



GMR INFRASTRUCTURE LIMITED
22nd Annual Report 2017-18

Delhi International Airport

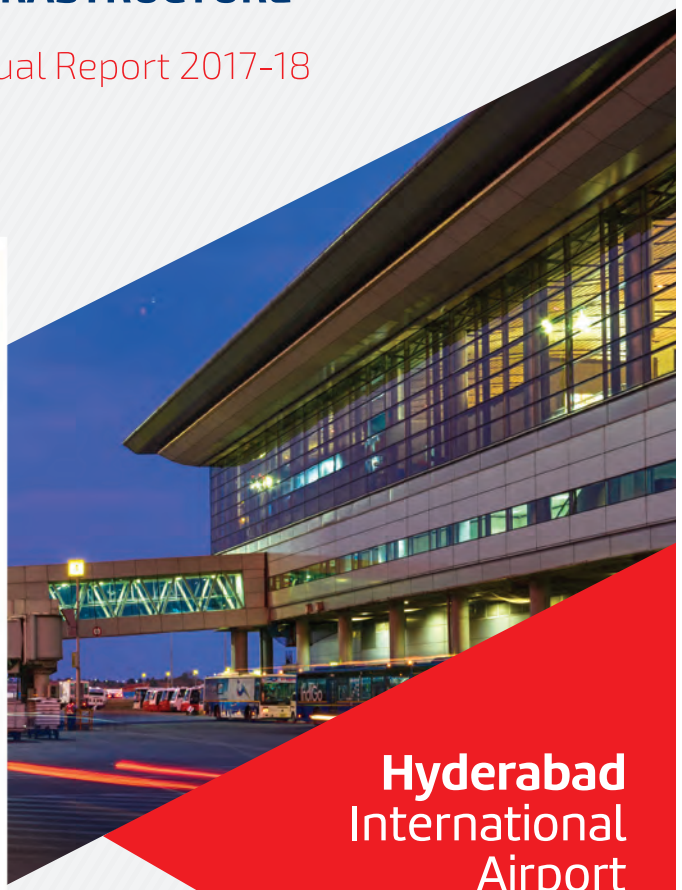
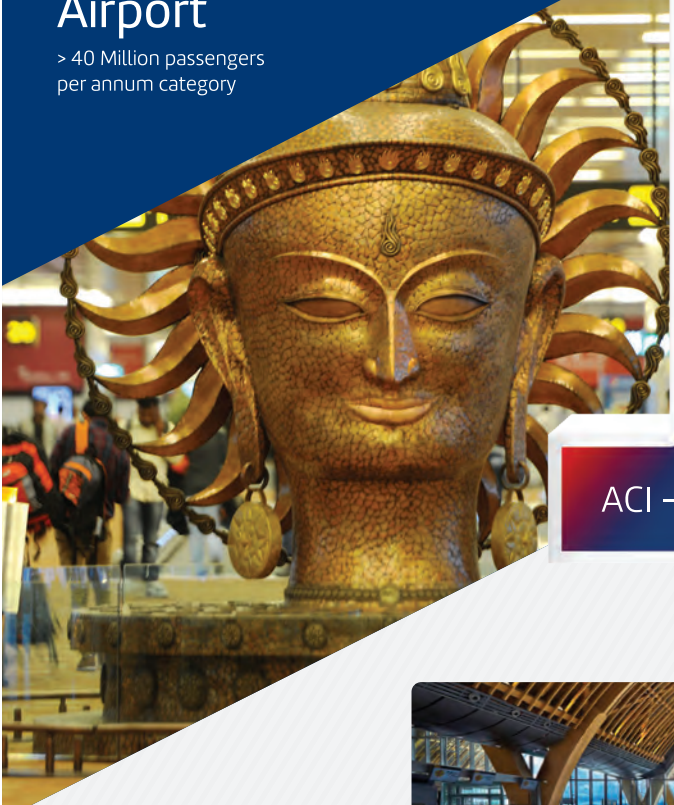
> 40 Million passengers per annum category



ACI - ASQ Survey 2017

Hyderabad International Airport

5 to 15 Million passengers per annum category



Mactan Cebu International Airport, Philippines

THE BEST AIRPORTS IN THE WORLD

▶ CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements about expected future events, financial and operating results of GMR Infrastructure Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer which is qualified in its entirety by the assumptions, and risk factors that are referred in the management’s discussion and analysis of the GMR Infrastructure Limited Annual Report 2017-18.

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GENERAL INFORMATION

BOARD OF DIRECTORS

G.M. Rao
Chairman

Grandhi Kiran Kumar
Managing Director & CEO

Srinivas Bommidala
Group Director

G.B.S. Raju
Group Director

B.V.N. Rao
Group Director

C.R. Muralidharan
Independent Director

N.C. Sarabeswaran
Independent Director

R.S.S.L.N. Bhaskarudu
Independent Director

S. Sandilya
Independent Director

S. Rajagopal
Independent Director

Vissa Siva Kameswari
Independent Director

Vikas Deep Gupta
Director

COMPANY SECRETARY & COMPLIANCE OFFICER

T. Venkat Ramana

AUDIT COMMITTEE

N.C. Sarabeswaran – Chairman
R.S.S.L.N. Bhaskarudu – Member
S. Rajagopal – Member
Vissa Siva Kameswari – Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

R.S.S.L.N. Bhaskarudu – Chairman
B.V.N. Rao – Member
G.B.S. Raju – Member

NOMINATION AND REMUNERATION COMMITTEE

R.S.S.L.N. Bhaskarudu – Chairman
B.V.N. Rao – Member
N.C. Sarabeswaran – Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

R.S.S.L.N. Bhaskarudu – Chairman
B.V.N. Rao – Member
G.B.S. Raju – Member

STATUTORY AUDITORS

M/s. S.R. Batliboi & Associates LLP,
Chartered Accountants

BANKERS

Central Bank of India
ICICI Bank Limited
IDBI Bank Limited
United Bank of India
YES Bank Limited

REGISTERED OFFICE:

Naman Centre, 7th Floor, Opp. Dena Bank
Plot No. C-31, G Block, Bandra Kurla Complex
Bandra (East), Mumbai
Maharashtra, India – 400 051
T +91 22 4202 8000 F +91 22 4202 8004
www.gmrgroup.in

REGISTRAR AND SHARE TRANSFER AGENT:

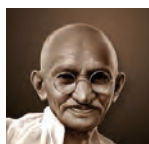
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad, Telangana, India – 500 032
T +91 40 67161500 F +91 40 23001153
einward.ris@karvy.com

▶ OUR VISION

GMR Group will be an institution in perpetuity that will build entrepreneurial organizations making a difference to society through creation of value.

▶ VALUES & BELIEFS

Our commitment to building an institution for perpetuity is grounded on the following values and beliefs



Humility

We value intellectual modesty and dislike false pride and arrogance



Entrepreneurship

We seek opportunities - they are everywhere



Teamwork and relationships

Going beyond the individual, encouraging boundaryless behaviour



Deliver the promise

We value a deep sense of responsibility and self discipline, to meet and surpass commitments made



Learning & Inner Excellence

Nurturing active curiosity - to question, share and improve



Social responsibility

Anticipating and meeting relevant and emerging needs of society



Respect for individual

We will treat others with dignity, sensitivity and honour

CHAIRMAN'S MESSAGE

“

With domestic air traffic consistently growing at higher double digits, India remained the world's fastest growing aviation market. Consequently, we have emerged as the 4th largest private airport operator in the world (by traffic). We have done so while ensuring that our Airports continue to dominate service rankings across the globe. Delhi International Airport was ranked #1 in the highest category of over 40 Mn passengers per annum of Airport Service Quality Awards, 2017, whereas Hyderabad International Airport has retained its #1 ranking in ASQ ratings in 2017 in (5-15) Mn passengers per annum for the fourth time in its 10-year long journey.

”

GM Rao
Chairman, GMR Group



Dear Fellow Stakeholder,

It gives me great pleasure to welcome you all to the 22nd Annual General Meeting of the Company.

I am happy to report that your Company made significant progress in Financial Year (FY) 2018 in the strategic initiatives started over the recent years to keep us on track in “Building an institution in perpetuity”. Most of the challenges which have been hindering us for long are about to reach a stage of resolution. We believe that FY 2019 will be an important year in our journey.

As you are aware, the Global economy did quite well in the past year. Global GDP grew at a rate of 3.8% in 2017, higher than the 3.1% in 2016, and is expected to ride the momentum in 2018 as per the projections by various agencies such as IMF and World Bank. While the main drivers of the growth are robust consumption and investment, the growth, however remains susceptible to geo-political and other macroeconomic risks. Competitive protectionism and fallout from the trade wars between the US and China in particular are major concerns and could derail the growth. Recent sharp volatility in currencies of some of the emerging economies pose threat for the stability of global capital markets. Amidst this, we believe Central Bank actions in major economies may impact global financial markets, currency flows, currency strength and interest rates.

Back home, India overtook France as the sixth biggest economy in the World and is likely to surpass UK as the fifth largest economy by the end of 2018 and is projected by the International Monetary Fund to become the world’s fourth-largest economy by 2022. Further, India jumped 30 spots to be in the top 100 countries in the ease of doing business ranking by the World Bank. As such, the Indian economy is doing well and seems to have put behind the challenges faced due to the implementation of demonetization and GST.

The government continues to take number of structural reforms which are expected to have long term sustainable positive impact on the economy. After the GST rollout in the previous year, significant progress was made in the implementation of the Insolvency and Bankruptcy Code and the resolution of NPA issues of the banks. The focus on fiscal discipline and the concerted attempt to reduce subsidies through a gradual reduction and better targeting through bank transfers are also likely to have a sustainable impact on the economy.

On the other hand, rise in the crude oil prices and depreciating rupee will pose significant challenge to the economy. As India imports bulk of the crude it needs for the growing economy, high oil prices puts pressure on the fiscal health. Further, private investment is sluggish and has still not reached the previous levels. As such, risks to

inflation remain and are likely to arise from factors such as fiscal slippage, higher crude and input costs and Minimum Support Prices (MSP) hikes. Apart from inflationary risks, rising input costs can prevent a stronger production rebound. Risks to growth are further accentuated by the financial sector volatility and brewing trade wars. With this combination of upside risks, continued issues around the NPAs and hardening bond yields, RBI can be expected to continue to tread the path of caution. Accordingly, RBI raised the Repo rates twice in quick succession recently after four years of downward trajectory. This is likely to increase the financing cost for companies going ahead. While the Government has attempted to step in with public spending on infrastructure, in particular Highways and Railways, to keep the investment activity ongoing, it will still need to facilitate private sector investment for the economy to achieve its true potential.

Economic Survey by the Government suggests that the country will need about USD 4.5 trillion investment in infrastructure over the next 25 years. This massive funding needs to be arranged through a combination of Public Private Partnership, global sovereign and pension funds, multilateral agencies apart from own resources of the Government. Taking note of the robust growth and huge potential for the aviation sector, the Government has been working on ways to simplify the regulatory framework and facilitate further private participation in the sector. For existing airport projects, further clarity is emerging through a combination of regulatory and legal clarifications and rulings. A new policy framework is being developed which will take into account pre-determined tariffs in order to provide regulatory clarity to potential investors. If implemented, this will address revenue volatility and uncertainty which currently bogs the sector and could potentially attract higher levels of investment.

