10, 2016 and; has disclosed the demand of ₹ 262.06 crore along with penalty of ₹ 131.89 crore as contingent liability and no adjustments have been made to these consolidated financial statements of the Group.

- ix) Refer note 36(c) with regard to contingent liability of the Group in case of tax demands in GMIAL.
- x) Refer note 46(xi) for details of contingent liabilities on CCPS A issued by GAL.
- xi) Refer Note 9(a) and 9(b) with regards to contingent liabilities of the Group on behalf of joint ventures and associates.
- xii) Refer Note 46(xiv) with regards to contingent liabilities on Duty Credit Scrips in DIAL.
- xiii) Refer Note 46(xiii) with regards to contingent liabilities as regards dispute with Silver Resort Hotel India Private Limited in DIAL.

#### 43. Leases

##### a. Finance Lease

###### Finance lease commitments – Group as lessee

The Group has entered into finance lease arrangement (as lessee) in respect of certain assets for a period of 5 years. The lease has a primary period which is non-cancellable. The agreements provide for revision of lease rental in the event of changes in taxes, if any, leviable on the lease rentals. There are no exceptional/restrictive covenants in the lease agreements.

(₹ in crore)

Particulars	Minimum Lease Payments	Present Value of Minimum Lease Payments	Minimum Lease Payments	Present Value of Minimum Lease Payments
	As at March 31, 2018		As at March 31, 2017	
	(i) Payable not later than 1 year	0.66	0.66	0.70
(ii) Payable later than 1 year and not later than 5 years	-	-	-	-
(iii) Payable later than 5 years	-	-	-	-
Total - (i)+(ii)+(iii) = (iv)	0.66	0.66	0.70	0.66
Less: Future finance charges (v)	-	-	(0.04)	-
Present Value of Minimum Lease Payments [(iv) - (v)]	0.66	-	0.66	-

###### Finance lease receivables – Group as lessor

The Group has entered into finance lease arrangements (as lessor) with customers in respect of certain assets for period of 5 years, with lease payments due in quarterly installments. Detail of finance lease receivables as given below:

(₹ in crore)

Particulars	Minimum Lease Payments	
	As at March 31, 2018	As at March 31, 2017
	(i) Receivable not later than 1 year	0.50
(ii) Receivable later than 1 year and not later than 5 years	1.13	1.63
(iii) Receivable later than 5 years	-	-
Gross investment Lease - (i)+(ii)+(iii)=(iv)	1.63	2.13
Less: Unearned Finance income (v)	(0.34)	(0.54)
Present Value of Minimum Lease receivables [(iv)-(v)]	1.29	1.58

##### b. Operating Lease

###### Operating lease commitments – Group as lessee

The Group has entered into certain cancellable operating lease agreements mainly for office premises and hiring equipments and certain non-cancellable operating lease agreements towards land space and office premises and hiring office equipments and IT servers. The lease rentals paid

## Notes to the consolidated financial statements for the year ended March 31, 2018

during the year (included in Note 4, Note 8 and Note 32) and the maximum obligation on the long term non - cancellable operating lease payable are as follows:

(₹ in crore)		
Particulars	March 31, 2018	March 31, 2017
<b>Payment</b>		
Lease rentals under cancellable and non-cancellable leases	78.17	58.13

(₹ in crore)		
Particulars	March 31, 2018	March 31, 2017
<b>Obligations on non-cancelable leases:*</b>		
Not later than 1 year	22.09	19.46
Later than 1 year and not later than 5 years	82.28	75.99
Later than 5 years	749.27	764.09

\* Includes obligation on account of land lease agreement with Government of Telengana which has leased the land to GHIAL for the concession period of GHIAL. The lease term neither constitutes a major part of the economic life nor the fair value of the land. Hence, all the significant risk and rewards of the ownership have not been transferred and accordingly the lease is classified as an operating lease.

### Operating lease commitments – Group as lessor

The Group has sub-leased certain assets to various parties under operating leases having a term of 9 to 50 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are renegotiable.

The lease rentals received during the year (included in Note 26 and 27) and the future minimum rentals receivable under non-cancellable operating leases are as follows

(₹ in crore)		
Particulars	March 31, 2018	March 31, 2017
<b>Receivables on non-cancelable leases:</b>		
Not later than 1 year	64.11	57.12
Later than 1 year and not later than 5 years	158.72	173.00
Later than 5 years	383.57	397.14

### 44. Provisions

(₹ in crore)

Particulars	Provisions for operations & Maintenance	Provision for asset retirement obligations / decommissioning liability	Provision for power banking arrangement	Total
<b>As at March 31, 2016</b>	189.47	40.51	-	229.98
Provision made during the year	97.33	27.42	90.53	215.28
Notional interest on account of unwinding of financial liabilities	-	3.44	-	3.44
Amount reversed on account of revision in useful life of plant	-	(7.38)	-	(7.38)
Amount used during the year	(15.18)	-	-	(15.18)
Deletion on disposal / dilution of stake in subsidiaries	(10.38)	(56.85)	-	(67.23)
<b>As at March 31, 2017</b>	<b>261.24</b>	<b>7.14</b>	<b>90.53</b>	<b>358.91</b>
Provision made during the year	107.14	-	-	107.14
Notional interest on account of unwinding of financial liabilities	-	0.56	-	0.56
Amount used during the year	(11.95)	-	(25.86)	(37.81)
<b>As at March 31, 2018</b>	<b>356.43</b>	<b>7.70</b>	<b>64.67</b>	<b>428.80</b>
<b>Balances as at March 31, 2017</b>				
Current	33.57	-	90.53	124.10
Non-current	227.67	7.14	-	234.81
<b>Balances as at March 31, 2018</b>				
Current	190.99	7.70	64.67	263.36
Non-current	165.44	-	-	165.44

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 45. Trade receivables

- i. The Group has a receivable (including unbilled revenue) of ₹ 286.81 crore as at March 31, 2018 (March 31, 2017: ₹ 599.80 crore) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as 'Air India'. In view of continuing 'Airport Enhancement and Financing Service Agreement' with The International Air Transport Association for recovery of dues from Air India and Air India being a government enterprise/undertaking, the Group considers its dues from Air India as good and fully recoverable.
- ii. As at March 31, 2018, GPCL has receivables from TAGENDCO aggregating to ₹ 114.12 crore (March 31, 2017: ₹ 114.12 crore). Based on an internal assessment and various discussions that the Group had with TAGENDCO, the management of the Group is confident of recovery of such receivables and accordingly, no adjustment has been made in these consolidated financial statements of the Group.

### 46. Matters related to certain airport sector entities:

#### i. DF Order

- a) AERA DF Order No. 28/2011-12, 30/2012-13 and AERA tariff order No. 03/2012-13 on determination of Aeronautical Tariff; was issued on November 14, 2011, December 28, 2012 and April 24, 2012 respectively.

DIAL accrued DF amounting to ₹ 350.00 crore during the year 2012-2013 earmarked for construction of Air Traffic Control (ATC) tower, which is currently under progress as at March 31, 2018. DF amounting to ₹ 350.00 crore (March 31, 2017: ₹ 350.00 crore) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2018.

The total expenditure incurred on construction of ATC tower is ₹ 398.62 crore till March 31, 2018 (March 31, 2017 ₹ 393.07 Crores) which exceeds the earmarked DF of ₹ 350.00 crore, as the construction got delayed due to security reasons and additional requirements from time to time.

As per the approval in DIAL Board Meeting held on May 11, 2017, the Company has written a letter to AAI for reimbursement of additional expense. However, pending acceptance by AAI, additional amount of ₹ 48.62 crore is shown under Capital Work in Progress (CWIP) as at March 31, 2018 (March 31, 2017: ₹ 43.07 crores).

- b) AERA has passed an order vide Order No 30/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport. As per the said order, the rate of Airport Development Fee (ADF) has been reduced from ₹ 200 to ₹ 100 and from ₹ 1,300 to ₹ 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016. Further, AERA issued order No.47/2015-16 dated January 25, 2016, restricting cut-off date for collection of ADF upto April 30, 2016. As per the order, AERA has granted AAI six months' time after cut-off date (i.e. April 30, 2016) to reconcile and arrive at the over recovery / under recovery of ADF. However, the same is pending finalisation. The over / under recovery will be accounted on final reconciliation of ADF with AAI.

- ii. In case of GHIAL, a subsidiary of the Company, AERA passed Aeronautical tariff order in respect of control period from April 1, 2011 to March 31, 2016. GHIAL filed an appeal, challenging the disallowance of pre-control period losses and other issues for determination of its tariff with the AERA Appellate Tribunal ('AERAAT') against the aforesaid order. Due to non-constitution of AERAAT Bench, GHIAL had filed a writ petition with the Hon'ble High court at Hyderabad which is yet to be heard. GHIAL filed an application with AERA for determination of Aeronautical tariff in respect of second control period from April 1, 2016 to March 31, 2021 including true up for shortfall of receipt vis a vis entitlement for the first control period.

On December 19, 2017, AERA also issued a Consultation paper inviting comments from all stakeholders in connection with determination of tariff of the Hyderabad airport for the second control period. However, as the aforesaid consultation paper does not address the existing issues arising out of the tariff order for the first control period, GHIAL filed a writ petition against the aforesaid consultation paper before the Hon'ble High court at Hyderabad on February 6, 2018. Pending disposal of the existing matters of the Tariff Order for the first control period, the Hon'ble High court issued a stay order dated February 7, 2018 in respect of further proceedings in determination of Tariff order for the second control period.

Pending determination of Aeronautical tariff, AERA vide its order dated March 28, 2018 has allowed to continue the Aeronautical tariff as prevailed on March 31, 2018 for a further period of 6 months w.e.f. April 1, 2018 or till determination of tariff for the aforesaid period whichever is earlier.

- iii. GATL has been incurring losses including cash losses and has incurred net loss of ₹ 57.73 crore for the year ended March 31, 2018 (March 31, 2017 : ₹ 39.11 crore) and has accumulated losses of ₹ 421.30 crore as at March 31, 2018 (March 31, 2017 : ₹ 363.92 crores). The management of the Group expects that there will be a significant increase in the operations of GATL that will lead to improved cash flows and long term sustainability. The Group has undertaken to provide such financial support as necessary, to enable GATL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, the management of the Group believes that the carrying value of net assets of GATL as at March 31, 2018 is appropriate.

## Notes to the consolidated financial statements for the year ended March 31, 2018

- iv. The Ministry of Civil Aviation (MoCA) issued orders to DIAL and GHIAL, subsidiaries of the Company (collectively 'Airport Operations') requiring the Airport Operators to reverse the expenditure incurred, since inception towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of Passenger Service Fee (Security Component) ['PSF (SC)'] escrow account opened and maintained by the Airport Operators in a fiduciary capacity. Managements of the Airport Operators are of the view that such orders are contrary to and inconsistent with Standard Operating Procedure (SOPs), guidelines and clarification issued by the MoCA from time to time and challenged the said orders before Hon'ble High court of their respective jurisdictions by way of a writ petition. The Hon'ble Courts had stayed the MoCA order with an undertaking that, in the event the decision of the writ petitions goes against the Airport Operators, it shall reverse all the expenditure incurred from PSF (SC).