In today’s ever-changing and dynamic world of business, the other key factor impacting all industries is digitalization and technology disruptions. We are already seeing the impact of some of these changes in sectors across the world, as also in India. These changes are already impacting job creation and business models, and are only expected to accelerate over the medium term. This also throws up a number of business opportunities and challenges towards transformation of mindset and the way we work.

As already mentioned, FY 2018 has been an important year in our journey of scaling new peaks and building an Institution in perpetuity. We have made significant progress on various fronts.

With domestic air traffic consistently growing at higher double digits, India remained the world’s fastest growing aviation market. Consequently, we have emerged as the 4th largest private airport operator in the world (by traffic). We have done so while ensuring that our Airports continue

to dominate service rankings across the globe. Delhi International Airport was ranked #1 in the highest category of over 40 Mn passengers per annum of Airport Service Quality Awards, 2017, whereas Hyderabad International Airport has retained its #1 ranking in ASQ ratings in 2017 in (5-15) Mn passengers per annum for the fourth time in its 10-year long journey. Delhi Airport also became the 7th busiest airport in Asia and among top 20 busiest airports across the world, surpassing Changi, Incheon and Bangkok airports.

You may recall, with effect from July 7, 2017, Delhi International Airport Limited (DIAL), on the basis of the judgment from Hon'ble Supreme Court implemented the tariff order which led to significant reduction in its revenue. Subsequently, TDSAT passed an order on April 23, 2018 which lays principles for tariff determination and provides much needed clarity on various pending issues. The Company expects the positive impact of the TDSAT order to reflect in the tariff determination by the regulator for the next tariff control period i.e. 2019 -2024. However, from an operating perspective, Delhi Airport has witnessed an impressive passenger growth of 13.8% handling 65.7 Mn passengers in FY 2018. DIAL has consistently handled more than 5 Mn passengers every month in FY 2018, with the highest being 6.04 Mn in March 2018. With a combination of underlying growth and greater focus on profitability, we expect to emerge stronger despite the regulatory challenges we have been facing.

Hyderabad Airport continued its stellar performance, with passenger growth at 20% to achieve a level of 18.3 Mn passengers in FY 2018. Following the successful issue of bonds by DIAL in the previous year, GHIAL too successfully raised USD-350 million bond from overseas investors at very attractive pricing during the year.

Despite various challenges, we were able to operationalize Terminal 2 at the Cebu Airport on time. The terminal building was inaugurated by the Hon'ble President of Philippines who said the Terminal 2 was the most beautiful airport in the world. This terminal will provide the platform for further growth at the Cebu Airport.

Rapidly rising traffic necessitates the capacity expansion at our airports. We are on track to implement Phase 3A expansion program at Delhi International Airport. T2 was also operationalized during the year to reduce the burden on T1 and make way for the expansion. At Hyderabad International Airport, several debottlenecking efforts have been undertaken and also expansion works for the capacity have already started and going on with full steam. At the Goa airport project which was won last year, EPC contractor has been appointed and the ground work has commenced. A few minor challenges from local groups at the ground level have emerged, but your Company is supporting the state government in early resolution of

these issues. In line with our strategy for expansion, your Company, in partnership with Megawide Construction, won the EPC bid for Clark Airport Project in Philippines.

We continue to build strength in our Airports Business as a platform across India and other parts of the world. Our focus is on building the platform for Aero, Non-aero, Real Estate and Adjacent services in the airport eco-system. We have built significant expertise across the value chain and are now well prepared to tap the emerging opportunities in this area. Our Business Development team is tracking a number of opportunities in India and across the world to identify appropriate opportunities where we can leverage our expertise to create further value for our stakeholders.

With green shoots visible in the real estate sector and given its strategic locations, there are tremendous potential for the real estate available as part of the concessions for our airports. We intend to strategically realize value in our real estate asset portfolio by diversifying the monetization models as well as the end use formats for development of these assets. We intend to use a combination of lease and self-development models targeting developers and end-use customers respectively. We are witnessing increased interest in both our Delhi and Hyderabad Aerocities, and expect land monetization to pick up momentum in the current year.

In the Energy sector, our focus was on achieving operational excellence while taking initiatives to reduce debt burden. We stabilized our Kamalanga plant by getting coal under SHAKTI policy of the government. Despite the ongoing stressful conditions due to unfavorable business environment, regulatory challenges and legacy issues plaguing the sector, we made significant progress in reducing receivables and getting favorable verdicts by virtue of our diligent efforts and focus on generating cash. Our Indonesian coal mine in which we have minority stake have performed well last year on the back of robust international coal prices and high demand from China and India. We expect the same to continue in the near future. We believe O&M of power plants is one area going to have tremendous potential. In this regard, we formed an alliance with TNB Remaco, an associate of Malaysia's largest utility player Tenaga Nasional Berhad (TNB), which is a specialist in power plant repair and maintenance with a proven track record of over 30 years. Our Chattisgarh plant (GCEL) is currently operating a 500 MW PPA with GUVNL by tolling the coal allotted to GUVNL and saving transportation of coal over 1,500 km thereby making us the first and only IPP in the country to contribute towards Indian Government's goal of efficiency in coal transportation.

It is well known that the Power sector continues to face challenges on coal availability, receivables from DISCOMS and on regulatory front. We have worked closely with all

stakeholders in an attempt to address these challenges. As you would recall, we engaged closely with our lenders and were able to restructure debt through the Strategic Debt Restructuring (SDR) mechanism for two of our power plants (GREL and GCEL), whereby the banks have converted part of their debt into equity and now hold a controlling majority in these companies. In view of the overall scenario in the power sector and the revised RBI framework for resolution of stressed Assets, we are working closely with our lenders in arriving at an appropriate resolution of stress in both our plants. We are optimistic about the amicable closure of these issues soon.

As you are aware, we have already divested a significant part of our Highways portfolio. We are working on resolution on some outstanding claims related to some of our balance projects, for which we expect a favorable outcome in FY 2019. We will continue to explore opportunities for monetizing some of our assets in this segment. In the Railways segment, we are executing works on the prestigious DFCC corridor projects which will provide us insights into this new domain. The DFCC project is part of critical infrastructure for the country and we are proud to play an important role in the execution of the project. Construction work is happening at a rapid pace and track laying work has also started at some stretches of the project.

We have also made good progress in the development of the Special Investment Regions in Kakinada and Krishnagiri. We have secured the contract to build a multipurpose all weather deep draft port at Kakinada SIR. The port is a huge positive for our SIR and should give a boost to the industrial development in the region. As for Krishnagiri SIR, significant progress has been achieved in getting clearances for the development. In the recent past, we have been witnessing significant interest from logistics and warehousing companies for setting up their units in this SIR, given its strategic location with close proximity to Bengaluru. With India emerging as the attractive destination for investment and favorable policies from the government, we are positive about the opportunity to monetize land in these industrial regions.

Looking ahead for FY 2019, we are very enthusiastic about the outlook for the economy and the Company. The positive impact from GST implementation have started to show up which should only improve going forward. The potential tax buoyancy and positive outcomes from the long term structural reforms coupled with government's determination to invest in building infrastructure bode well for the sector in the coming years.

While we continue to remain upbeat on the momentum generated by the domestic economy, at the same time we recognize there could be some risks from high oil prices and global factors such as geo political issues in various

parts of the world, rising trend of protectionism, exchange rate volatility that may intermittently slow down the pace of global trade expansion, which in turn may have a bearing on the Indian economy.

As I have indicated, while the Company has made significant progress in the areas of improving operations and cash generation, our priority continues to be reduction in debt and borrowing costs. With the bond issue by GHIAL, we have now considerably reduced the borrowing costs for both of our operational domestic airports. Given the robust growth aviation sector is witnessing, we are actively looking at different ways to unlock value in the airports business. The potential for the airport real estate assets and SIRs also needs to be realized, and we are optimistic that we will make significant progress on this front in FY 2019.

As we plan for the future, the key areas of focus for our group include the Digitalization of our businesses and building a strong talent and leadership pipeline for growth in a digital world. Our Airports have made pioneering efforts in introducing digital initiatives in India. We are also working towards making our organization more agile in preparing for a new world order, with continued focus on processes and more effective utilization of technology. Our Shared Services facility has been moved from Bengaluru to Hyderabad, and the plan is to strengthen the facility to improve further the servicing capability and value add to the organization. With airport construction being planned at three major airports in India, including at Delhi, Hyderabad and Goa, we have strengthened the leadership focus to ensure smoother and more cost effective build out.

Since inception, sustainability has remained at the core of Group's business strategy. Your Company has invested substantially and allocated resources to increase adherence to environmental standards and pollution control measures and enhance Environment Health Safety levels. Some of the initiatives in environmental focus include reduction of carbon footprints, conservation of resources, increased focus on clean and green energy, emission reduction, etc. The GMR Group has won many awards and accolades for Environmental, Safety and Health initiatives over the years. I am proud to share a few awards won in the past year in this regard:

- Delhi Airport has won Wings India Award for 'Most Sustainable and Green Airport' for 2018, organized by Ministry of Civil Aviation, Govt. of India and FICCI. Under 'ACI Asia-Pacific Green Airports Recognition 2018', Delhi Airport has won silver recognition for its sustainable waste management initiatives.
- Hyderabad Airport won ACI Asia-Pacific Green Airports Recognition under 'Gold' category in 2018. It is also 1st airport in Asia-Pacific region in size category to win ACI

Level 3+ 'Carbon Neutral' certification, now retained for the 2nd successive year.

- Warora power plant has won IMC Ramkrishna Bajaj National Quality Award-2017" in the service sector category. It also won 1st Prize in CII National Award for Excellence in Water Management 2017.
- Kamalanga power plant won Safety Innovation Award-2017, by Institute of Engineers, and Greentech Safety Excellence GOLD Award, Greentech Foundation.
- Dedicated Freight Corridor Construction (DFCC) project has won CIDC Vishwakarma Award 2018 - Achievement Award for Health, Safety & Environment.

Your Company has also continued its tradition of caring for the communities and stakeholders as part of its Corporate Social Responsibility program through GMR Varalakshmi Foundation (GMRVF), an associate of your Company. The Foundation is currently working across 25 locations in India and supporting 1 location in Nepal. GMRVF helped the Group companies and several JVs to fulfil their CSR obligations through grassroots development initiatives around the GMR businesses.

2017 was a momentous year for Foundation as it celebrated its Silver Jubilee year with a grand event in Delhi, along with celebrations of decade-long journey of DIAL CSR. During the year, 12 years of CSR around Hyderabad Airport was also marked. It is inspiring and humbling to look back on the 25 years of journey and see that several lakhs of lives have been touched and changed.

All the educational institutions under GMRVF performed exceedingly well during the last year. There are over 10,000 students in these institutions. GMRIT (GMR Institute of Technology) continues to earn top ranking among engineering colleges in the country both at the State and the national level. GMRIT has also been recognized formally by the All India Council of Technical Education as the second cleanest campus in India. The status of autonomy for GMRIT is further extended for 10 more years by University Grants Commission (UGC) which now stands valid till year 2028. GMRIT places considerable emphasis on research and has received funding from University Grants Commission and the Department of Science and Technology. SGCSR College with around 2,000 students on its rolls, is continuing to provide the best of the education with a focus on placements. All the four schools run by GMRVF has shown exceptional performance both in academics as well as extra-curricular activities. GMRVF partnered with around 300 government schools towards improving the quality of education, reaching out to over 55,000 students across India. Foundation provides an opportunity for under-privileged meritorious children to access quality education in reputed schools through

'Gifted Children Scheme' and supported about 230 children under this.

The number of both out-patient and in-patient foot-falls in GMR Varalakshmi Care Hospital have been consistently increasing year on year. There has been a 15% increase in the number of surgeries too. The hospital served about 87,000 people during the year from under-served areas with high quality care, taking the numbers served so far in the region to over 400,000. Apart from providing quality health care at affordable costs, the Hospital issued patient concessions to over 10,000 patients this year, through various concession schemes. GMRVF's 10 Mobile Medical Units provided free medical care to over 10,000 elderly, monthly. In line with the Government's Mission of Swachh Bharat, Foundation runs 20 community toilets and supported over 1,000 families for construction of Individual Sanitary Lavatories, apart from construction of several school toilets.

One new vocational training center was inaugurated this year, enabling GMRVF to contribute more to the national mission of Skilling India. Foundation trained over 6,000 unemployed youth in its 13 vocational training centers during the year. This year, GMRVF reached a landmark of 50,000 trainees since the inception of vocational training program. GMRVF worked with over 300 Self Help Group's with a membership of over 3,500 women across India. Similarly, close to 1,500 farmers received various livelihood related support.

During the year, GMR Group CSR received many accolades including:

- Golden Peacock Award for Corporate Social Responsibility 2017.
- CSR Health Impact Award.
- Indywood CSR Excellence Award.
- Recognition to GMRIT as the Second Most Clean Campus in India by All India Council for Technical Education.

I would like to conclude by thanking every one of you as well as GMRites, our customers, vendors and other stakeholders who have made it possible for the Group to continue to move in the right direction in the face of various challenges. I look forward to your continued support and encouragement in taking the Company to greater and newer heights in the future.

Thank You



G M Rao
Chairman, GMR Group



HIGHLIGHTS OF 2017-18

CONSOLIDATED FINANCIAL PERFORMANCE

(₹ in Crore)

Year end	Revenue from Operations@	Revenue from Operations (net)*	EBITDA **	PAT#	Cash Profits##	Cash & Cash Equivalent^
FY 2018	8,721.21	6,809.71	2,185.90	(1,082.65)	(226.92)	6,516.57
FY 2017	9,556.82	6,793.89	3,231.48	(631.84)	1,412.84	5,319.05
FY 2016	8,260.96	5,848.67	2,757.69	(448.41)	797.19	5,718.82

@ Revenue from operation financials represents revenue from continuing operations only

* Revenue from operations(net) is after deducting revenue share paid/payable to concessionaire from revenue

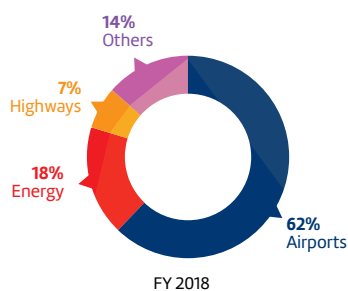
** EBITDA - Earnings before interest, other income, tax, depreciation, amortisation (including utilisation fees) and exceptional items; EBITDA from continuing operations only

Profit after tax before minority interest and share of profits/(losses) of associates include PAT from continuing operations only

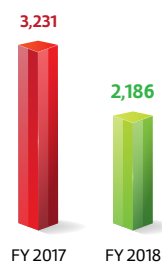
Profit after tax+Deferred tax+MAT credit+Depreciation

^ Cash + mutual funds + bonds + government securities + certificate of deposit + investments in quoted equity shares. It excludes cash / investments pertaining to assets held for sale

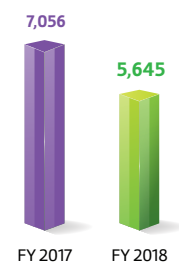
SECTOR WISE REVENUE FROM OPERATIONS



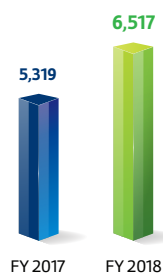
EBITDA (in ₹ Crore)



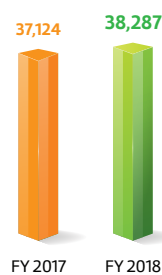
NET WORTH (in ₹ Crore)



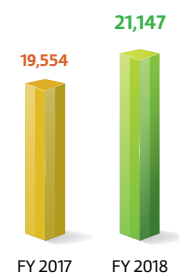
CASH & CASH EQUIVALENT (in ₹ Crore)



TOTAL ASSETS (in ₹ Crore)



BORROWINGS (in ₹ Crore)



Board's Report

Dear Shareholders,

The Board of Directors present the 22nd Annual Report together with the audited financial statements of the Company for the financial year (FY) ended March 31, 2018.

Your Company, GMR Infrastructure Limited ("GIL"), operates in Airports, Energy, Transportation and Urban Infrastructure business sectors in India and few other countries through various subsidiaries, associates and jointly controlled entities. The Company has an Engineering, Procurement and Construction (EPC) business focusing on execution of projects of Group SPVs and external customers like Railways. The Group has acquired a prominent space in airports sector with more than 27.17% of total country's passenger traffic being routed through the two airports managed by the Group, in addition to its presence in Philippines with an operating airport and has a noticeable presence in Energy sector, with its operations in thermal, solar sectors and project under development in hydro.

Performance highlights - FY 2017-18

Performance Highlights of your Company on consolidated basis for the FY 2017-18:

- Stellar Performance of GMR Hyderabad International Airport Limited

(GHIAL), Joint Ventures (JVs) of Delhi International Airport Limited (DIAL) contributing significantly to the bottom line. DIAL profit declined on account of implementation of tariff order of Airport Economic Regulatory Authority of India (AERA), however through better operations DIAL could end in positive bottom line;

- Goa airport achieved financial closure and commenced construction of airport;
- Signed share purchase agreement to increase stake in GHIAL from 63% to 74%;
- Energy Sector registers turnaround - GMR Warora Energy Limited achieves net profit of ₹ 193 Crore with positive trend in settlement of regulatory dues;
- EBITDA for the year decreased by 32.36% to ₹ 2,185.90 Crore from ₹ 3,231.48 Crore of the previous year;
- Setting up an 'Aerospace & Defence Manufacturing Hub' in Krishnagiri SIR on 600 acres of land in JV with Tamil Nadu Industrial Development Corporation (TIDCO);
- Improvement in international coal prices resulted in improved realisation;
- Bajoli Holi project is in advanced stage of construction with 70% completed by March 2018.

Financial results - FY 2017-18

Analysis of the Company's audited Ind AS consolidated and standalone financial results is given below:

a) Consolidated financial results

Particulars	(₹ in Crore)	
	March 31, 2018	March 31, 2017
Continuing operations		
Income		
Revenue from operations:		
Sales / income from operations (including other operating income)	8,721.21	9,556.82
Other income	553.04	482.28
Total Income	9,274.25	10,039.10
Expenses		
Revenue share paid / payable to concessionaire grantors	1,911.50	2,762.93
Operating and other administrative expenditure	4,623.81	3,562.41
Depreciation and amortization expenses	1,028.40	1,018.65
Finance costs	2,316.34	2,128.00
Total expenses	9,880.05	9,471.99
(Loss) / profit before share of (loss) / profit of associate and joint ventures, exceptional items and tax from continuing operations	(605.80)	567.11
Share of (loss) / profit of associates and joint ventures (net of dividend distribution tax)	(431.36)	(68.40)
(Loss) / profit before exceptional items and tax from continuing operations	(1,037.16)	498.71
Exceptional items - (loss) / gains (net)	-	(385.70)

(Loss) / profit before tax from continuing operations	(1,037.16)	113.01
Tax expenses / (credit)	45.49	744.85
(Loss) / profit after tax from continuing operations	(1,082.65)	(631.84)
EBITDA from continuing Operations (sales / income from operations - Revenue share - Operating and other admin expenses)	2,185.90	3,231.48
Discontinued operations		
(Loss) / profit from discontinued operations before tax expenses	(31.96)	283.25
Tax expenses / (credit)	(0.02)	(1.13)
(Loss) / profit after tax from discontinued operations	(31.94)	284.38
(Loss) / profit after tax for the year	(1,114.59)	(347.46)
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations (Net of taxes)	(134.68)	27.54
Net movement on cash flow hedges (Net of taxes)	27.09	(16.84)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Re-measurement gains (losses) on defined benefit plans (Net of taxes)	(3.10)	(5.29)
Other comprehensive income for the year, net of tax	(110.69)	5.41
Total comprehensive income for the year, net of tax	(1,225.28)	(342.05)
(Loss) / profit for the year attributable to	(1,114.59)	(347.46)
a) Equity holders of the parent	(1,363.86)	(564.38)
b) Non-controlling interests	249.27	216.92
Total comprehensive income attributable to	(1,225.28)	(342.05)
a) Equity holders of the parent	(1,482.23)	(552.34)
b) Non-controlling interests	256.95	210.29
Earnings per equity share (₹) from continuing operations	(2.24)	(1.24)
Earnings per equity share (₹) from discontinued operations	(0.03)	0.30
Earnings per equity share (₹) from continuing and discontinued operations	(2.27)	(0.94)

FY 2017-18 saw a mixed performance in both operating and financial parameters of the airport sector and EPC division. Airport sector overall performance declined due to reduction in aero revenue in DIAL on account of implementation of tariff order from AERA, while EPC revenues increased significantly on account of pick up in execution of Dedicated Freight Corridor (DFCC) project. There was very good growth in energy revenues, but highways revenue remained stagnant. Consolidated Revenues do not include the revenues of entities which were assessed as jointly controlled entities / JVs under Ind AS, including, GMR Energy Limited (GEL), GMR Kamalanga Energy Limited (GKEL), GMR Warora Energy Limited (GWEL) and Delhi Duty Free Services Private Limited (DDFS). Airport, Energy, Highways, EPC and other segments contributed ₹ 5418.74 Crore (62.13%), ₹ 1,533.53 Crore (17.58%), ₹ 589.70 Crore (6.76%), ₹ 931.12 Crore (10.68%) and ₹ 248.14 Crore (2.85%) respectively to the consolidated revenue from operations.