The Airport Operators had incurred ₹ 416.21 crore towards capital expenditure (including the construction cost and cost of land mentioned below and excluding related maintenance expense and interest thereon) till March 31, 2018 out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time.

Further, in case of DIAL, MoCA had issued an order dated September 18, 2017 stating the approximate amount of reversal to be made by the Company towards capital expenditure and interest thereon amounting to ₹ 295.58 crore and ₹ 368.19 crore respectively, subject to the order of the Hon'ble High court of Delhi.

Based on the internal assessments and pending final outcome of the aforesaid writ petitions, no adjustments have been made to the accompanying consolidated financial statements of the Group for the year ended March 31, 2018.

Further, as per the advice from the Ministry of Home Affairs and the Standard Operating Procedures ('SOP') issued by MoCA on March 6, 2002, GHIAL, through its wholly owned subsidiary, Hyderabad Airport Security Services Limited ('HASSL') constructed residential quarters for Central Industrial Security Forces ('CISF') deployed at the Hyderabad airport. After completion of such construction, the total construction cost including the cost of land amounting to ₹ 69.92 crore was debited to the PSF(SC) Fund with intimation to MoCA. The Comptroller and Auditor General of India ('CAG'), during their audits of PSF (SC) Fund, observed that, GHIAL had not obtained prior approval from MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by MoCA. However, management of the Group is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached MoCA for approval to debit such costs to the PSF (SC) Fund account and also, made an application for increase in PSF (SC) tariff to recover these dues and to meet the shortfall in discharging other liabilities from PSF (SC) Fund.

In earlier years, MoCA responded that, it is not in a position to consider the request for enhancement in the PSF (SC) tariff. As a result, GHIAL requested MoCA to advise the AERA for considering the cost of land/ construction and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Hyderabad airport. Pending final instruction from MoCA, cost of residential quarters continue to be accounted in the PSF(SC) Fund and no adjustments have been made to the accompanying consolidated financial statements of the Group for the year ended March 31, 2018.

- v. In case of DIAL, the AERA passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first five year control period (i.e. 2009 - 2014). DIAL had filed an appeal before AERAAT on certain disputed issues in the aforesaid Tariff order.

Subsequently, AERA also released the tariff order No. 40/2015-16 dated December 08, 2015 for second control period i.e. 2014 -2019. DIAL filed an appeal with AERAAT against some of the matters in the tariff order for the second control period. Subsequently, the Hon'ble Delhi High Court vide its Final Order dated January 22, 2016 ordered that the tariff determined by AERA for the First Control Period shall continue till the disposal of the appeals pending against the said tariff order by AERAAT.

Further, Ministry of Finance vide the notification dated May 26, 2017, directed the merger of Appellate Tribunal under the Airports Economic Regulatory Authority Act, 2008 ("AERA Act") i.e. AERAAT into Telecom Disputes Settlement and Appellate of Tribunal ('TDSAT').

The Hon'ble Supreme Court of India, on SLP filed by Air India, vide its judgement dated July 03, 2017, vacated the order of Honorable High Court of Delhi and directed TDSAT to dispose of the appeals of DIAL in the next two months.

As per the directions of Director General of Civil Aviation dated July 07, 2017, DIAL implemented the Tariff order No. 40/2015-16 dated December 08, 2015 with immediate effect i.e., from July 07, 2017

DIAL's appeal no. 10/2012 with respect to first control period has been concluded along with the appeal by certain airlines. TDSAT vide its order dated April 23, 2018 has passed the order, which provides clarity on the issues which were pending for last six years and has laid down the principles to be followed by AERA in determination of tariff of the third control period starting from April 1, 2019. DIAL expects the uplift impact of the TDSAT order to be factored in the tariff determination by AERA for the next period i.e., 2019-2024. DIAL's appeal against the second control period shall be heard in due course.

Basis the cash projections prepared by the management of DIAL for next one year, the management expects to have cash profit. Further, considering DIAL's business plans and the availability of sufficient cash reserve as at March 31, 2018, the management do not foresee any uncertainty in continuing its business/ operations and meeting its liabilities for the foreseeable future and accordingly, the financial statements of DIAL are continued to be prepared and consolidated on a going concern basis.

## Notes to the consolidated financial statements for the year ended March 31, 2018

- vi. DIAL has received advance development costs of ₹ 660.06 crore (March 31, 2017: ₹ 660.06 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure. As per the term of the agreement, DIAL will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, DIAL has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by DIAL towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2018, DIAL has incurred development expenditure of ₹ 519.19 crore (March 31, 2017: ₹ 469.72 crore) which has been adjusted against the aforesaid advance and balance amount of ₹ 140.87 crore (March 31, 2017: ₹ 190.34 crore) is disclosed under other liabilities
- vii. DIAL is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by DIAL. The financial statements of such marketing fund are being audited by one of the Joint Statutory auditors of DIAL. As at March 31, 2018, DIAL has billed ₹ 116.62 crore (March 31, 2017: ₹ 92.48 crore) towards such Marketing Fund and has incurred expenditure amounting to ₹ 65.11 crore (March 31, 2017: ₹ 39.05 crores) (net of income on temporary investments) till March 31, 2018 from the amount so collected. The balance amount of ₹ 51.51 crore (March 31, 2017: ₹ 53.43 crore) pending utilization as at March 31, 2018 is included under "Other current liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.
- viii. a) The consolidated financial statements of the Group do not include accounts for PSF (SC) of DIAL and GHIAL as the same are maintained separately in the fiduciary capacity by these entities on behalf of Gol and are governed by SOP issued vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by MoCA, Gol.
- b) The consolidated financial statements of the Group do not include billing to Airlines for DF by DIAL, as the management of the Group believes that DIAL's responsibility is restricted only to the billing on behalf of AAI in accordance with the provisions of AAI (Major Airports) Development Fee Rules, 2011 and DF SOP.
- ix. The Comptroller and Auditor General of India ('CAG') had conducted the performance audit of Public Private Partnership ('PPP') project of AAI at Delhi Airport for the period 2006 to 2012. CAG had presented its report before the Rajya Sabha on August 17, 2012 wherein they had made certain observations on DIAL. The Public Accounts Committee ('PAC'), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Lok Sabha vide its ninety fourth report in February 2014. The management of the Group is of the view that the observations in the CAG report and the PAC report do not have any financial impact on these consolidated financial statements of the Group.
- x. In case of DIAL and GHIAL, as per the Operations, Management and Development Agreement ('OMDA') / Concession Agreement, DIAL and GHIAL are liable to pay a certain percentage of the revenue as Monthly Annual Fee ('MAF') / Concession Fee ('CF') to Airport Authority of India / Ministry of Civil Aviation respectively. The management is of the view that certain income / credits arising on adoption of Ind AS, mark to market gain on valuation of Interest Rate Swap, gain on reinstatement of 4.25% Senior Secured Notes and Scrips received under Services Export from India Scheme ('SEIS') in the nature of government grant were not contemplated by the parties to the agreements at the time of entering the agreements and these income / credit do not represent receipts from business operations from any external sources and therefore should not be included as revenue for the purpose of calculating MAF / CF. Accordingly, DIAL and GHIAL based on a legal opinion, has provided for MAF / CF on the basis of revenue adjusted for such incomes/ credits. Detail of such incomes / credits for the year ended March 31, 2018 and March 31, 2017 are as under:

(₹ in crore)

Particulars	March 2018		March 2017	
	GHIAL	DIAL	GHIAL	DIAL
Construction income from Commercial property developers	-	49.47	-	43.13
Deposits taken from Commercial Property Developers accounted at amortised cost	-	26.67	-	25.91
Discounting on fair valuation of deposits taken from concessionaires	0.78	52.54	2.36	37.75
Interest income on security deposits given carried at amortised cost	-	0.39	-	0.14
Unrealised foreign exchange difference on borrowings	-	53.26	-	96.34
Income arising from fair valuation of financial guarantee	5.63	-	0.62	-
Interest free loan given to subsidiaries accounted at amortised cost	4.17	-	3.78	-
Income from government grant	4.11	-	2.08	-
Amortisation of deferred income	3.78	-	0.69	-
Provision for impairment in investments in subsidiary written back	-	-	85.78	-
Gain on reinstatement of 4.25% senior secured note	43.72	-	-	-
Gain on account of fair valuation of interest rate swap	11.92	-	40.19	6.17

## Notes to the consolidated financial statements for the year ended March 31, 2018

xi. Preference Shares issued by subsidiaries:

Pursuant to the investor agreements (including amendments thereof) entered into during the years ended March 31, 2011 and 2012 (hereinafter collectively referred to as "investor agreements"), GAL, a subsidiary of the Company, had issued 3,731,468 Class A Compulsorily Convertible Preference Shares ("CCPS A") of ₹ 1,000 each at a premium of ₹ 2,885.27 each and ₹ 3,080.90 each aggregating to ₹ 663.31 crore and ₹ 441.35 crore respectively, to certain Private Equity Investors ('Investors'). Further, GAL had allotted bonus shares of 11,046,532 class B Compulsorily Convertible Preference Shares ("CCPS B") to the Company utilising the securities premium account.

As per the terms of the investor agreement, the Company had a call option to buy CCPS A from the Investors for a call price to be determined as per the terms of the investor agreement. The call option was to be exercised by the Company on or before April 6, 2015. If the call option was not exercised by the Company before April 6, 2015, as per the investment agreement, each CCPS A will get converted into 82.821 equity shares of GAL with simultaneous conversion of CCPS B held by the Company into equity shares of GAL as per Articles and Memorandum of Association of GAL.

The Company vide its letter dated April 01, 2015, had exercised the call option to buy the CCPS A, subject to obtaining the requisite regulatory approvals. However, Investors have initiated arbitration proceedings against GAL and the Company, seeking conversion of the CCPS A. The arbitration process is currently under progress.

In view of ongoing arbitration and considering the uncertainty regarding the conversion / settlement of CCPS A, the Group has recorded CCPS A issued to PE investors at the face value as at March 31, 2018. Further, no adjustments have been made for the call option exercised by the Company to acquire CCPS A and the CCPS B issued to the Company continues to be carried at cost of ₹ Nil. Accordingly, these consolidated Ind AS financial statements of the Group do not include any adjustments that might result from the outcome of the aforesaid uncertainty.

xii. DIAL had entered in to an IT service arrangement with WAISL, a joint venture of the Group, to provide IT services at the Airport on its behalf. As per the agreement, DIAL pays or receives a true up amount to WAISL depending upon the actual billing and subsistence level agreed. WAISL cannot offer such services to any other customer and it is not economically feasible for WAISL to offer the level of services using any other equipment. DIAL concluded that the arrangement contains a lease of the IT equipment and other assets. The lease was classified as a finance lease at inception of the arrangement and payments were split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on incremental borrowing rate of interest.