Decrease in revenue share paid / payable to concessionaire grantors was on account of lower revenue from DIAL. Increase in subcontracting expenses is mainly on account of EPC works.

b) Standalone financial results

(₹ in Crore)

Particulars	March 31, 2018	March 31, 2017
Revenue from operations	1,106.01	1,179.77
Operating and administrative expenditure	(811.06)	(451.41)
Other Income	52.35	2.65
Finance Costs	(821.61)	(744.74)
Depreciation and amortisation expenses	(19.06)	(16.13)
(Loss)/profit before exceptional items and tax expenses	(493.37)	(29.86)
Exceptional Items:		
Provision for diminution in value of investments / advances in subsidiaries / associate	(1,437.29)	(3,654.16)

(Loss)/profit before tax expenses	(1,930.66)	(3,684.02)
Tax expenses / (credit)	(0.09)	(0.09)
(Loss)/profit for the year	(1,930.75)	(3,684.11)
Net (deficit) / surplus in the statement of profit and loss - Balance as per last financial statements	(4,472.77)	(786.07)
Transfer from / (to) debenture redemption reserve	-	(1.76)
Re-measurement gains (losses) on defined benefit plans (Net of taxes)	0.49	(0.83)
Surplus / (Deficit) available for appropriation	(6,403.03)	(4,472.77)
Appropriations	-	-
Net deficit in the statement of profit or loss	(6,403.03)	(4,472.77)
Earnings per equity share (₹) - Basic and diluted (per equity share of Rs. 1 each)	(3.21)	(6.12)

During the year ended March 31, 2018, the revenue from EPC segment has increased by 87.42% from ₹ 392.77 Crore to ₹ 736.13 Crore, which was mainly on account of contribution by the ongoing DFCC (Railways) project. Other operating income of the company came down to ₹ 369.88 Crore from ₹ 787.00 Crore on account of reduction in interest income and on account of conversion of loans given to its subsidiaries / joint ventures / associates as they were into equity.

During the year ended March 31, 2018, based on an internal assessment, the Company has made a provision of ₹ 1,437.29 Crore (March 31, 2017: ₹ 3,654.16 Crore) towards diminution in value of its investment in GMR Highways Limited (GHWL), GMR Generation Assets Limited (GGAL) and GMR Aviation Private Limited (GAPL), primarily on account of their accumulated losses and diminution in value of investments/advances in their subsidiaries. The same has been disclosed as an exceptional item in the financial statements.

Dividend / Appropriation to Reserves

Your Directors have not recommended any dividend on equity shares for the FY 2017-18.

Reserves

The net movement in the major reserves of the Company on standalone basis for FY 2017-18 and the previous year is as follows:

(₹ in Crore)

Particulars	March 31, 2018	March 31, 2017
Equity component of compound financial instruments	-	133.94
Treasury Shares	(101.54)	(101.54)
General Reserve	174.56	40.62
Securities Premium Account	10,010.98	10,010.98
Surplus in Statement of Profit and Loss	(6,403.03)	(4,472.77)
Debenture Redemption Reserve	127.20	127.20
Capital Reserve	141.75	141.75
Foreign currency monetary translation difference account	40.40	33.43
Other comprehensive income	-	-
	3,990.32	5,913.61

Management Discussion and Analysis Report (MDA)

MDA Report for the year under review, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR"), is presented in a separate section forming part of the Annual Report.

The brief overview of the developments of each of the major subsidiaries' business is presented below. Further, MDA, forming part of this Report, also brings out review of the business operations of major subsidiaries and jointly controlled entities.

Airport Sector

Your Company's airport business comprises of 3 operating airports viz., Indira Gandhi International Airport at Delhi and Rajeev Gandhi International Airport at Hyderabad in India and Mactan Cebu International Airport in Philippines and one asset under development viz., Greenfield airport at Mopa, Goa. GMR, along with its Greek partner, was also awarded Provisional Contractor status at Heraklion Airport in Greece and now is in process of completing the documentation. The Indian airports are owned by your Company's subsidiary GMR Airports Limited (GAL) while the 40% stake in GMR Megawide Cebu Airport Corporation (GMCAC) is held through another subsidiary GMR Infrastructure (Singapore) Pte. Limited.

Your Company's aviation business comprises of GAPL, a 100% subsidiary of the Company, which is operating in the general aviation space.

An overview of these assets during the year is briefly given below:

Delhi International Airport Limited (DIAL)

DIAL is a Joint Venture (JV) between GAL (64%), Airports Authority of India (AAI) (26%) and Fraport AG Frankfurt Airport Services Worldwide (Fraport) (10%). DIAL has entered into a long-term agreement to operate, manage and develop the Indira Gandhi International Airport (IGIA), Delhi.

Highlights of FY 2017-18:

DIAL surpassed the 65 million passenger mark in FY 2017-18, witnessing a growth of ~14% in traffic over previous year with double digit growth in domestic & international traffic at 14.5% and 12.2% respectively. Delhi airport consistently crossed the 5 million passenger per month mark during the year while the maximum Air Traffic Movements (ATMs) handled per day

reached 1,364. Strong growth in domestic cargo segment propelled DIAL to retain its number one position in cargo traffic in India with a 12.3% overall growth in FY 2017-18 over the previous year. During the financial year of the reporting period, the tariff for the second control period was implemented from July, 2017.

The non-aeronautical revenues continued its double digit growth led by commercial non-aero sales and DIAL was able to ramp up ~80 new outlets in retail and hospitality. DIAL launched its own Airport magazine "DIALogue" during the year.

Strong focus on developing organizational culture based on operational excellence and customer focused initiatives helped DIAL emerge as the best airport in the World among the group of airports which handle 40+ million passengers per annum (mppa) category.

DIAL is also in the process of awarding development rights for the country's first Terminal Hotel.

Key Awards and Accolades received in FY 2017-18:

- World's best airport in the 40 million+ pax category for Airport Service Quality (ASQ) as rated by Airports Council International (ACI).
- Golden Peacock Award for Corporate Ethics.
- Golden Peacock Award for Occupational Health and Safety.
- Silver recognition in the ACI Asia Pacific Green Airports Award.
- Most Sustainable and Green Airport Award at Wings India.
- Network 18 and Honeywell Smart Building award for:
 - Smartest Building in India
 - Smartest Large Airport In India
 - Greenest Building in India
 - Safest Building in India
 - Most Productive Building in India
- Quality Excellence Award for Best Airport Security and Best Airport Community Development at the World Quality Congress held in Mumbai.
- CII National Lean Award 2017
 - Winners in Service Sector for "Deployment of Lean Practices across the Organization"
 - First Runners up in the category "Deployment of Lean at Supplier's Place"
- Winners in six categories at the Public Relations Council of India Communication Awards.

GMR Hyderabad International Airport Limited (GHIAL)

GHIAL is a JV between GAL (63%), AAI (13%), Government of Telangana (13%) and MAHB (Mauritius) Private Limited (11%) and has entered into a long-term agreement to operate, manage and develop the Rajiv Gandhi International Airport (RGIA), Hyderabad.

Highlights of FY 2017-18:

Serving 56 destinations (18 international and 38 domestic) with 17 foreign carriers and 9 domestic carriers, Hyderabad Airport has been among the fastest growing major airports in the country during 2017-18.

During the year, the strong growth momentum continued at Hyderabad Airport, with the annual passenger traffic crossing 18.3 million passengers between April 2017 - March 2018 period. Overall passenger traffic growth has been over 20% year-on-year (Y-o-Y), with domestic traffic increasing by 23% and international by 9% over the prior fiscal year. Cargo tonnage totaled 137,822 tons in fiscal year 2017-18, resulting in a Y-o-Y increase of 11%.

On the International connectivity front, new services/frequencies were added to Washington (Air India), Doha and Sharjah (IndiGo). On the domestic front several new destinations were linked, which include Trivandrum, Nagpur, Calicut, Guwahati, Surat, Patna, Shirdi etc.

FY 2017-18 also saw the airport continue its focus and leadership in the area of passenger experience and service quality, with groundbreaking new initiatives first of its kind Express Security Check for domestic passengers traveling only with hand baggage, deployment of Automated Tray Retrieval System (ATRS) for enhanced throughput at security check lanes and a host of new and improved facilities for Passengers with Reduced Mobility (PRM), senior citizens and women traveling with infants.

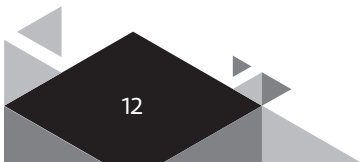
Hyderabad Airport was once again ranked as World Number One in ASQ survey by ACI for the calendar year 2017 in 5-15 million passenger category, marking the 9th consecutive year of Global top 3 ranking and second consecutive year of World #1 ranking in the size category.

In October 2017, GHIAL successfully raised USD-350 million bond from overseas investors at a very attractive pricing. With this, GMR Group has adopted alternate source of funding at both the operating airports in a view to rationalize borrowing costs.

On March 23, 2018, Hyderabad Airport successfully completed a decade of operations and on the same day, the foundation stone was laid for expanding the Airport's capacity from 12 MPPA to 34MPPA in a phased manner to cater to the rapid growth of passengers travelling via Hyderabad Airport. The expansion works are presently underway and are progressing on schedule.

Awards and Accolades received in FY 2017-18:

- CAPA Chairman's Order of Merit for Environment Sustainability.
- Golden Peacock Business Excellence Award 2017.
- 'Excellent Energy Efficient Unit' by CII.
- CII '5S Excellence Award' for 2017.
- HMTV Business Excellence Award.
- India Travel Award - South 2017 for Destination Marketing efforts.
- CSR Excellence Award 2017 jointly by Indywood and Government of Telangana for responsible and sustainable CSR practices.
- Smart Air Cargo Port by Maritime Gateway.
- 'Cold Chain Team of the Year' at Cold Chain Strategy Summit & Industry Awards 2017.



- Recognized among 'Top 26 Innovative Companies' in CII Industrial Innovation Awards 2017.
- 'Active Customer Engagement Award' in the inaugural edition of CII Customer Obsession Awards 2017.
- Great Indian Workplace Award for Customer Obsession.
- First Prize for its garden maintenance in 3rd Garden Festival of Govt. of Telangana.
- ACI - Asia Pacific Green Airports Recognition under 'Gold' category.
- Retained ACI Airport Carbon Accreditation Level 3+ (Carbon Neutral) status in the year 2017-18.

GMR Megawide Cebu Airport Corporation (GMCAC)

GMCAC, a JV between GMR group (40%) and Megawide Corporation (60%), entered into a concession agreement with Mactan Cebu International Airport Authority for development and operation of Mactan Cebu International Airport (Cebu airport) for a period of 25 years. GMCAC took operational responsibility of the airport in November 2014 and has now been successfully operating the airport for nearly 42 months.

Highlights of FY 2017-18:

GMCAC has laid great emphasis on boosting traffic at Cebu airport, both domestic and international.

In a bid to boost international tourism, GMCAC has been working with the tourism body of Cebu and Philippines, as well as with travel agents to boost tourist traffic from China, Japan, Australia, United States and the Middle East. As a result, GMCAC has seen international traffic grow by 24% while the domestic traffic has also grown at 8%. In terms of international connectivity, GMCAC has added some key routes viz., Cebu - Dubai, Cebu - Los Angeles, Cebu- Taipei, Cebu- Xiamen, Cebu- Guangzhou, Cebu - Hangzhou, Cebu - Chengdu, Cebu- Muan and Cebu-Shenzhen.

GMCAC is also steadily working towards successful operations of the new terminal. To mitigate the delay in handover of land which was under occupation of the Philippines Air Force, GMCAC had started work on the land parcels made available to it in June 2015. The structural works for the new terminal building were completed and specialized systems like Baggage handling system, Passenger Boarding bridges, Elevators and escalators had already been installed and Operation trials were completed. GMCAC was able to comply with the timelines specified in the concession agreement despite many challenges and commissioned the new terminal T2 on July 1, 2018.

GMR Goa International Airport Limited (GGIAL)

GGIAL has been granted exclusive right, license and authority to develop, operate and maintain the Mopa airport at Goa for 40 years with extension option for another 20 years. GGIAL has secured Rs.1,330 Crore loan through consortium of banks for development of First Phase of the airport at Mopa. September 4, 2017 has been set as the Appointed Date as per the Concession norms. Government of Goa (GoG) has already provided vacant access and Right of Way (RoW) to GGIAL for more than 99% of the land identified for the project. Megawide Construction Corporation (MCC) of Philippines has been selected as the EPC contractor for the project. The construction and development has commenced and the first phase of airport is expected to be operational by September 2020.

GMR Aviation Private Limited (GAPL)

GAPL owns and operates one of the youngest fleets in the country and addresses the growing need for charter services. In order to boost revenues and rationalize overhead costs, GAPL has entered into a 2 years management contract with Jet Set Go - a general aviation fleet aggregator, commonly referred to as the "Uber of the Skies". As per the agreement, Jet Set Go has taken responsibility for operations and marketing of the aircrafts and the business has shown marked improvement over the past years with 2 aircrafts recording the highest number of hours flown on an annual basis. All maintenance contracts have also been renegotiated leading to a reduction in costs. We are confident that GAPL will continue on the turnaround path.

Energy Sector

The Energy Sector companies are operating around 4,425 MWs of Coal, Gas, Liquid fuel and Renewable power plants in India and around 2,205 MWs of power projects are under various stages of construction and development, besides a pipeline of other projects. The Energy Sector has a diversified portfolio of thermal and hydro projects with a mix of merchant and long term Power Purchase Agreements (PPA).

Following are the major highlights of the Energy Sector:

A. Operational Assets:

I. Generation:

1. GMR Warora Energy Limited (GWEL) - 600 MW:

- The Plant consists of 2 x 300 MW coal fired units with all associated auxiliaries and Balance of Plant Systems. GWEL has a Coal supply Agreement with South Eastern Coalfields Limited (SECL) for a total Annual Contracted Quantity (ACQ) of 2.6 Million Tonnes per annum.
- During the year, the Plant has achieved availability of 72% and Gross Plant Load Factor (PLF) of 71%.
- Plant achieved lower plant availability and PLF due to severe coal supply shortage across the industry.
- We expect the coal supply levels will increase during the year and more coal will be taken through alternative modes like e-auction of coal.
- Regulatory orders for Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) Power Purchase Agreement (PPA) for "change in law" was received during the year. GWEL has started billing for Change in Law to TANGEDCO.
- Weir for water availability by Maharashtra Industrial Development Corporation (MIDC) was commissioned during the year.
- Plant was awarded with many prestigious awards during the year, some of them are as below:
 - "National Energy Conservation Award 2017" by Bureau of Energy Efficiency, Govt. of India & Ministry of Power.
 - "IMC Ramakrishna Bajaj National Quality Award 2017 " in service category.

- “Shrestha Suraksha Puraskar Award 2017” for effective implementation of Occupational Safety and Health management system by Hon’ble Minister of Labour and Employment, Govt. of India.
- “National Award for Excellence in Water management” by Confederation of Indian Industry.

2. GMR Kamalanga Energy Limited (GKEL) – 1,050 MW:

- GKEL, subsidiary of GMR Energy Limited, has developed 1,050 MW (3x 350) coal fired power plant at Kamalanga Village, Odisha.
- The plant is supplying power to Haryana through PTC India Limited, to Odisha through GRIDCO Limited and to Bihar through Bihar State Power Holding Company Limited.
- 85% of the capacity is tied-up in long term PPAs.
- GKEL has Fuel Supply Agreement (FSA) for 2.14 MTPA firm linkage from Mahanadi Coalfields Limited (MCL). GKEL secured another 1.5 MTPA long-term FSA under SHAKTI linkage auction during the year.
- CERC issued favorable order in bill dispute petition filed against Haryana and directed to release overdue claims to GKEL. This will help in easing of cash flows.
- During this period, GKEL achieved availability of 75% and PLF of 61%. Lower Availability & PLF was due to discontinuation of tapering linkage of 550 MW in FY 2017, however, now based on the new SHAKTI linkage of 1.5 MTPA availability and PLF will improve significantly.

3. GMR Chhattisgarh Energy Limited (GCEL) – 1,370 MW:

- GCEL is a 1,370 MW (2 x 685 MW) pulverized coal- fired super critical technology based plant in Raipur district in the State of Chhattisgarh.
- During the year GCEL supplied 500 MW to Gujarat discom (GUVNL) under short-term case 4 bid PPA. We expect the same to be extended during FY 2019 also.
- Lenders have invoked Strategic Debt Restructuring (SDR) for GCEL. As per the SDR scheme, out of the total outstanding debt (including accrued interest) of ₹ 8,800 Crore, debt to the extent of ₹ 2,992 Crore has been converted into equity by which the consortium lenders have 52.4% shareholding and balance 47.6% is held by GMR Group.
- A process for divestment of controlling stake in GCEL initiated by the lenders under the RBI Circular dated February 12, 2018 is currently underway.

4. GMR Vemagiri Power Generation Limited (GVPGL) - 370 MW:

- GVPGL, a wholly owned subsidiary of GEL, operates a 370 MW natural gas-fired combined cycle power plant at Rajahmundry, Andhra Pradesh.
- GVPGL which operated at a PLF of 9% in FY 2017 under E-RLNG scheme, did not operate in the last financial year due to scarcity of gas, lack of government initiatives and no demand from DISCOMS.
- Due to unfavorable decision in RLNG matter, other avenues for gas

supply in this scenario are being explored continuously.

5. GMR Rajahmundry Energy Limited (GREL) – 768 MW:

- GREL is a 768 MW (2 x 384 MW) combined cycle gas based power project at Rajahmundry, Andhra Pradesh.
- Lenders have invoked SDR. As a consequence, outstanding debt of ₹ 1,413.99 Crore (₹ 1,308.57 Crore of principal and ₹ 105.42 Crore of interest accrued thereon) was converted into equity amounting to 55% shareholding in GREL. The balance is being held by the GMR Group.
- GREL has submitted a resolution plan to the lenders for the outstanding debt of ₹ 2,352.00 Crore which is under active consideration by the lenders.

6. Barge mounted Power Plant of GMR Energy Limited (GEL), Kakinada:

- GEL owns the 220 MW combined cycle barge mounted power plant at Kakinada, Andhra Pradesh. There was no generation of power by the barge mounted power plant during the year ended March 31, 2018 on account of non- availability of gas.
- Plant is kept under preservation since March 2013. Preservation methods were adopted based on Original Equipment Manufacturers’ (OEM) procedures.

7. GMR Power Corporation Limited (GPCL), Chennai:

- GPCL, a subsidiary of GEL, owns the 200 MW diesel powered power plant and was selling power to TAGENDCO.
- Plant had long term PPA with TANGEDCO for 15 years, which was extended for additional period of one year. PPA has since expired. The plant was in preservation mode.
- The group has decided to dismantle the plant, which is presently in progress.

8. GMR Gujarat Solar Power Limited (GGSP), Charanka Village, Gujarat:

GGSP, a wholly owned subsidiary of GEL, operates 25 MW Solar power project at Charanka village, Patan district, Gujarat. GGSP has entered into 25 year PPA with Gujarat Urja Vikas Nigam Limited for supply of entire power generation. GGSP has achieved commercial operation on March 4, 2012 and received certificate of commissioning from M/s. Gujarat Energy Development Agency (“GEDA”). M/s. Solarig Gensol has been awarded O&M contract for the Plant for subsequent period of 5 years. Plant has achieved a Gross DC PLF of 18% for FY 2017-18 and recorded revenue of ₹ 38 Crore for the FY 2017-18. Plant has maintained ISO 9001, 14001, 18001 certifications since June 2015.

9. GMR Rajam Solar Power Private Limited (GRSPPL), Rajam:

GRSPPL, a wholly owned subsidiary of GEL, commissioned a 1 MW Solar power project in Rajam, Andhra Pradesh in January 2016. The Company has signed a 25 year PPA with both GMR Institute of

Technology (700KW) and GMR Varalakshmi Care Hospital (300KW) for the sale of power generated. M/s Enerpac has been awarded O&M contract for the Plant for a period of 5 years. Plant has achieved PLF of 14% for FY 2017-18 and recorded revenue of ₹ 0.85 Crore for the FY 2017-18.

10 GMR Generation Assets Limited (Formerly GMR Renewable Energy Limited) (GGAL), Kutch:

GGAL, a wholly owned subsidiary of the Company, commissioned a 2.1 MW wind based power plant at Moti Sindhodi Village, Kutch District, Gujarat in July 2011. GGAL has signed a 25 year PPA with Gujarat Urja Vikas Nigam Limited (“GUVNL”) with respect to the entire power generated from the Plant. M/s Suzlon has been re-awarded O&M contract for the Plant for subsequent period of 5 years.

11. GMR Power Infra Limited (GPIL), Tamil Nadu:

GPIL, a wholly owned subsidiary of GIL, commissioned a 1.25 MW wind based power plant at Muthayampatty Village, Tirupur District, Tamil Nadu in December 2011. GPIL has signed a 20 year PPA with TANGEDCO with respect to the entire power generated from the Plant. M/s. Suzlon has been re-awarded O&M contract for the Plant for subsequent period of 5 years.

B. Projects:

1. GMR Bajoli Holi Hydropower Private Limited (GBHHPL) - 180 MW:

- GBHHPL, a subsidiary of GEL, is implementing 180 MW hydro power plant on the river Ravi at Chamba District, Himachal Pradesh.
- GBHHPL has already achieved financial closure and tied-up the debt requirement of ₹ 1,380 Crore.
- GBHHPL had also executed the Connectivity Agreement with HP Power Transmission Corporation Limited and Long Term Access Agreement with Power Grid Corporation of India Limited (PGCIL) for evacuating power outside Himachal Pradesh.
- The construction works of the project including HRT excavation, Dam Concreting and Power House Concreting along with E&M works are in full swing. Majority of the underground works like Surge/Pressure Shaft, Tunneling etc. have been completed or are in advanced stage of completion. Overall progress of 70% has been achieved till end of FY 2017-18.