However, during the year ended March 31, 2017, there is modification in the terms of arrangement and as per the modified terms; this arrangement no longer contains an embedded lease. Accordingly, DIAL has derecognised the assets and liabilities recognised under finance lease.

Refer note 3 for further disclosure.

xiii. DIAL had entered into 'Development Agreement' and the 'Infrastructure Development and Service Agreement' with Silver Resort Hotel India Private Limited (hereinafter referred as 'Developer') on February 26, 2010 for development and operation of commercial property area located in Aerocity for a period of 30 years; further extendable to another 30 years. As per term of agreements, Developer was required to pay the License fee and other charges to DIAL on annual basis. On July 16, 2015, DIAL issued termination notice on account of failure by the Developer to pay the License Fees and other charges, required to be paid under the agreements executed between DIAL and the Developer. Consequently, the Developer has invoked the arbitration process as per Infrastructure Development and Service Agreement.

During the year ended March 31, 2018, the Arbitral Award was passed by the Hon'ble Arbitral Tribunal in favour of DIAL thereby granting ₹ 115.89 crores award to DIAL and directing it to settle the award against security deposits of ₹ 192.88 crores lying with DIAL and pay the balance ₹ 76.99 crores to the Developer. However, one of the arbitrators has passed the dissenting order granting award in favor of Developer amounting to ₹ 416.86 crores. Dissenting award granted by one of the arbitrators is not enforceable / binding on the parties, being the minority order / dissenting opinion.

Accordingly, DIAL has deposited payment of ₹ 76.13 crore (net of recovery of arbitration cost of ₹ 0.86 crore) in the Hon'ble High Court of Delhi as per arbitration award.

Consequently, Silver resort has filed an appeal against the arbitration award before the Hon'ble High court and is pending conclusion as at March 31, 2018.

xiv. The Government of India announced Services Export from India Scheme (SEIS) under Foreign Trade Policy (FTP) 2015-20 under which the service provider of notified services is entitled to Duty Credit Scrips as a percentage of net foreign exchange earned. These Scrips either can be used for payment of basic custom duty on imports or can be transferred/traded in the market.

Pursuant to above, during the year ended March 31, 2018, DIAL has received SEIS scrips of ₹ 31.14 crore, having validity till September 30, 2019. DIAL has so far utilized ₹ 0.44 crore out of these scrips. Considering the major expansion plans at the IGI airport, DIAL is evaluating various options for utilization of these Scrips. DIAL has accounted the amount utilized and remaining scrips of ₹ 30.70 crore at fair value of ₹ 29.83 crore (97% of face value of the scrips) as "Other Incomes" in the Statement of Profit and Loss.



## Notes to the consolidated financial statements for the year ended March 31, 2018

The Scrips received under SEIS are in nature of Government Grant and is similar to the Scrips received earlier of ₹ 89.60 crore under Served from India Scheme (SFIS) of Foreign Trade Policy 2010-15; which is presently under litigation with respect to Annual Fee payable towards AAI on the same.

Further, based on the legal opinion obtained, the Government Grants are not part of "Revenue" under OMDA. Accordingly, management believes that, no Annual Fee is payable as per the provisions of OMDA, and has not been provided in the consolidated financial statements of the Group.

- xv. In accordance with the provisions of the amended and restated Joint Venture Agreement (JVA) executed by GHIAL with Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited (MACL), Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited (HMACPL), GHIAL exercised its Buy Back Rights to buy the shares held by MACL in HMACPL. MACL disputed GHIAL's position as regards exercising the buyback rights. In view of the above dispute, GHIAL invoked Arbitration and post conclusion of proceedings the Arbitral Tribunal issued the final award on January 29, 2018 dismissing the claims of GHIAL with costs stating that the fair market value was not determined as per the requirement of JVA and thus GHIAL during the year ended March 31, 2018 has not exercised its buy back rights validly. The Management of the Group believes that there shall be no impact of the arbitration award on the control evaluation and have continued to consolidate HMACPL as a subsidiary as at March 31, 2018.

### 47. Matters related to certain road sector entities:

- i. GACEPL, a subsidiary of the Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of ₹ 353.15 crore as at March 31, 2018. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads. The matter is currently under arbitration and the arbitration tribunal has passed an interim order staying the payment of negative grant, till further orders. Based on an internal assessment and a legal opinion, the management of the Group is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and considering expected future traffic flow, the management of the Group believes that the carrying value of carriage ways in GACEPL of ₹ 439.85 crore as at March 31, 2018 is appropriate.
- ii. GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') a subsidiary of the Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of ₹ 857.70 crore as at March 31, 2018. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI'). The claim of GHVEPL was rejected by NHAI and accordingly during the year ended March 31, 2018, GHVEPL has decided to proceed with arbitration and accordingly Arbitral Tribunal was constituted and claims were filed. Further, the project was initially developed from existing 2 lanes to 4 lane and will be further developed to 6 laning subsequently (before 14th anniversary of the appointed date). If 6 laning is not carried out (if so required by NHAI/desired by the GHVEPL), concession period will be restricted to 15 years as against 25 years from the appointed date if 6 laning is carried out.

The management of the Group is confident that it will be able to claim compensation from the relevant authorities for the loss it suffered due to aforementioned reasons, which is significantly dependent on the fructification of the aforesaid claims and a concession period of 25 years. Accordingly, based on the aforesaid legal opinion, expected future traffic flow over a concession period of 25 years, valuation assessment by an external expert, the management of the Group believes that the carrying value of carriage ways of ₹ 2,090.03 crore of GHVEPL as at March 31, 2018, is appropriate.

### 48. Matters related to certain power sector entities:

- i. GPCL, a subsidiary of the Company, approached Tamil Nadu Electricity Regulatory Commission ('TNERC') to resolve the claims / counterclaims arising out of the Power Purchase Agreement ('PPA') and Land Lease Agreement ('LLA') in respect of the dues recoverable from Tamil Nadu Generation and Distribution Corporation Limited ('TAGENDCO') on account of sale of energy including reimbursement towards interest on working capital, Minimum Alternate Tax ('MAT'), rebate, start / stop charges and payment of land lease rentals to TAGENDCO. GPCL received a favourable order from TNERC and in pursuance of the Order, filed its claim on April 30, 2010 amounting to ₹ 481.68 crore and recognised ₹ 79.55 crore as income in the books of account.

TAGENDCO filed a petition against TNERC Order in Appellate Tribunal for Electricity ('APTEL'). In terms of an interim Order from APTEL, TAGENDCO deposited ₹ 537.00 crore including interest on delayed payment of the claim amount. APTEL vide its Order dated February 28, 2012, upheld the claim of GPCL and further directed GPCL to verify and pay counterclaims of TAGENDCO in respect of the benefits earned if any, by GPCL with regard to the delayed payment towards fuel supply that are not as per the terms of the FSA. GPCL had appealed to the Hon'ble Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by APTEL on credit period of Fuel Supplies in terms of the FSA. The Hon'ble Supreme Court vide its Order dated April 24, 2014, has referred the dispute to TNERC for examining the claim of the contesting parties in so far as the quantum of amount is concerned. GPCL and TAGENDCO have filed their respective petitions before TNERC during August 2014. The matter was heard by TNERC and has been reserved for Order. Further, TAGENDCO has filed the petition in the Hon'ble Supreme Court against APTEL order which is pending before the Hon'ble Supreme Court.

## Notes to the consolidated financial statements for the year ended March 31, 2018

GPCL was availing tax holiday under Section 80-IA of the Income Tax Act, 1961 ('IT Act') in respect of its income from power generation. Considering that the substantial amount, though under protest, has been received by GPCL, based on an expert opinion, GPCL offered the claims upto March 31, 2014 as income in its tax returns and claimed the deduction as available under Section 80-IA of the IT Act.

In accordance with the above, the amount received towards the above mentioned claims after the date of Order is being disclosed as advance from the customer in the books of account. Further, GPCL has been legally advised that pending adjudication of petition, the entire matter is now sub-judice and has not attained the finality.

Hence, pending acceptance of claims by TAGENDCO and pending adjudication of petition before the Hon'ble Supreme Court, the Group has not recognised such balance claim in the books of account.

### 49. Matters related to certain other sector entities:

- i. The Company had given an interest free loan of ₹ 115.00 crore to GMR Welfare Trust ('GWT') during the year ended March 31, 2011 for the purpose of employee benefit scheme. The trust had utilised the proceeds of the loan received from the Company in the following manner:

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Equity shares of GIL	101.55	101.55
Equity shares of GAL	11.28	11.28
Others	2.17	2.17
<b>Total</b>	<b>115.00</b>	<b>115.00</b>

SEBI had issued Circular CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed companies from framing any employee benefit scheme involving acquisition of its own securities from the secondary market. SEBI had issued Circular CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013 extending the date of compliance to June 30, 2014. The management of the Company submitted the details of the GWT to the stock exchanges. SEBI has issued a Notification dated October 28, 2014 notifying "The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" ("SEBI Regulations") whereby the Companies having existing schemes to which these regulations apply are required to comply with these regulations within one year of the effective date of the regulations and the trusts holding shares, for the purposes of implementing general employee benefit schemes, which exceed ten percent of the total value of the assets of the trusts, shall have a period of five years to bring down trusts' holding in such shares to the permissible limits. SEBI published Frequently Asked Question ("FAQ") on SEBI Regulations and clarified that appropriation of shares towards ESPS/ESOP/SAR/General Employee Benefits Scheme / Retirement Benefit Schemes by October 27, 2015 would be considered as compliance with proviso to regulation 3(12) of the SEBI Regulations. The Company may appropriate towards individual employees or sell in the market during next two years so that no unappropriated inventory remains thereafter. The shareholders have approved the revised terms and conditions of the scheme by passing a special resolution in the Annual General Meeting of the Company held on September 23, 2015 and that the Company will ensure compliance with other applicable provisions of the new regulations within the permissible time period. Pursuant to the implementation of Ind AS, the Group has consolidated the financial statements of GWT in its consolidated financial statements and accordingly the loans has become ₹ NIL.