2. GMR Upper Karnali Hydro Power Public Limited (GUKPL) - 900 MW:

- GUKPL, a subsidiary of GEL, is developing 900 MW Upper Karnali Hydroelectric Project (HEP) located on river Karnali in Dailekh, Surkhet and Achham Districts of Nepal.
- Post execution of Project Development Agreement (PDA), several key activities have been completed. Technical design of the Project has been finalized post detailed technical appraisal by a seven member Panel of Experts (empaneled with IFC) and Hydraulic model studies.
- MoU for sale of power to Bangladesh executed in April 2017, in

the presence of Hon'ble PM of Bangladesh and Cabinet Minister of Government of India (GoI). PPA negotiations with Bangladesh is in advanced stage.

- EPC Bids have been received and first round technical discussions have been completed.
 - Total land identified for the Project comprises of forest land and private land. As for private land, negotiation has been completed and MoU has been executed with Rehabilitation Action Plan (RAP) committees for acquisition and approx. 6 Ha of private land has been acquired till March 2018. Whereas for forest land, Deed of Agreement for forest land was executed with Department of Forest (DoF), Government of Nepal (GoN) in October 2017 post cabinet approval and tree cutting process initiated. Already acquired 12.45 Ha of forest land for infra works and tree cutting work completed.
 - Power Evacuation is proposed through 400KV D/C transmission line from Bus bar of project to Bareilly Pooling point of PGCIL in Uttar Pradesh, India. Nepal portion transmission line (from project's Bus bar up to Indo-Nepal border) to be developed by Karnali Transmission Company Pvt. Ltd. (KTCPL), a GMR Group Company and Indian portion up to Bareilly will be developed by GoI. Post execution of the Power Trade Agreement (PTA) between GoI and GoN and the SAARC energy pact between SAARC nations, cross border policy has been notified by GoI on December 5, 2016 and cross border regulations are under formulation by CERC.
- 3. GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) - Badrinath - 300 MW:**
- GBHPL, a subsidiary of GEL, is in the process of developing a 300 MW hydroelectric power plant on Alaknanda river in the Chamoli District of Uttarakhand State. The project has received all major statutory clearances like Environmental and Techno economic concurrence from Central Electricity Authority (CEA).
 - Implementation Agreement has been executed with the Government of Uttarakhand. However, the project construction is under hold on account of stay order dated May 7, 2014 by the Hon'ble Supreme Court on 24 Hydro Electric Projects (HEPs) in Uttarakhand which includes our 300 MW Alaknanda HEP.
- 4. Himtal Hydropower Company Private Limited (HHCL) - 600 MW:**
- HHCL, a subsidiary of GEL, is developing a 600 MW Upper Marsyangdi-2 Hydroelectric Power Project on the river Marsyangdi in Lamjung and Manang Districts of Nepal.
 - Binding term sheet has been executed for 100% stake sale with Chinese and Nepalese investors on an Enterprise Value basis for which Share Purchase Agreement (SPA) has been signed on May 5, 2018.
 - The whole transaction is expected to be closed by September 2018.

5. GMR Londa Hydropower Private Limited (GLHPPL) - 225 MW:

GLHPPL, a subsidiary of GGAL, is developing a 225 MW project in

East Kameng district in Arunachal Pradesh. The Detailed Project Report (DPR) has been prepared and has received techno-economic concurrence from the CEA. The Expert Appraisal Committee (EAC) of Ministry of Environment, Forest and Climate Change (MoEF & CC or MoEF) has recommended for Environmental Clearance and accordingly MoEF & CC had issued in-principle clearance to this project. However, formal Environmental Clearance shall be granted by MoEF & CC after obtaining the Forest- stage-I clearance. Defence clearance for setting up the project has been received from Ministry of Defence, GoI. The forest land diversion proposal is under scrutiny of MoEF & CC.

C. Mining Assets:

1. PT Barasentosa Lestari, (PTBSL):

Group holds 100% stake in PTBSL which has coal mine in South Sumatra Province with more than 393 MT Coal Resources in ~23,300 Hectares and total mineable reserves of about 195 Million Metric Ton (MMT). Trial coal production and sales have commenced in FY 2015, however the operations were suspended because of the limitations of transportation of coal by barging and distressed market conditions. A conditional share purchase agreement (CSPA) was signed with PT GEMS on May 12, 2017 for sale of PTBSL. The transaction is subject to the regulatory approvals by both the parties. The parties have obtained all the major approvals and the transaction is expected to be closed by August 2018.

2. PT Golden Energy Mines Tbk (PT GEMS):

Group through its overseas subsidiary, GMR Coal Resources Pte. Limited, holds 30% stake in PT GEMS, a group company of Sinarmas Group, Indonesia. PT GEMS, a limited liability company, is listed on the Indonesia Stock Exchange. PT GEMS is carrying out mining operations in Indonesia through its subsidiaries which own coal mining concessions in South Kalimantan, Central Kalimantan and Sumatra. PT GEMS is also involved in coal trading through its subsidiaries. Coal mines owned by PT GEMS and its subsidiaries have total resources of more than 2.0 billion tons and Joint Ore Reserves Committee (JORC) certified reserves of more than 620 MT of thermal coal. GMR Group has a Coal off take Agreement with PT GEMS which entitles GMR to off take coal for 25 years. GEMS earned a record profit after tax of USD 120 million, during 2017. Out of 2017 profits, GEMS has declared the interim dividend of USD75 million in 2017 and the final dividend of USD40 million in 2018 of which GMR share is USD 34.5 million. The Coal Supply Agreement (CSA) with GEMS became operational from November 2017, pursuant to the SGX approval in August 2017.

Transportation

Highways

GMR Highways Limited, a subsidiary of your Company, is one of the leading highways developers in India with 7 operating highways including minority stake (36.01%) in GMR OSE Hungud Hospet Highways Private Limited (GOHHPL). The Group is looking at ways to consolidate its presence in the sector progressively. After divestment of 14.99% stake in GOHHPL,

remaining stake sale of 36.01% is underway and shall be completed post approvals from NHAI and lenders. During FY 2018, the focus was on cash flow improvement and resolving the pending arbitration claims and filing the new ones to contest undue policy factors which have impacted the projects adversely. Sufficient progress was made in this regard.

Urban Infrastructure

The Group is developing a 2,100 acre multi product Special Investment Region (SIR) at Krishnagiri, near Hosur in Tamil Nadu and 10,000 acre Port-based multi-product SIR at Kakinada, Andhra Pradesh.

Krishnagiri SIR

GMR Group, with an objective of building world class industrial infrastructure in India, is setting up an SIR at Hosur, Tamil Nadu, just 45 kms from Electronic City, Bengaluru. The location provides unique advantage of multi-modal connectivity with National and State Highways and a railway line running alongside. Krishnagiri SIR is planned to be developed as an integrated city spread across 2,100 acres in the influence area of proposed Chennai-Bangalore Industrial Corridor. Krishnagiri SIR is being planned to house the following manufacturing clusters:

- Automotive & Ancillary
- Defence and Aerospace
- Precision Engineering
- Machine tools
- Electronics Product Manufacturing

Designed to encompass a complete ecosystem, Phase 1A of Krishnagiri SIR spread over 275 acres will contain all that are essential for a large industrial city center. Krishnagiri SIR has following key offerings to its clientele:

- Shovel ready developed plot with road, drainage, water supply, Water Treatment Plants (WTP), Sewage Treatment Plants (STP) and other similar facilities;
- Water - Potable water;
- Power -33 kV level dedicated sub-station with a Solar power plant.

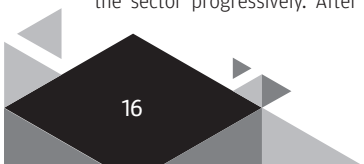
The entire infrastructure is being developed and maintained by GMR Group underscoring its commitment to quality, service and timelines. The “integrated” design would endeavor to provide first world standard residential, social and commercial amenities making this zone, truly “self-contained”.

Project Progress:

The company made good progress in securing the clearances and is aggressively marketing the SIR for client tie-ups. During the year, the group, in a JV with TIDCO, has approached Government to consider GMR Krishnagiri SIR as a defence corridor at Hosur under the nodes recognized by the Government.

Kakinada SEZ/ SIR

GMR Group owns 51% in Kakinada SEZ Limited (KSEZ), which is developing Kakinada SEZ / SIR in the State of Andhra Pradesh in proximity to the cities of Kakinada and Visakhapatnam. With an area spanning over 10,000 acres,



Kakinada SEZ / SIR will be a self-contained Port-based Industrial park with ideally designed core infrastructure, industrial common infrastructure, business facilitation infrastructure and social infrastructure across varied dedicated areas such as housing, lifestyle and high-end expat friendly zones. Kakinada SEZ / SIR is designed for balancing the sensitivity to culture and heritage of the region with the economic development of the region.

Project Progress:

- Six companies (Grasim, Standard, OWS, Pals Plush, Nekkanti & Petropath) have evinced interest in establishing their manufacturing units in Kakinada and have signed MoUs with Govt. of Andhra Pradesh stating that they have chosen KSEZ's project area for the same. Cumulatively 195 acres of land is envisaged to be used with an investment of over ₹ 3,000 Crore, generating employment opportunities for ~6,000 people.
- Nekkanti Sea Foods Limited has signed a lease deed and started construction of its sea food processing factory in an area of 5 acres.
- M/s Devi Fisheries signed an agreement for establishing its sea food processing unit in an area of 6 acres.
- Kakinada SEZ Limited has been declared as a selected bidder for development of commercial port from the earlier permit to develop a captive port. Received Environmental Clearance Approval from MoEF for Port development. The port will have capacity of 16 MTPA containing 4 berths - 1 coal, 2 general cargo and 1 port craft berth.
- Kakinada SEZ project area has been declared as Industrial Area Local Authority, which will enable focused and seamless approvals for infrastructure & building permits.
- The Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL) has constructed a 33/11 KV in-zone sub-station and the same is operational.
- A site administrative office building has been constructed and the project personnel are operating out of it.
- Developed the necessary infrastructure at site like road network, power lines etc.,

EPC

Pursuant to the strategic decision taken to pursue EPC opportunities outside GMR Group and consequent to the Group's entry into Railway Projects during FY 2014, the Group has started construction of 2 Dedicated Freight Corridor Corporation (DFCC) projects (201 and 202) in the State of Uttar Pradesh and package 301 and 302 in the states of Haryana, Uttar Pradesh and Punjab. The construction work is in full swing and significant progress has been achieved. Further, track laying work also commenced in 201 and 202. The Company also achieved substantial completion of two other smaller Rail Vikas Nigam Limited (RVNL) projects in the States of Andhra Pradesh and Uttar Pradesh that were awarded in FY 2014.

RAXA

Raxa Security Services Ltd., an ISO 9001: 2008 certified company, provides

Integrated Security solution, man guarding solutions and technical security to industrial and business establishments. Raxa was established in July 2005 keeping the above requirements in view, with a mission to provide world class safety and security to Industrial and Business establishments. To enable delivery of quality services, a state-of-art security training academy was established with best in class training and administrative infrastructure on the outskirts of Bangalore. Raxa employs over 5,000 personnel and has operations across 18 states. Raxa bagged some prestigious contracts such as with British School and Tirumala Tirupathi Devasthanam (TTD), Alipiri in FY 2018. It also provided security services to important events held at Pragati Maidan and at Hyderabad.