- ii. KSPL is in the process of acquiring land for implementing a Multi Product Special Economic Zone within the meaning of Special Economic Zone Act 2005 and it has obtained an initial Notification from the Ministry of Commerce, Government of India vide Notification No. 635(E) dated April 23, 2007 for an extent of 1,035.67 hectares. The formal approval for the same was initially given for 3 years from June 2006. Subsequently, the said formal approval was extended till August 2016. KSPL has obtained further notification from Government of India vide Notification No. 342(E) dated February 06, 2013 for an extent of 1,013.64 hectares and the formal approval was given initially for 3 years from February 2012, which on application by KSPL was extended further upto February 2016. KSPL's proposal for merger of both approvals is approved by Ministry of Commerce in December 2015, hence extension of formal approval is no longer required. Out of 2,049.31 hectares land covered in existing notification, KSPL applied for de-notification of 170.0015 hectares during the year and got the approval from Ministry of Commerce and Industries. Subsequent to de-notification as stated above 1,879.40 hectares of land is covered under SEZ notified area.

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

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

Further to the acquisition of land for development of SEZs, KSPL has initiated various rehabilitation and resettlement initiatives to relocate the inhabitants residing in the land acquired. The amount of expenditure incurred by KSPL towards rehabilitation and resettlement initiatives amounting to ₹ 72.77 crore (March 31, 2017: ₹ 68.60 crore) is treated as part of land acquisition cost. KSPL had estimated that additional cost of

## Notes to the consolidated financial statements for the year ended March 31, 2018

₹ 41.03 crore is likely to be incurred towards rehabilitation and resettlement as required under Ind AS 37. However, no provision has been made towards additional cost, in the consolidated financial statements, as the negotiations with the beneficiaries towards obtaining possession of land necessitating the rehabilitation is still going on.

During the year, KSPL has incurred a sum of ₹ 226.42 crore (March 31, 2017 ₹ 190.23 crore) towards expenditure incurred in respect of ongoing SEZ project under execution by KSPL. This expenditure is directly connected with land acquisitions which is the primary asset of the project.

The expenditure incurred during the earlier years in respect of the project includes ₹ 314.89 crore towards non-prejudicial additional compensation for land owners and farmers announced by special land acquisition to hasten the proposed project activities, which was in addition to the statutory compensation already paid. An amount of ₹ 134.22 crore has been paid by KSPL and remaining amount is shown under non-trade payable.

## 50. Related party transactions

## a. Names of the related parties and description of relationship:

Sl. No.	Relationship	Name of the parties
(i)	Holding company	GMR Enterprises Private Limited (GEPL) (w.e.f August 11, 2016) <sup>1</sup> GMR Holdings Private Limited (GHPL) (till August 10, 2016) <sup>1</sup>
(ii)	Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or Joint Ventures or associates.	Airport Authority of India (AAI) Asia Pacific Flight Training Sdn Bhd ('APFTSB') Arcelormittal India Limited (AIL) Bharat Petroleum Corporation Limited (BPCL) Brindaban Man Pradhang Bird World Wide Flight Services India Private Limited (BWWFSIPL) Cambata Aviation Private Limited (CAPL) Celebi Ground Handling Delhi Private Limited (CELEBI GHDPL) Celebi Hava Servisis A.S. (CHSAS) Fraport AG Frankfurt Airport Services Worldwide (FAG) Government of Andhra Pradesh (GoAP) Government of Telangana (GoT) Greenwich Investments Limited (GRIL) Investment and Infrastructure fund (IIF) Indian Oil Corporation Limited (IOCL) Kakinada Infrastructure Holding Private Limited (KIHPL) Lanco Group Limited (LGL) Laqshya Event IP Private Limited (LEIPL) Limak Insaat San. Ve Ticaret A.S. (LISVT) Laqshya Media Private Limited (LMPL) M/S G.S.Atwal & Co. Malaysia Airport Holding Berhad (MAHB) Malaysia Airport (Labuan) Private Limited (MALPL) Malaysia Airports Consultancy Services SDN Bhd (MACS) MAHB (Mauritius) Private Limited (MAHB Mauritius) Megawide Construction Corporation (MCC) Menzies Aviation Cargo (Hyderabad) Limited, Mauritius (MACHL) Menzies Aviation India Private Limited (MAIPL) Menzies Aviation PLC (UK) (MAPUK) Macquarie SBI Infrastructure Investments PTE Limited (MSIF)

Notes to the consolidated financial statements for the year ended March 31, 2018

Sl. No.	Relationship	Name of the parties
		NAPC Limited (NAPC)
		Navabharat Power Private Limited (NBPPL)
		Nepal Electricity Authority (NEA)
		Odeon Limited (OL)
		Oriental Structures Engineers Private Limited (OSEPL)
		Oriental Tollways Private Limited (OTPL)
		PT Dian Swastatika Sentosa Tbk (PT Dian)
		PT Sinar Mas Cakrawala
		Punj Lyod Limited
		Reliance Industries Limited (RIL)
		Rushil Construction (India) Private Limited
		Sterlite Energy Limited (SEL)
		Power And Energy International (Mauritius) Limited
		Tenega Parking Services (India) Private Limited (TPSIPL)
		Times Innovative Media Limited (TIML)
		Travel Foods Services (Delhi) Private Limited (TFSDPL)
		Tottenham Finance Limited, Mauritius (TFL)
		Veda Infra-Projects (India) Private Limited (VIHIPL)
		Wipro Limited (WL)
		Welfare Trust for GMR Group Employees (WTGGE)
		Yalvorin Limited (YL)
(iii)	Enterprises where key management personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF)
		GMR Family Fund Trust (GFFT)
		GEOKNO India Private Limited (GEOKNO) <sup>6</sup>
		Kakinada Refinery & Petrochemicals Private Limited (KRPL)
		Kirti Timber Private Limited (KTPL)
		GMR Institute of Technology (GIT)
		GMR School of Business (GSB)
		GMR Varalakshmi Care Hospital (GVCH)
		Jetsetgo Aviation Services Private Limited (JASPL)
		Polygon
(iv)	Fellow subsidiary companies (where transactions have taken place)	GMR Projects Private Limited (GPPL) (till August 10, 2016) <sup>1</sup>
		GMR Bannerghatta Properties Private Limited (GBPPL)
		GMR Holding (Mauritius) Limited (GHML)
		GMR Airport (Global) Limited (GAGL) <sup>7</sup>
		GMR Sports Private Limited (GSPL)
		Grandhi Enterprises Private Limited (GREPL) <sup>5</sup>
(v)	Joint ventures / associates / joint operations	GMR Energy Limited (GEL) <sup>2</sup>
		GMR Vemagiri Power Generation Limited (GVPGL) <sup>2</sup>
		GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) <sup>2</sup>
		GMR Kamalanga Energy Limited (GKEL) <sup>2</sup>
		Himtal Hydro Power Company Private Limited (HHPPL) <sup>2</sup>
		GMR Energy (Mauritius) Limited (GEML) <sup>2</sup>
		GMR Lion Energy Limited (GLEL) <sup>2</sup>

## Notes to the consolidated financial statements for the year ended March 31, 2018

Sl. No.	Relationship	Name of the parties
		GMR Upper Karnali Hydropower Limited (GUKPL) <sup>2</sup>
		GMR Consulting Services Limited (GCSPL) <sup>2</sup>
		GMR Bajoli Holi Hydropower Private Limited (GBHHPL) <sup>2</sup>
		Rampia Coal Mine and Energy Private Limited (RCMEPL) <sup>2</sup>
		GMR Chhattisgarh Energy Limited (GCEL) <sup>3</sup>
		GMR Rajahmundry Energy Limited (GREL) <sup>3</sup>
		GMR Warora Energy Limited (GWEL) (formerly known as EMCO Energy Limited) <sup>2</sup>
		GMR Maharashtra Energy Limited (GMAEL) <sup>2</sup>
		GMR Bundelkhand Energy Private Limited (GBEPL) <sup>2</sup>
		GMR Rajam Solar Power Private Limited (GRSPPL) (formerly known as GMR Uttar Pradesh Energy Pvt Ltd (GUPEPL)) <sup>2</sup>
		GMR Gujarat Solar Power Limited (GGSPPL) <sup>2</sup>
		Karnali Transmission Company Private Limited (KTCPL) <sup>2</sup>
		Marsyangdi Transmission Company Private Limited (MTCPL) <sup>2</sup>
		GMR Indo-Nepal Energy Links Limited (GINELL) <sup>2</sup>
		GMR Indo-Nepal Power Corridors Limited (GINPCL) <sup>2</sup>
		PT Golden Energy Mines Tbk (PTGEMS)
		PT Roundhill Capital Indonesia (RCI)
		PT Borneo Indobara (BIB)
		PT Kuansing Inti Makmur (KIM)
		PT Karya Cemerlang Persada (KCP)
		PT Bungo Bara Utama (BBU)
		PT Bara Harmonis Batang Asam (BHBA)
		PT Berkat Nusantara Permai (BNP)
		PT Tanjung Belit Bara Utama (TBBU)
		PT Trisula Kencana Sakti (TKS)
		PT Era Mitra Selaras (EMS)
		PT Wahana Rimba (WRL)
		PT Berkat Satria Abadi (BSA)
		GEMS Trading Resources Pte Limited (GEMSCR)
		PT Bumi Anugerah Semesta (formerly known as PT Karya Mining Solution) (BAS)
		PT Kuansing Inti Sejahtera (KIS)
		PT Bungo Bara Makmur (BBM)
		PT GEMS Energy Indonesia (PTGEI)
		Shanghai Jingguang Energy Co Ltd (SJECL)
		Asia Pacific Flight Training Academy Limited (APFT) <sup>8</sup> (upto October 09, 2017)
		Laqshya Hyderabad Airport Media Private Limited (Laqshya)
		Delhi Aviation Services Private Limited (DASPL)
		Travel Food Services (Delhi Terminal 3) Private Limited (TFS)
		Delhi Duty Free Services Private Limited (DDFS)
		Delhi Aviation Fuel Facility Private Limited (DAFF)
		Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)

## Notes to the consolidated financial statements for the year ended March 31, 2018

Sl. No.	Relationship	Name of the parties
		Wipro Airport IT Services Limited (WAISL)
		TIM Delhi Airport Advertising Private Limited (TIM)
		GMR Megawide Cebu Airport Corporation (GMCAC)
		Megawide GISPL Construction Joint Venture (MGCJV)
		Megawide GISPL Construction Joint Venture Inc. (MGCJV Inc.)
		Limak GMR Construction JV (CJV)
		GMR Mining & Energy Private Limited (GMEL)
		Jadcherla Expressways Private Limited (JEPL) <sup>4</sup> (upto February 06, 2017)
		Ulundurpet Expressways Private Limited (UEPL) <sup>4</sup> (upto October 17, 2016)
		GMR OSE Hungund Hospet Highways Private Limited (GOSEHHPL)
(vi)	Key management personnel and their relatives	Mr. G.M. Rao (Executive Chairman)
		Mrs. G Varalakshmi (Relative)
		Mr. G.B.S. Raju (Director)
		Mr. Grandhi Kiran Kumar (Managing Director & CEO)
		Mr. Srinivas Bommidala (Director)
		Mrs. B. Ramadevi (Relative)
		Mr. B.V. Nageswara Rao (Director)
		Mr. Adishavatararam Cherukupalli (Company Secretary) (Resigned w.e.f. November 14, 2017)
		Mr. Venkat Ramana Tangirala (Company Secretary) (Appointed w.e.f. November 15, 2017)
		Mr. Jayesh Desai (Resigned w.e.f. February 13, 2017)
		Mr. R S S L N Bhaskarudu (Independent Director)
		Mr. N C Sarabeswaran (Independent Director)
		Mr. S Sandilya (Independent Director)
		Mr. S Rajagopal (Independent Director)
		Mr. C.R. Muralidharan (Independent Director)
		Mrs. V. Siva Kameswari (Independent Director)
		Mr. V. Santhanaraman (Independent Director) (Retired on September 14, 2016)
		Dr. Prakash G Apte (Independent Director) (Retired on September 14, 2016)
		Mr. Madhva Bhimacharya Terdal (CFO)

### Notes:

- During the year ended March 31, 2017, GHPL and GPPL were amalgamated with GEPL pursuant to approval of scheme of amalgamation and arrangements by Hon'ble High Court of Madras vide its order NO. 8471/16 dated July 06, 2016 and made effective from August 10, 2016.
- Ceased to be a subsidiary and became a joint venture w.e.f. November 4, 2016. Refer Note 36(d).
- Ceased to be a subsidiary on account of Strategic Debt Restructuring (SDR) and became associates on the date of SDR. Refer note 36(b) and 36(e).
- Ceased to be an associate during the year ended March 31, 2017.
- Ceased to be an enterprise where key managerial personnel or their relatives exercise significant influence and became a fellow subsidiary during the year ended March 31, 2017.
- Ceased to be a fellow subsidiary and became an enterprise where key managerial personnel or their relatives exercise significant influence during the year ended March 31, 2017.
- Ceased to be a subsidiary and became a fellow subsidiary during the year ended March 31, 2017.
- Ceased to be a joint venture and became a subsidiary during the year ended March 31, 2018.

## Notes to the consolidated financial statements for the year ended March 31, 2018

b. Summary of transactions with the related parties are as follows:

Nature of transaction during the year	(₹ in crore)	
	March 31, 2018	March 31, 2017
<b>Investment in equity shares</b>		
- <b>Joint ventures / associates</b>		
TFS	-	2.40
APFT ₹ 66.10 (March 31, 2017: ₹ Nil)	0.00	-
GBHHPL	108.33	-
GKEL	-	40.00
<b>Sale of investments in equity shares to</b>		
- <b>Fellow subsidiaries</b>		
GHMRL	-	9.09
<b>Loans / advances repaid by</b>		
- <b>Joint ventures / associates</b>		
GOSEHHHPL	14.30	5.78
UEPL	-	3.85
GBEPL	12.30	-
GBHPL	20.85	-
JEPL	-	4.50
Laqshya	4.56	1.75
GVPGL	0.90	27.61
<b>Loans / advances given to</b>		
- <b>Holding company</b>		
GEPL	30.00	-
- <b>Joint ventures / associates</b>		
GBEPL	38.10	-
<b>Loans / advances taken from</b>		
- <b>Holding company</b>		
GEPL	283.97	310.65
- <b>Joint ventures / associates</b>		
GEL	77.00	95.00
GBHPL	51.00	-
GKEL	5.44	-
- <b>Enterprises where key management personnel and their relatives exercise significant influence</b>		
KTPL	-	142.50
KRPPL	-	4.29
<b>Loans repaid to</b>		
- <b>Holding company</b>		
GEPL	452.50	136.50
- <b>Fellow subsidiaries</b>		
GAGL	9.37	-

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
<b>- Joint ventures / associates</b>		
GBHPL	51.00	-
GEL	27.00	18.33
GWEL	9.50	-
GKEL	1.21	-
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
KTPL	142.50	-
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
MAIPL	0.05	0.05
<b>Sale of fixed assets</b>		
<b>- Joint ventures / associates</b>		
GVPGL	0.01	-
GKEL	0.06	-
GWEL	0.04	-
<b>Purchase of fixed assets / services</b>		
<b>- Holding company</b>		
GEPL	0.71	-
<b>- Joint ventures / associates</b>		
GEL	0.03	-
<b>Deposit received</b>		
<b>- Joint ventures / associates</b>		
DAFF	-	10.64
Laqshya	-	0.02
TFS	4.34	-
DDFS	4.00	0.67
DASPL	0.04	-
CDCTM	7.95	-
GBHHPL	-	0.05
<b>Deposit repaid</b>		
<b>- Joint ventures / associates</b>		
DDFS	0.12	0.30
<b>Deposits given</b>		
<b>- Key management personnel and their relatives</b>		
Mr. Madhva Bhimacharya Terdal	-	0.15
Mrs. G Varalakshmi	-	0.06
Mrs. B. Ramadevi	-	0.03



## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
<b>Deposit refund received</b>		
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	-	1.25
<b>Write-off of capital advances</b>		
- Holding company		
GEPL	-	259.00
<b>Equity dividend paid by subsidiaries / Joint ventures / associates to</b>		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
MACHL	3.75	1.10
AAI	61.07	-
FAG	15.92	-
GOT	19.66	-
MAHB Mauritius	16.62	-
<b>Preference dividend paid by subsidiaries</b>		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
MACHL	3.77	0.54
<b>Sub-contracting expenses</b>		
- Enterprises where key management personnel and their relatives exercise significant influence		
GEOKNO	-	0.47
<b>Revenue from operations</b>		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
AAI	3.29	3.12
FAG	116.56	100.20
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	0.11	-
GVF	0.57	0.57
GIT	0.24	0.22
GSB	0.11	0.08
GEOKNO	0.37	0.27
- Fellow subsidiaries		
GSPL	0.45	0.30
- Joint ventures / associates		
UEPL	-	11.51
DDFS	366.08	333.98
Laqshya	38.15	33.67

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
GKEL	176.53	255.73
TIM	171.28	142.24
DAFF	18.43	17.15
CDCTM	189.45	151.97
TFS	22.19	16.39
DASPL	8.22	6.78
GCEL	6.13	4.78
GCSPL	-	0.44
GREL	0.62	0.54
GEL	-	0.13
GWEL	81.56	5.65
GVPGL	2.71	0.77
GBHHPL	2.42	0.59
APFT	-	1.36
WAISL	45.26	-
GMCAC	206.00	-
<b>- Key Management Personnel and their relatives</b>		
Grandhi Kiran Kumar (₹ 35,000)	0.00	-
<b>Other Income</b>		
<b>- Holding company</b>		
GEPL	19.84	-
<b>- Joint ventures / associates</b>		
GKEL	2.22	-
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GEOKNO	0.02	-
<b>Fees received for services rendered</b>		
<b>- Joint ventures / associates</b>		
GMCAC	-	3.14
GGSPPL	-	0.25
GBHHPL	-	0.08
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
JASPL	2.33	1.10
<b>Fee paid for services received</b>		
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
AAI	0.13	0.05
GoT	3.42	3.29
<b>- Joint ventures / associates</b>		
Laqshya	0.53	0.23

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
JASPL	2.50	0.85
Sri Varalakshmi Jute Twine Mills Private Limited	0.18	-
GEOKNO	-	0.33
GFFT	0.31	0.10
<b>Finance income</b>		
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GVF	0.01	0.01
<b>- Joint ventures / associates</b>		
UEPL	-	2.39
GOSEHHHPL	0.48	0.48
JEPL	-	0.68
GBHPL	2.00	-
GBEPL	0.37	-
DAFF	4.49	8.69
CDCTM	5.55	5.22
DASPL	1.03	1.22
TFS	3.00	1.12
DDFS	13.09	12.91
APFT	-	0.21
GEL	1.09	3.38
GVPGL	1.34	0.58
GWEL	-	0.34
GGSPPL	-	0.01
GCEL	-	0.36
GREL	-	0.92
GKEL	0.27	32.72
Laqshya	1.54	0.77
TIM	1.63	1.62
<b>- Holding company</b>		
GEPL	1.35	1.00
<b>Dividend income received from</b>		
<b>- Joint ventures / associates</b>		
DAFF	8.53	14.07
DASPL	5.00	2.50
DDFS	44.17	31.59
PTGEMS	177.64	32.57
TIM	9.68	9.22
CDCTM	1.46	-

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
<b>Airport service charges / operator fees</b>		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
FAG	171.87	151.05
<b>Revenue share paid / payable to concessionaire grantors</b>		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
AAI	1,814.42	2,681.04
<b>Lease income</b>		
- Joint ventures / associates		
GREL	0.02	0.18
GKEL	0.02	-
GCSPL	0.02	-
GVPGL	0.02	-
GMAEL	0.02	-
GCEL	0.02	-
<b>Lease expense</b>		
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	0.13	7.14
- Fellow subsidiaries		
GREPL	1.23	1.29
- Key management personnel and their relatives		
Mrs. B. Ramadevi	0.08	0.16
Mrs. G.Varalakshmi	0.16	0.15
Mr. G.B.S.Raju	0.40	0.35
<b>Purchase of traded goods</b>		
- Joint ventures / associates		
GWEL	506.74	245.66
GKEL	135.52	133.62
GCEL	221.15	45.74
<b>Managerial remuneration to</b>		
- Key management personnel and their relatives		
Mr. G.M. Rao	8.78	4.57
Mr. G.B.S.Raju	-	0.96
Mr. Srinivas Bommidala	9.84	5.70
Mr. Grandhi Kiran Kumar	3.94	3.99
Mr. Adiseshavaram Cherukupalli	0.64	0.84
Mr. Venkat Ramana Tangirala	0.23	-
Mr. Madhva Bhimacharya Terdal	2.17	1.96

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
<b>- Key management personnel and their relatives</b>		
<b>Directors' sitting fees</b>		
Dr. Prakash G. Apte	-	0.02
Mr. R.S.S.L.N. Bhaskarudu	0.22	0.28
Mr. N.C. Sarabeswaran	0.18	0.20
Mr. S. Sandilya	0.02	0.02
Mr. Grandhi Kiran Kumar	0.01	0.01
Mr. Srinivas Bommidala	0.01	0.01
Mr. G.M. Rao	0.02	0.01
Mr. G.B.S.Raju	0.01	0.01
Mr. S. Rajagopal	0.04	0.10
Mr. V. Santhanaraman	-	0.03
Mr. C.R. Muralidharan	0.02	0.02
Mrs. V. Siva Kameswari	0.08	0.10
<b>Logo fees</b>		
<b>- Holding company</b>		
GEPL	2.01	5.40
<b>Legal and professional fees</b>		
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
FAG	-	0.07
AAI	-	0.12
MACS	10.64	2.27
MAPUK	8.07	7.21
<b>- Joint operations</b>		
MGCJV	8.10	-
<b>Other expenses</b>		
<b>- Holding company</b>		
GEPL	0.06	-
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
TPSIPL	5.61	3.45
MAPUK	0.58	0.59
<b>- Joint ventures / associates</b>		
WAISL	0.29	2.95
DAFF	-	0.03
GGSPPL	-	0.01
GWEL	-	0.09
GEL	-	0.49