Consolidated Financial Statement

In accordance with the Companies Act, 2013 and Ind AS 110 - Consolidated Financial Statements read with Ind AS 28 - Investments in Associates and Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

Holding, Subsidiaries, Associate Companies and Joint Ventures

GMR Enterprises Private Limited remains the holding company of the Company.

As on March 31, 2018, the Company has 118 subsidiary companies apart from 33 joint ventures and associate companies. During the year under review, the entities listed below have become or ceased to be Company's subsidiaries or associate companies/ JVs. The Policy for determining material subsidiaries may be accessed on the Company's website at the link: <http://investor.gmrgroup.in/investors/GIL-Policies.html>. The complete list of subsidiary companies and associate companies (including joint ventures) as on March 31, 2018 is provided in "Annexure - F" to this Report.

GMR Infrastructure Airports (Mauritius) Limited (GIAML) became subsidiary of the Company during the year under review. However, GIAML was amalgamated into GMR Infrastructure (Mauritius) Limited in the month of March 2018. GMR Hosur EMC Limited was amalgamated into GMR Krishnagiri SIR Limited in the month of July 2017.

The status of Asia Pacific Flight Training Academy Limited was changed to subsidiary from associate whereas the status of GMR Mining and Energy Private Limited was changed to associate from subsidiary during the FY 2017-18 .

During the year under review, East Delhi Waste Processing Company Limited ceased to be associate. Further, during FY 2017-18, PT Kuansing Intis Sejahtera and PT Bungo Bara Makmur became associates of the Company and Shanghai Jingguang Energy Co. Ltd ceased to be associate.

Report on the highlights of performance of subsidiaries, associates and joint ventures and their contribution to the overall performance of the Company has been provided in Form AOC-1 as "Annexure A" to this Report.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following

statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note no. 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and are operating effectively;
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Governance

The Company continues to follow the Business Excellence framework, based on the Malcolm Baldrige Model, for continuous improvement in all spheres of its activities. Your Company works towards continuous improvement in governance practices and processes, in compliance with the statutory requirements.

The Report on Corporate Governance as stipulated under relevant provisions of SEBI LODR forms part of the Annual Report. The requisite Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the said Report.

Business Responsibility Report

As stipulated under Regulation 34(2)(f) of SEBI LODR, the Business Responsibility Report describing the initiatives taken by the Company from environmental, social and governance perspective is attached as part of the Annual Report.

Contracts and arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the FY 2018 with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Since all the related party

transactions were in ordinary course of business and at arm's length basis, Form AOC-2 is not applicable.

The Policy on related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://investor.gmrgroup.in/investors/GIL-Policies.html>. Your Directors draw attention of the members to Note no. 33 to the standalone financial statement which sets out related party disclosures.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which was approved by the Board. The CSR Policy may be accessed on the Company's website at the link: <http://investor.gmrgroup.in/investors/GIL-Policies.html>.

The Company has identified three focus areas towards the community service / CSR activities, which are as under:

- Education
- Health, Hygiene & Sanitation
- Empowerment & Livelihoods

The Company, as per the approved policy, may undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013. During the year, the Company was not required to spend any amount on CSR as it did not have any profits. Accordingly, it has not spent any amount on CSR activities, directly. However, the Company, through its subsidiaries/ associate companies and group companies, spent an amount of ₹ 31.24 Crore during the year. The details of such activities carried out with the support of GMR Varalakshmi Foundation (GMRVF), Corporate Social Responsibility arm of the GMR Group, have been highlighted in Business Responsibility Report. The Annual Report on CSR activities is annexed as "Annexure B" to this Report.

Risk Management

The GMR Group's Enterprise Risk Management (ERM) philosophy is "To integrate the process for managing risk across GMR Group and throughout its businesses and lifecycle to enable protection and enhancement of stakeholder value."

With significant changes in business environment over the last couple of years, your Company's businesses face emerging risks that require effective risk management framework and dedicated resources to implement the framework.

Your Company's ERM framework follows the current best practices in order to achieve Company's objectives.

Significant developments during the year under review are as follows:

- Risk assessment was carried out in detail at bid stage for Bhogapuram International Airport (Andhra Pradesh), Belgrade International Airport (Serbia), Clark International Airport (Philippines), Bijwasan Railway Station Development (New Delhi), Hybrid-Annuity Highway

projects (NHAI). The ERM made a comprehensive risk assessment on key business assumptions for the bid for enabling informed decision-making;

- ERM also carried out risk analysis for select business operations. The risk management function is also being established at the sectors with expert advice from outsourced partners.
- For the ongoing railway projects under DFCC and the new projects, ERM leads the project risk assessment in coordination with the project teams. The deployment of Project Risk Management (PRM) framework has enabled effective control over project costs.

The Group is working on several fronts to address the financing risks associated with the nature of its business.

The Company is focused on unlocking the value potential of its Airports business. In addition, the management has continued thrust on greater cash flow from operations with greater profitability focus, asset monetisation and collection of regulatory receivables. Taking into account the stress in the banking sector, the Group, where market conditions are favourable, has decided to raise bonds for its financing needs as against depending on loans from the banks. We have successfully done the same at both our Delhi and Hyderabad airport operations. The Company is also working closely with lenders for two of our stressed energy projects which have undergone Strategic Debt Restructuring, to address issues keeping in view the most recent RBI guidelines.

With rapidly changing business environment, the Group feels the need for a measurable approach to decide the amount of risks it can take in achieving its business objectives. A draft Risk Appetite Framework for the Group is under development and review with an objective to establish thresholds for quantum of risks that the Group can accept. The Physical Risk Benchmarking framework developed earlier, is under implementation at Airport and Energy assets.

Updates on ERM activities are shared on a regular basis with Management Assurance Group (MAG), the Internal Audit function of the Group.

The Company has in place the Risk Management Policy duly approved by the Board of Directors.

A detailed note on risks and concerns affecting the businesses of the Company is provided in MDA.

Internal Financial Controls

Internal financial control systems of the Company have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards.

The Company has a well-defined and documented delegation of powers (DOP) manual with specified limits for approval of expenditure, both capital and revenue. The Company has a state-of-the-art Shared Services Centre (SSC) which centrally handles payments made by the Company. While compliance with the policies are well integrated with the underlying processes, SSC acts as a second line of defence to ensure adherence to certain laid down policies.

The Company uses an established ERP system to record day to day transactions for accounting and financial reporting. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of accounts.

The Company periodically conducts physical verification of inventory, fixed assets and cash on hand and matches them with the books of account. Explanations are sought for any variances noticed from the respective functional heads.

The Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates. There are adequate policies, authorization matrices governing financial transactions and approvals.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. These are in accordance with Generally Accepted Accounting Principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with Statutory Auditors.

The Company in preparing financial statements makes judgements and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgements and estimates are also audited by Statutory Auditors and reviewed by the Audit Committee.

For each major element in the financial statement, the inherent reporting risks have been identified by the Company. Controls have been put to mitigate these risks. The risks and mitigation controls are revisited periodically. Corporate Integration Group (CIG) function of the Group is actively involved in designing large process changes as well as validating changes to IT systems that have a bearing on the books of account.

During 2017-18, the limited review of Company's quarterly standalone financial statements and the year-end audit of consolidated financial statements were undertaken by its Statutory Auditors. The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of the Company as well. The accounts of the subsidiary and joint venture companies were audited by their respective Statutory Auditors for consolidation.

Directors and Key Managerial Personnel

During the year under review, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on November 14, 2017, appointed Mr. Vikas Deep Gupta as an Additional Director with effect from November 14, 2017 to hold office upto the date of ensuing Annual General Meeting of the Company. Accordingly, the resolution for regularization of appointment of Mr. Vikas Deep Gupta is recommended by the Board to the shareholders and forms part of notice of ensuing AGM.

During the year under review, Mr. T. Venkat Ramana was appointed as Company Secretary of the Company with effect from November 15, 2017 in place of Mr. Adi Seshavataram Cherukupalli.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Srinivas Bommidala, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirement) Amendment Regulations, 2018, a listed entity shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement shall indicate the justification for appointing such person. Accordingly, the special resolution(s) for obtaining members' approval for continuation of Mr. R.S.S.L.N. Bhaskarudu, Mr. N.C. Sarabeswaran and Mr. S. Rajagopal as independent directors beyond the age of 75 years form part of notice of ensuing AGM.

The brief resume and details of directors to be re-appointed/ regularized are furnished in the Notice to the ensuing Annual General Meeting.

Mr. S Sandilya, Independent Director of the Company was named (during September 2017) in the Ministry of Corporate Affairs (MCA) list of disqualified directors for being a director in a Section 8 Company, Association of Indian Automobile Manufactures (AIAM) and for AIAM not having filed annual returns continuously for three years.

The petitioners had filed a petition in the Hon'ble High Court of Delhi challenging the MCA order which was heard on December 19, 2017. The petitioners chose to withdraw the petition based on the Condonation of Delay Scheme, 2018 ("CODS 2018" or "the Scheme") offered by the Ministry of Corporate Affairs in the interest of speedy resolution of the matter without any consequence and the Hon'ble High Court ordered stay on the disqualification.

Since AIAM had already filed all its overdue documents and had in terms of the Scheme, applied for condonation of delay by filing e-form CODS with MCA, the DIN of Mr. Sandilya had been activated and his disqualification stands withdrawn permanently. Mr. S Sandilya had also resigned from AIAM Board w.e.f. March 16, 2018.

Further, the Registrar of Companies, Delhi & Haryana has confirmed that the disqualification of Mr. S Sandilya has been removed and his name would be removed from the list of disqualified Directors, as and when the same is updated by the MCA.

Annual performance evaluation of the Board, its Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements under SEBI LODR have been carried out. The performance of the Board and its committees was evaluated based on the criteria like composition and structure, effectiveness of processes, information and functioning etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is annexed as "Annexure C" to the Board's Report.

Declaration of independence

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI LODR.

Auditors and Auditors' Report

Statutory Auditors

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 21st AGM upto the conclusion of 23rd AGM of the Company subject to ratification of the appointment by the members at 22nd AGM.

At the 21st Annual General Meeting (AGM) of the Company held on September 29, 2017, the members approved appointment of S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W) as Statutory Auditors of the Company to hold office for a period from the conclusion of the 21st AGM of the Company till the conclusion of 23rd AGM, subject to ratification of their appointment by members at the 22nd Annual General Meeting. The Ministry of Corporate Affairs, vide its notification dated May 7, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 22nd Annual General Meeting of the Company.

Statutory Auditors' Qualification / Comment on the Company's standalone financial statement

- 1) GMR Generation Assets Limited ('GGAL') along with its subsidiaries/ joint ventures and associates have been incurring losses. Based on the valuation assessment carried out by an independent expert during the year ended March 31, 2018, there is a diminution in the value of the Company's investment in GGAL as at March 31, 2018 of ₹ 2,830 crore. The Company has not accounted for the aforesaid diminution in the value of investment in the accompanying standalone Ind AS financial results for the quarter and year ended March 31, 2018. In the opinion of the Statutory Auditor, the aforesaid accounting treatment is not in accordance with the relevant accounting standards. Had the management provided for the aforesaid diminution, the loss after tax for the quarter and year ended March 31, 2018 would have been higher by ₹ 2,830 crore with a consequent impact on the reserves as at March 31, 2018.