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
<b>- Joint operations</b>		
MGCJV	8.24	-
<b>- Fellow subsidiaries</b>		
GSPL	0.50	0.50
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GFFT	-	2.23
GEOKNO	0.53	0.36
GVF	-	0.01
<b>- Key management personnel and their relatives</b>		
Mr. G B S Raju	0.01	-
<b>Marketing fund billed</b>		
<b>- Joint ventures / associates</b>		
DDFS	11.21	10.35
TFS	0.86	0.67
<b>Marketing fund utilised</b>		
<b>- Joint ventures / associates</b>		
DDFS	10.87	1.72
TIM	0.36	-
TFS	0.05	0.03
<b>Reimbursement of expenses incurred on behalf of the Group</b>		
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
MAIPL	0.12	0.22
MAPUK	0.08	0.08
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GVF	0.01	-
<b>- Joint ventures / associates</b>		
TFS	0.10	0.07
GKEL	-	0.87
GBHHPL	0.15	0.09
Laqshya	0.03	-
GWEL	16.10	-
<b>- Fellow subsidiaries</b>		
GSPL	0.58	0.01
<b>Expenses incurred by the Group on behalf of / expenses recovered by the Group</b>		
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
AAI	20.05	19.72

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
<b>- Joint ventures / associates</b>		
DASPL	13.58	12.67
DDFS	2.41	2.96
CDCTM	12.75	16.22
TIM	3.95	3.84
TFS	3.96	3.92
Laqshya	1.36	1.17
APFT	-	0.21
GEL	0.52	0.95
GVPGL	0.64	0.48
GWEL	10.41	3.55
GCSPL	0.03	0.15
GBHHPL	2.38	0.83
GGSPPL	0.11	0.11
GCEL	35.91	0.68
GREL	-	3.81
GKEL	19.15	13.83
GMCAC	0.07	0.07
WAISL	20.14	-
<b>- Fellow subsidiaries</b>		
GBPPL (March 31, 2017 : Amounting to ₹ 24,751)	0.02	0.00
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GEOKNO	0.34	0.54
GVF	0.08	0.07
<b>- Holding company</b>		
GEPL (March 31, 2017 : Amounting to ₹ 10,070)	0.35	0.00
<b>Expenses recoverable written off</b>		
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
AAI	-	0.99
<b>Donation</b>		
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GVF	11.75	15.87
<b>Finance cost</b>		
<b>- Holding company</b>		
GEPL	6.39	7.79
<b>- Joint ventures / associates</b>		
TIM	0.99	0.86

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of transaction during the year	March 31, 2018	March 31, 2017
DDFS	11.16	9.85
GVPGL	-	0.25
CDCTM	2.31	1.96
TFS	0.19	0.16
DAFF	2.04	2.79
Laqshya	0.04	0.01
APFT	-	0.01
GCSPL	0.07	0.03
GEL	12.32	2.01
GWEL	1.29	0.54
GBEPL	1.58	0.89
GBHPL	0.34	1.27
DASPL	1.25	1.12
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
KRPPL	0.53	0.24
KTPL	5.95	0.05
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
AAI	5.14	9.03
MAIPL	0.05	0.05
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GVF	0.01	0.01
<b>- Fellow subsidiaries</b>		
GAGL	0.04	-
<b>Reversal of finance cost</b>		
<b>- Joint ventures / associates</b>		
WAISL	-	7.01
<b>Release of pledged shares against the loan taken by a subsidiary</b>		
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
MAHB	28.66	-
<b>Corporate Guarantees/ Comfort Letters extinguished on behalf of</b>		
<b>- Joint ventures / associates</b>		
GEL	150.00	-



## Notes to the consolidated financial statements for the year ended March 31, 2018

## c. Summary of balances with the related parties are as follows:

Nature of balances outstanding	(₹ in crore)	
	March 31, 2018	March 31, 2017
<b>Balance payable / (receivable)</b>		
<b>- Holding company</b>		
GEPL	(435.61)	(209.57)
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates</b>		
AAI	61.82	131.44
FAG	31.99	27.38
MACS	10.47	0.04
MAIPL	0.37	0.44
MAPUK	0.67	4.40
GoT	318.57	318.42
TPSIPL	0.98	0.84
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GFFT	(25.98)	(26.05)
GVF	0.30	0.75
GEOKNO	(1.24)	(0.70)
JASPL	-	0.45
GIT	(0.05)	(0.02)
GSB	(0.03)	(0.01)
GVCH (March 31, 2017: ₹ 40,000)	-	(0.00)
KRPPL	4.79	4.51
KTPL	-	142.54
Polygon	(22.90)	(22.90)
<b>- Fellow subsidiaries</b>		
GPPL	-	-
GSPL	0.30	-
GREPL	-	0.34
GBPPL (March 31, 2017: ₹ 24,751)	-	0.00
GHMRL	-	(9.44)
GAGL	-	(0.71)
<b>- Joint ventures / associates</b>		
PTGEMS	228.04	10.59
GMCAC	(17.92)	(17.61)
MGCJV	(10.04)	(3.85)
Laqshya	(3.47)	(10.18)
APFT	-	(2.34)
DASPL	13.01	12.86
TFS	5.44	0.13

Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of balances outstanding	March 31, 2018	March 31, 2017
DAFF	135.13	137.25
CDCTM	97.13	94.50
WAISL	(69.20)	(6.27)
DDFS	181.16	182.92
GCSPL	0.94	(1.13)
GVPGL	(14.74)	(13.73)
GMAEL	(0.01)	(0.02)
GCEL	(41.68)	18.68
GGSPPL	-	(0.05)
GBEPL	(6.49)	18.07
GBHHPL	(3.13)	(1.61)
GWEL	199.39	226.91
GBHPL	(21.91)	(40.53)
GREL	4.64	5.47
GEL	141.58	81.62
GKEL	5.92	(86.81)
TIM	(2.38)	(1.77)
GOSEHHPL	(0.11)	(14.30)
<b>- Key management personnel and their relatives</b>		
Mr. G.M. Rao	4.18	1.97
Mrs. G.Varalakshmi	(0.13)	(0.14)
Mrs. B. Ramadevi	(0.05)	(0.04)
Mr. G.B.S.Raju	0.06	0.04
Mr. Madhva Bhimacharya Terdal	-	(0.15)
Mr. R.S.S.L.N. Bhaskarudu	-	0.01
Mr. N.C. Sarabeswaran	0.00	0.01
Mr. S. Rajagopal	-	0.01
Mr. C.R. Muralidharan	-	0.01
Mrs. V. Siva Kameswari	-	0.01
Mr. Grandhi Kiran Kumar	0.21	1.15
<b>Outstanding corporate guarantees</b>		
<b>- Joint ventures / associates</b>		
GEL	768.00	918.00
GWEL	1,210.50	1,210.50
GKEL	400.00	400.00
GCEL	1,858.24	1,860.71
GBHHPL	1,745.00	1,745.00
GREL	2,571.71	2,571.71

## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Nature of balances outstanding	March 31, 2018	March 31, 2017
GOSEHHHPL	1,080.00	1,080.00
<b>Outstanding bank guarantees</b>		
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
GEOKNO	1.30	1.30

**Notes:**

- The Group has provided securities by way of pledge of investments for loans taken by certain companies.
- Certain Key management personnel have extended personal guarantees as security towards borrowings of the Group and other body corporates. Similarly, GEPL and certain fellow subsidiaries have pledged certain shares held in the Company as security towards the borrowings of the Group.
- Remuneration to key managerial personnel does not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the Group as a whole.
- The Group has entered into sub-contract agreements with unincorporated joint ventures formed by the Group and other joint venturer under joint operation arrangements. Such joint ventures are rendering services ultimately to an unrelated party. Accordingly, the transactions entered on account of such sub-contract arrangement with the unincorporated joint ventures have not been disclosed above.

**51. Segment information**

- Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment, resource allocation and for which information is available discretely. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.
- The segment reporting of the Group has been prepared in accordance with Ind AS 108.
- For the purpose of reporting, business segments are primary segments and the geographical segments are secondary segments.
- The reportable segments of the Group comprise of the following:

Segment	Description of activity
Airports	Development and operation of airports
Power	Generation of power and provision of related services and exploration and mining activities
Roads	Development and operation of roadways
EPC	Handling of engineering, procurement and construction solution in the infrastructure sector
Others	Urban Infrastructure and other residual activities

- Geographical segments are categorised as 'India' and 'Outside India' and are based on the domicile of the customers.

Notes to the consolidated financial statements for the year ended March 31, 2018

f) Segment details

(₹ in crore)

Particulars	Power		Roads		Airports		EPC		Others		Inter Segment and Inter Operations		Unallocated		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Revenue</b>																
Revenue from continuing operations	1,533.53	1,274.08	589.70	565.10	5,418.74	7,100.16	931.12	380.86	248.12	236.62	-	-	-	-	8,721.21	9,556.82
Inter Segment Revenue	31.83	0.98	-	-	15.09	17.90	-	11.92	333.28	646.93	(380.20)	(677.73)	-	-	-	-
<b>Total revenue from continuing operations</b>	<b>1,565.36</b>	<b>1,275.06</b>	<b>589.70</b>	<b>565.10</b>	<b>5,433.83</b>	<b>7,118.06</b>	<b>931.12</b>	<b>392.78</b>	<b>581.40</b>	<b>883.55</b>	<b>(380.20)</b>	<b>(677.73)</b>	-	-	<b>8,721.21</b>	<b>9,556.82</b>
Segment result before share of (loss)/ profit of associate and joint ventures, exceptional items and tax from continuing operations	(4.59)	(52.91)	207.59	247.54	1,439.06	2,470.92	16.14	(34.97)	(117.13)	(101.63)	-	-	-	-	1,541.07	2,528.95
Share of (loss) / profit of associates and joint ventures (net)	(595.29)	(226.12)	-	-	166.20	140.64	(0.25)	16.08	(2.02)	1.00	-	-	-	-	(431.36)	(68.40)
Impairment of assets in subsidiaries	-	-	-	(385.70)	-	-	-	-	-	-	-	-	-	-	-	(385.70)
<b>Unallocated income/(expense)</b>																
Finance cost																
Finance income																
<b>Segment profit/(loss) before tax for the year</b>	<b>(599.88)</b>	<b>(279.03)</b>	<b>207.59</b>	<b>(138.16)</b>	<b>1,605.26</b>	<b>2,611.56</b>	<b>15.89</b>	<b>(18.89)</b>	<b>(119.15)</b>	<b>(100.63)</b>	-	-	<b>(2,192.36)</b>	<b>(2,706.69)</b>	<b>(1,114.59)</b>	<b>(347.46)</b>
Tax expenses																
Profit/(loss) after tax from discontinued operations																
<b>Segment profit/(loss) for the year</b>	<b>9,174.53</b>	<b>9,450.60</b>	<b>4,088.81</b>	<b>3,973.10</b>	<b>17,080.76</b>	<b>16,429.47</b>	<b>1,102.79</b>	<b>740.91</b>	<b>4,567.75</b>	<b>4,521.33</b>	-	-	<b>(2,192.36)</b>	<b>(2,706.69)</b>	<b>(1,114.59)</b>	<b>(347.46)</b>
<b>Segment assets:</b>																
Loans - current	9,174.53	9,450.60	4,088.81	3,973.10	17,080.76	16,429.47	1,102.79	740.91	4,567.75	4,521.33	-	-	-	-	36,014.64	35,115.41
Loans - non current													443.09	119.21	443.09	119.21
Interest accrued on fixed deposits.													118.32	416.70	118.32	416.70
Interest accrued on long term investments.													32.00	28.80	32.00	28.80
Derivative instruments at fair value through OCI													11.99	6.73	11.99	6.73
Derivative instruments at fair value through profit and loss													71.69	-	71.69	-
Deferred tax asset (net)													19.80	8.64	19.80	8.64
Non current tax assets (net)													388.93	271.56	388.93	271.56
Assets classified as held for disposal													243.76	305.63	243.76	305.63
<b>Total Assets</b>	<b>9,174.53</b>	<b>9,450.60</b>	<b>4,088.81</b>	<b>3,973.10</b>	<b>17,080.76</b>	<b>16,429.47</b>	<b>1,102.79</b>	<b>740.91</b>	<b>4,567.75</b>	<b>4,521.33</b>	-	-	<b>2,272.35</b>	<b>2,008.36</b>	<b>38,286.99</b>	<b>37,123.77</b>

Notes to the consolidated financial statements for the year ended March 31, 2018

Particulars	Power		Roads		Airports		EPC		Others		Inter Segment and Inter Operations			Unallocated		Total		
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)
<b>Segment liabilities:</b>																		
Borrowings - Non current	2,642.66	1,767.59	714.60	572.25	3,749.69	3,606.04	706.69	643.64	333.06	364.20	-	-	20,552.95	18,959.72	8,146.70	20,552.95	6,953.72	
Current maturities of Long Term Borrowings													1,972.10	1,906.68	1,972.10	1,906.68	1,906.68	
Borrowings - Current													542.37	617.56	542.37	617.56	617.56	
Interest payable.													352.97	435.76	352.97	435.76	435.76	
Liabilities for current tax (net)													55.32	98.70	55.32	98.70	98.70	
Deferred tax liabilities (Net)													400.06	413.81	400.06	413.81	413.81	
Provision for debenture redemption premium													1.50	1.91	1.50	1.91	1.91	
Financial Guarantee contracts													68.27	110.13	68.27	110.13	110.13	
Financial Liabilities at fair value through OCI													18.83	36.57	18.83	36.57	36.57	
Financial Liabilities at fair value through profit and loss													0.31	74.82	0.31	74.82	74.82	
Liabilities directly associated with assets classified as held for disposal.													530.80	458.56	530.80	458.56	458.56	
<b>Total Liabilities</b>	<b>2,642.66</b>	<b>1,767.59</b>	<b>714.60</b>	<b>572.25</b>	<b>3,749.69</b>	<b>3,606.04</b>	<b>706.69</b>	<b>643.64</b>	<b>333.06</b>	<b>364.20</b>	<b>-</b>	<b>-</b>	<b>24,495.48</b>	<b>23,114.22</b>	<b>32,642.18</b>	<b>30,067.94</b>	<b>30,067.94</b>	
<b>Other Disclosures:</b>																		
Investments in associates and joint ventures	7907.10	8,592.06	-	-	828.39	754.71	-	14.60	0.65	3.46	-	-	-	-	8,736.14	9,364.83	9,364.83	
Depreciation and amortisation excluding discontinuing operations	3.43	2.20	81.65	61.36	893.61	898.74	18.63	14.03	31.08	42.32	-	-	-	-	1,028.40	1,018.65	1,018.65	
Material Non cash items including impairment, other than depreciation and amortisation	0.01	6.03	1.40	385.70	3.57	4.46	18.48	17.42	6.01	4.44	-	-	-	-	29.47	418.05	418.05	
<b>Adjustments and eliminations</b>																		
Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.																		
Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.																		

Particulars	Revenue from external customers		Non-current operating assets*	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)
Continuing Operations:				
India	8,245.48	9,097.47	16,214.77	16,012.65
Outside India	475.73	459.35	-	-
<b>Total</b>	<b>8,721.21</b>	<b>9,556.82</b>	<b>16,214.77</b>	<b>16,012.65</b>

\*Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets, capital work in progress, goodwill and intangible under development.

## Notes to the consolidated financial statements for the year ended March 31, 2018

### 52. Hedging activities and derivatives

#### (a) Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts, principal and interest rate swaps, cross currency swap and call spread option to manage some of its transaction exposures. These derivative instruments are not designated as cash flow/fair value hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(₹ in crore)

Particulars	March 31, 2018		March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Principal and interest rate swap	-	-	8.64	67.24
Foreign exchange forward contracts	-	0.31	-	1.57
Call spread option <sup>1</sup>	19.80	-	-	6.01
<b>Total</b>	<b>19.80</b>	<b>0.31</b>	<b>8.64</b>	<b>74.82</b>
<b>Classified as :</b>				
Non- current	19.80	-	-	67.24
Current	-	0.31	8.64	7.58

1. For call spread options of USD 208.75 million, taken during the current year, the USD spot rate is above the USD call option strike price. Accordingly, foreign exchange gain of ₹ 33.82 crores has been adjusted with fixed assets.

As at March 31, 2018, for call spread options of USD 80.00 million, the USD spot rate is below the USD call option strike price and hence no such adjustments have been done to fixed assets in this regard.

Mark to market gains amounting to ₹ 0.80 crores on the above call spread option of USD 288.75 million has been adjusted with the fixed assets in addition to the foreign exchange gain of ₹ 7.51 crores taken to fixed assets on the underlying loans .

Refer note 3(4)(b) and 42(b)(v).

As on March 31, 2017, the USD spot rate was below the USD call option strike price and hence no such adjustments have been done to foreign exchange fluctuations capitalized to fixed assets on the underlying loans.

#### (b) Cash flow Hedges

(₹ in crore)

Particulars	March 31, 2018		March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency call spread options designated as hedging instruments <sup>1</sup>	-	18.83	-	36.57
Cross Currency Swap <sup>2</sup>	71.69	-	-	-
<b>Total</b>	<b>71.69</b>	<b>18.83</b>	<b>-</b>	<b>36.57</b>
<b>Classified as :</b>				
Non- current	71.69	18.83	-	-
Current	-	-	-	36.57

1. Foreign exchange call spread options measured at fair value through OCI are designated as hedging instruments in cash flow hedges to hedge the USD INR conversion rate volatility with reference to the cash outflows on settlement of its borrowings designated in USD. The fair value of foreign exchange call spread option varies with the changes in foreign exchange rates and repayment of future premium.

As at March 31, 2018, for call spread options of USD 522.60 million, the USD spot rate is below the USD call option strike price and hence not covered in hedge relationship in respect of hedge instruments. However, prospective testing is done and concluded to be effective. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

As on March 31, 2017, the USD spot rate was below the USD call option strike price and hence not covered in hedge relationship in respect of hedge instruments. However, prospective testing was done and concluded to be effective. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss. There was no re-classification to profit or loss during the previous year for gains or losses included in Statement of Profit and Loss.

Also refer note 42(b)(iv)

## Notes to the consolidated financial statements for the year ended March 31, 2018

2. Cross Currency Swaps (CCS) measured at fair value and designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 4.25% Senior Secure Notes (SSN) amounting to USD 350 million (INR 2,239.35 crore) (March 31, 2017: ₹ Nil). CCS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. It can be seen as exchange of payments of two currencies. GHIAL pays fixed interest on the INR notional as determined in the swap contract and receives fixed coupon on USD notional. GHIAL pays INR notional of the swap and receives the USD Notional of the CCS. Critical terms of the swap contract (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover GHIAL from risk of movement in the foreign currency.

The effectiveness testing has established that the movement in the value of the Hedging Instrument ( i.e the CCS ) and the value of Hedged Item are correlated with each other to offset the volatility in the cashflow throughout the period of the said Hedging Instrument prospectively. As a result no hedge ineffectiveness arises requiring recognition through profit and loss. Accordingly, an amount of ₹ 56.95 crores has been released from Cash flow hedge reserve to Statement of Profit and Loss to nullify the impact of Foreign exchange losses on restatement of SSN included in consolidated statement of Profit and Loss.

**53. Disclosures on Financial instruments**

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

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

**(a) Financial assets and liabilities**

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018 and March 31, 2017 (excluding those pertaining to discontinued operations Refer note 36).

**As at March 31, 2018**

(₹ in crore)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments through consolidated statement of other comprehensive Income	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
<b>Financial assets</b>						
(i) Investments (other than investments in associates and joint ventures)	3,399.12	-	-	736.18	4,135.30	4,135.30
(ii) Loans	-	-	-	627.12	627.12	627.12
(iii) Trade receivables	-	-	-	1,851.28	1,851.28	1,851.28
(iv) Cash and cash equivalents	-	-	-	1,647.16	1,647.16	1,647.16
(v) Bank balances other than cash and cash equivalents	-	-	-	733.51	733.51	733.51
(vi) Call spread option	-	-	19.80	-	19.80	19.80
(vii) Cross currency swap	-	71.69	-	-	71.69	71.69
(viii) Other financial assets	-	-	-	1,977.82	1,977.82	1,977.82
<b>Total</b>	<b>3,399.12</b>	<b>71.69</b>	<b>19.80</b>	<b>7,573.07</b>	<b>11,063.68</b>	<b>11,063.68</b>
<b>Financial liabilities</b>						
(i) Borrowings	-	-	-	23,067.42	23,067.42	23,067.42
(ii) Trade payables	-	-	-	1,957.24	1,957.24	1,957.24
(iii) Foreign exchange forward contracts	-	-	0.31	-	0.31	0.31
(iv) Other financial liabilities	-	-	-	2,887.03	2,887.03	2,887.03
(v) Call spread option	-	18.83	-	-	18.83	18.83
(vi) Financial guarantee contracts	-	-	-	68.27	68.27	68.27
<b>Total</b>	<b>-</b>	<b>18.83</b>	<b>0.31</b>	<b>27,979.96</b>	<b>27,999.10</b>	<b>27,999.10</b>

## Notes to the consolidated financial statements for the year ended March 31, 2018

As at March 31, 2017

(₹ in crore)

Particulars	Fair value through consolidated statement of profit or loss	Derivative instruments through consolidated statement of other comprehensive Income	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying value	Total Fair value
<b>Financial assets</b>						
(i) Investments (other than investments in associates and joint ventures)	2,788.36	-	-	269.04	3,057.40	3,057.40
(ii) Loans	-	-	-	607.65	607.65	607.65
(iii) Trade receivables	-	-	-	1,778.97	1,778.97	1,778.97
(iv) Cash and cash equivalents	-	-	-	1,458.76	1,458.76	1,458.76
(v) Bank balances other than cash and cash equivalents	-	-	-	812.76	812.76	812.76
(vi) Interest rate swap	-	-	8.64	-	8.64	8.64
(vii) Other financial assets	-	-	-	1,936.95	1,936.95	1,936.95
<b>Total</b>	<b>2,788.36</b>	<b>-</b>	<b>8.64</b>	<b>6,864.13</b>	<b>9,661.13</b>	<b>9,661.13</b>
<b>Financial liabilities</b>						
(i) Borrowings	-	-	-	21,483.96	21,483.96	21,483.96
(ii) Trade payables	-	-	-	1,410.30	1,410.30	1,410.30
(iii) Foreign exchange forward contracts	-	-	1.57	-	1.57	1.57
(iv) Principal and interest rate swap	-	-	67.24	-	67.24	67.24
(v) Call spread option	-	36.57	6.01	-	42.58	42.58
(v) Other financial liabilities	-	-	-	2,157.29	2,157.29	2,157.29
(vi) Financial guarantee contracts	-	-	-	110.13	110.13	110.13
<b>Total</b>	<b>-</b>	<b>36.57</b>	<b>74.82</b>	<b>25,161.68</b>	<b>25,273.07</b>	<b>25,273.07</b>

- (i) Investments in mutual fund, overseas fund by foreign subsidiaries, other fund and derivative instruments are mandatorily classified as fair value through consolidated statement of profit and loss and investment in commercial papers are classified at amortised cost.
- (ii) As regards the carrying value and fair value of investments in joint ventures and associates, refer note 9(a) and 9(b).

### (b) Fair value hierarchy

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

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

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

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



## Notes to the consolidated financial statements for the year ended March 31, 2018

(₹ in crore)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
<b>March 31, 2018</b>				
<b>Financial assets</b>				
Investments (other than investments in associates and joint ventures)	3,399.12	3,399.12	-	-
Call spread option	19.80	-	19.80	-
Cross currency swap	71.69	-	71.69	-
<b>Financial liabilities</b>				
Principal and interest rate swap	-	-	-	-
Call spread option	18.83	-	18.83	-
Foreign exchange forward contracts	0.31	-	0.31	-
<b>March 31, 2017</b>				
<b>Financial assets</b>				
Investments (other than investments in associates and joint ventures)	2,788.36	2,788.36	-	-
Interest rate swap	-	-	8.64	-
<b>Financial liabilities</b>				
Principal and interest rate swap	67.24	-	67.24	-
Call spread option	42.58	-	42.58	-
Foreign exchange forward contracts	1.57	-	1.57	-

- (i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- (ii) Derivative contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- (iii) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
- (iv) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- (v) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018 and March 31, 2017.
- (vi) Fair value of mutual funds and overseas funds is determined based on the net asset value of the funds.

**(c) Financial risk management objectives and policies**

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

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

## Notes to the consolidated financial statements for the year ended March 31, 2018

### Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### (a) Market risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

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

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in crore)		
Particulars	Increase / decrease in basis points	Effect on profit before tax
<b>March 31, 2018</b>		
INR	+50	54.04
INR	-50	(54.04)
<b>March 31, 2017</b>		
INR	+50	59.90
INR	-50	(59.90)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

#### (b) Market risk- Foreign currency risk

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

The Group has entered into certain derivative contracts which are not designated as hedge. Refer note 52 for details.

#### (i) Foreign currency exposure

The following table demonstrates the unhedged exposure in USD exchange rate as at March 31, 2018 and March 31, 2017. The Group's exposure to foreign currency changes for all other currencies is not material.

(Amount in crore)			
Particulars	Currency	March 31, 2018	March 31, 2017
Cash and bank balances	USD	3.72	5.69
Trade receivables	USD	4.01	4.60
Property plant and equipment, capital work in progress, other intangibles, goodwill and intangible under development	USD	13.29	12.08
Investments	USD	58.07	57.11
Loans and Other assets	USD	0.72	0.78
Trade payables	USD	(3.21)	(4.25)
Borrowings	USD	(78.21)	(108.46)
Other financial and other liabilities	USD	(8.69)	(8.86)
Net assets/(liabilities)	USD	(10.30)	(41.31)
Net assets/(liabilities)	INR	(673.00)	(2,709.94)

## Notes to the consolidated financial statements for the year ended March 31, 2018

**ii. Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
	Impact on profit before tax	
<b>USD Sensitivity</b>		
INR/USD- Increase by 5%	(33.65)	(135.50)
INR/USD- Decrease by 5%	33.65	135.50

The sensitivity analysis has been based on the composition of the Group's net financial assets and liabilities as at March 31, 2018 and March 31, 2017. The period end balances are not necessarily representative of the average debt outstanding during the period.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Group.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 11,063.12 crore and ₹ 9,661.13 crore as at March 31, 2018 and March 31, 2017 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments and other financial assets.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Group does not hold collateral as security.

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2018 and March 31, 2017.

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

Credit risk from balances with bank and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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

**Liquidity risk**

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

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

## Notes to the consolidated financial statements for the year ended March 31, 2018

investors etc.

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

(₹ in crore)

Particulars	0-1 year	1 to 5 years	> 5 years	Total
<b>March 31, 2018</b>				
Borrowings (other than convertible preference shares)	2,857.03	8,753.37	12,080.07	23,690.47
Other financial liabilities	2,108.75	675.94	2,276.19	5,060.88
Trade payables	1,957.24	-	-	1,957.24
<b>Total</b>	<b>6,923.02</b>	<b>9,429.31</b>	<b>14,356.26</b>	<b>30,708.59</b>
<b>March 31, 2017</b>				
Borrowings (other than convertible preference shares)	2,887.53	9,300.56	9,796.24	21,984.33
Other financial liabilities	1,537.66	358.88	2,474.01	4,370.55
Trade payables	1,410.30	-	-	1,410.30
<b>Total</b>	<b>5,835.49</b>	<b>9,659.44</b>	<b>12,270.25</b>	<b>27,765.18</b>

- (i) The above excludes any financial liabilities arising out of financial guarantee contract as detailed in Note 42.  
(ii) The above excludes interest and other finance charges to be paid on the borrowings and other financial liabilities, by the Group.

#### 54. Capital management

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

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

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

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Borrowings other than convertible preference shares (refer notes 19 and 24)*	23,338.78	21,778.16
Less: Cash & cash equivalents	(1,647.16)	(1,458.76)
<b>Net debt (i)</b>	<b>21,691.62</b>	<b>20,319.40</b>
<b>Capital components</b>		
Equity share capital	603.59	603.59
Other equity	3,214.75	4,738.69
Non-controlling interests	1826.47	1,713.55
<b>Total Capital (ii)</b>	<b>5,644.81</b>	<b>7,055.83</b>
<b>Capital and borrowings (iii = i + ii)</b>	<b>27,336.43</b>	<b>27,375.23</b>
<b>Gearing ratio (%) (i / iii)</b>	<b>79.35%</b>	<b>74.23%</b>

\* Includes borrowings classified under "Liabilities directly associated with assets classified as held for disposal". Refer note 36.

## Notes to the consolidated financial statements for the year ended March 31, 2018

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

### 55. Disclosure in terms of Ind AS 11 - Construction contracts

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Contract revenue recognised during the year	931.12	380.86
Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	3,215.01	2,312.34
Amount of customer advances outstanding for contracts in progress	317.02	381.72
Retention money due from customers for contracts in progress	78.34	10.89
Gross amount due from customers for contract works as an asset (unbilled portion) (net of provision for doubtful debt receivable)	510.21	315.78
Gross amount due to customers for contract works as a liability	-	-

56. Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Srinivasan Sandilya (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2016 to October 31, 2021 pursuant to his directorship of Association Of Indian Automobiles Manufacturers (defaulting company). Consequently, the defaulting company has filed application with the Registrar of Companies under Condonation of Delay Scheme, 2018 ('CODS - 2018'). The Company is confident that since condonation application has been filed, the name of the Mr. Srinivasan Sandilya will be removed from the list of disqualified directors and that there will not be a material impact on the consolidated Ind AS financial statements of the Group.

### 57. Events after the reporting period

Subsequent to the year ended March 31, 2018, a subsidiary of the Group has formed a new subsidiary company named GMR Airports International B.V. in the month of May 2018.

Subsequent to the year ended March 31, 2018, a joint venture of the Group has formed two new joint venture companies named SSP-Mactan CEBU Corporation and Mactan Travel Retail Group Corporation.

### 58. Standards issued but not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 "Revenue from Contracts with Customers" was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. Ind AS 115 is effective for the Group in the first quarter of fiscal year 2019 using either one of two methods:

- retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or
- retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 01, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

## Notes to the consolidated financial statements for the year ended March 31, 2018

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 115 on the consolidated financial statements will only be possible once the implementation project has been completed.

### **Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for disposal.

As at 31 March 2018, the Group classified its interest in GMIAL, a subsidiary and GKUAEL and PTDSU, wholly owned subsidiaries, as held for sale (see Note 36), but these amendments are unlikely to affect the Group's consolidated financial statements.

### **Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 01, 2018. These amendments are not expected to have any material impact on the Group.

### **Amendments to Ind AS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after April 01, 2018. The Group may apply amendments when they become effective.

### **Amendments to Ind AS 28 Investments in Associates and Joint Ventures Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that:

- An entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

## Notes to the consolidated financial statements for the year ended March 31, 2018

The amendments should be applied retrospectively and are effective from April 01, 2018. The Group may apply amendments when they become effective.

59. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.
60. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI firm registration number: 101049W / E300004

For and on behalf of the Board of Directors of  
GMR Infrastructure Limited  
Corporate Identity Number: L45203MH 1996PLC281138

per Sandeep Karnani  
Partner  
Membership number: 061207

G M Rao  
Chairman  
DIN: 00574243

Grandhi Kiran Kumar  
Managing Director & CEO  
DIN: 00061669

Madhva Bhimacharya Terdal  
CFO

Venkat Ramana Tangirala  
Company Secretary

Place: New Delhi  
Date: May 30, 2018

Place: New Delhi  
Date: May 30, 2018