Management's response to the Statutory Auditors' Qualification / Comment on the Company's standalone financial statement

Considering that GCEL and GREL were under Strategic Debt Restructuring with consortium of banks acquiring majority stake, the management of the Group is not in a position to precisely assess the impact of the uncertainties on the carrying costs of various projects, though valuation assessment was done which placed the diminution at ₹ 2,830 Crore. Management is of the view, considering that the

lenders of some of these projects are actively pursuing resolution plans to make these projects viable in the near future, the assessed diminution may significantly come down on successful implementation of resolution plans. Further in case of some of the projects, the diminution may not be permanent and significant improvements in the viability of these projects are likely in the near future. Taking in account the above factors, management is of the view that the assessed diminution need not be provided for in the standalone Ind AS financial statements for the year ended March 31, 2018.

Statutory Auditors' Qualification / Comment on the Company's standalone financial statement

- 2) GMR Energy Limited ("GEL") and GMR Vemagiri Power Generation Limited ("GVPG"), joint ventures of the Company have ceased operations and have been incurring losses with a consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas. GMR Rajahmundry Energy Limited ("GREL"), a joint venture of the Company have rescheduled the repayment of project loans with the consequent implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and to undertake flexible structuring of balance debt for improving viability and revival of the project pending linkage of natural gas supply. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations in these entities at varying levels of capacity in the future and the appropriateness of the going concern assumption of these entities is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet short term and long term obligations and accordingly the statutory auditors are unable to comment on the carrying value of the Company's investment (including advances) in these entities as at March 31, 2018.

Management's response to the Statutory Auditors' Qualification / Comment on the Company's standalone financial statement

The Management along with various stakeholders, including Central and State Governments have formulated schemes for efficient utilisation of these facilities, though these efforts have not brought in permanent resolutions to the operations. The management and the Association of Power Producers continue to monitor the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management of the Group 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. Currently the lenders for GREL are actively pursuing the resolution plan as per the directives of RBI and management is confident that suitable plans would be implemented in the near future which would improve the profitability and consequently the carrying cost of these companies. Taking into account the uncertainties associated with the efforts of various stakeholders, management is not in a position to assess the impact of these measures on the carrying values.

Statutory Auditors' Qualification / Comment on the Company's standalone financial statement

- 3) The Company's internal financial control with regard to assessment of carrying value of investments in certain subsidiaries/ joint ventures as more fully explained in notes 5(4) and 5(7) to the standalone Ind AS financial statements were not operating effectively and could potentially result in the Company not providing for adjustments that may be required to be made to the carrying value of such investments.

Management's response to the Statutory Auditors' Qualification / Comment on the Company's standalone financial statement

Qualification in the report on internal financial controls over financial reporting regarding assessment of carrying value of investments in GGAL & GEL - The Group has a robust system in place to assess the appropriateness of the carrying value of its investments, including testing for impairments. Management's view on the instant cases are explained in the paras 1 and 2 above.

Statutory Auditors' Qualification / Comment on the Company's consolidated financial statement

- 1) GMR Chhattisgarh Energy Limited ("GCEL") and certain other entities, have been incurring losses. Based on the valuation assessment carried out by an independent expert during the year ended March 31, 2018, there exists an impairment as at March 31, 2018 of ₹ 2,250 crore. The Group has not accounted for the aforesaid impairment loss in the accompanying consolidated Ind AS financial results for the quarter and year ended March 31, 2018. In the opinion of statutory auditor, the aforesaid accounting treatment is not in accordance with the relevant accounting standards. Had the management provided for the aforesaid impairment loss, the loss after tax and minority interest for the quarter and year ended March 31, 2018 would have been higher by ₹ 2,250 crore with a consequent impact on the consolidated reserves as at March 31, 2018.

Management's response to the Statutory Auditors' Qualification / Comment on the Company's consolidated financial statement

Considering that GCEL and GREL were under Strategic Debt Restructuring with consortium of banks acquiring majority stake, the management of the Group is not in a position to precisely assess the impact of the uncertainties on the carrying costs of various projects, though valuation assessment was done which placed the diminution at ₹ 2,250 crore. The management of the Group, including the lenders who also collectively are the majority shareholders, have initiated a process for 'change of control' of GMR Chhattisgarh Energy Limited ("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. Management is of the view, considering that the lenders of some of these projects are actively pursuing resolution plans to make these projects viable in the near future, the assessed diminution, which is based on some critical assumptions made by current management, may significantly come down on successful implementation of resolution plans.

Further in case of some of the projects, the diminution may not be permanent and significant improvements in the viability of these projects are likely in the near future with various policy initiatives of the government taking shape. Taking in account the above factors, management is of the view that the assessed diminution need not be provided for in the consolidated Ind AS financial statements for the year ended March 31, 2018.

Statutory Auditors' Qualification / Comment on the Company's consolidated financial statement

- 2) GMR Energy Limited ('GEL') and GMR Vemagiri Power Generation Limited ('GVPG'), joint ventures of the Group have ceased operations and have been incurring losses with a consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas. GMR Rajahmundry Energy Limited ('GREL'), a joint venture of the Group have rescheduled the repayment of project loans with the consequent implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and to undertake flexible structuring of balance debt for improving viability and revival of the project pending linkage of natural gas supply. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations in these entities at varying levels of capacity in the future and the appropriateness of the going concern assumption of these entities is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet short term and long term obligations and accordingly the Statutory Auditor are unable to comment on the carrying value of the Group's assets (including advances) in these gas based entities as at March 31, 2018.

Management's response to the Statutory Auditors' Qualification / Comment on the Company's consolidated financial statement

The Management of the Group along with various stakeholders, including Central and State Governments have formulated schemes for efficient utilisation of these facilities, though these efforts have not brought in permanent resolutions to the operations. The management of the Group and the Association of Power Producers continue to monitor the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management of the Group 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. Currently the lenders for GREL are actively pursuing the resolution plan as per the directives of RBI and management is confident that suitable plans would be implemented in the near future which would improve the profitability and consequently the carrying cost of these companies. Taking into account the uncertainties associated with the efforts of various stakeholders, management is of the view that carrying values of these projects do not require any adjustment as of date.

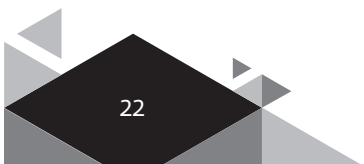
Statutory Auditors' Qualification / Comment on the Company's consolidated financial statement

- 3) The tax authorities of Maldives have disputed certain transactions not considered by the management of GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, in the computation of business profit taxes and withholding tax during the period 1st April, 2013 to 31st May, 2017 and during the year ended December 31, 2017 and have issued notice of tax assessments on business profit taxes and withholding tax together with the applicable fines and penalties. The management of the Group is of the view that such disputes from the tax authorities are not tenable and have disclosed the tax exposures as a contingent liability in the accompanying consolidated Ind AS financial statements for the year ended March 31, 2018. In the absence of comprehensive analysis on the above tax exposures, the Statutory Auditor are unable to determine whether any adjustments might be necessary to the accompanying consolidated financial results for the quarter and year ended March 31, 2018. The auditors of GMIAL have qualified their audit report issued for the year ended March 31, 2018 with regard to the aforesaid matter.

Management's response to the Statutory Auditors' Qualification / Comment on the Company's consolidated financial statement

GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company 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 favour of GMIAL, pursuant to which GMIAL received USD 27.10 Crore from MACL, in view of which GMIAL has recognised the difference between the claims received and the amount recorded as claims recoverable by GMIAL with regard to the aforesaid takeover. The arbitration award has clearly mentioned that the award is net of any tax applicable and GMIAL is entitled to receive the entire award amount.

During the current year, Maldives Inland Revenue Authority ('MIRA') has issued tax audit reports and notice of tax assessments on business profit tax computations and the withholding tax computations of GMIAL for the periods 1st April 2013 to 31st May 2017 and for the year ended March 31, 2017. 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 results of the Group for the quarter and the year ended



March 31, 2018. The statutory auditor of the GMIAL have modified their Audit Report in this regard which has been continued by the auditor of the GMR Infrastructure Limited in their audit report on the consolidated financial statements.

Statutory Auditors' Qualification / Comment on the Company's consolidated financial statement

- 4) The Holding Company's internal financial control with regard to assessment of carrying value of investments in certain joint ventures and associates as more fully explained in notes 9(b)(13)(ii), 9(b)(13)(iv) and 9(b)(13)(v) to the consolidated Ind AS financial statements were not operating effectively and could potentially result in the Group not providing for adjustments that may be required to be made to the carrying value of such investments.

Management's response to the Statutory Auditors' Qualification / Comment on the Company's consolidated financial statement

Qualification in the report on internal financial controls over financial reporting regarding assessment of carrying value of investments in certain joint ventures and associates - The Group has a robust system in place to assess the appropriateness of the carrying value of its investments, including testing for impairments. Management's view on the instant cases are explained in the paras 1 and 2 above.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, your Company with reference to its EPC business is required to maintain the cost records as specified under sub-section 1 of section 148 of the Companies Act, 2013 and the said cost records are also required to be audited.

Your Company is maintaining all the cost records referred above and M/s. Rao, Murthy & Associates, Cost Auditors, have issued a cost audit report for FY 2017-18 which does not contain any qualification, reservation or adverse remark.

The Board, on the recommendation of the Audit Committee, has appointed M/s. Rao, Murthy & Associates, Cost Accountants, as cost auditors for conducting the audit of cost records of the Company for the FY 2018-19.

Accordingly, a resolution seeking members' ratification for the remuneration to M/s. Rao, Murthy & Associates, Cost Accountants is included in the Notice convening the ensuing AGM.

Secretarial Auditor

The Board has appointed M/s. V. Sreedharan & Associates, Company Secretaries, a firm of Company Secretaries in Practice, to conduct Secretarial Audit for the FY 2017-18. The Secretarial Audit Report for the FY ended March 31, 2018 is annexed herewith as "Annexure D" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosures:

CSR Committee

The CSR Committee comprises of Mr. R.S.S.L.N. Bhaskarudu as Chairman, Mr. B.V.N. Rao and Mr. G.B.S. Raju as members

Audit Committee

The Audit Committee comprises of Mr. N.C. Sarabeswaran as Chairman, Mr. S. Rajagopal, Mr. R.S.S.L.N. Bhaskarudu and Mrs. Vissa Siva Kameswari as members.

All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Company has a vigil mechanism named Whistle Blower Policy, which provides a platform to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also hosted on the website of the Company.

Meetings of the Board

A calendar of Board and Committee Meetings is prepared and circulated in advance to the Directors. During the year, five (5) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between two consecutive board meetings was within the period prescribed under the Companies Act, 2013.

Particulars of Loans, Guarantees and Investments

Details of Loans/ Guarantees given and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is provided in "Annexure E".

Annual Return

Pursuant to Section 134 of the Companies Act, 2013, as amended vide the Companies Act, 2017, the Extract of Annual Return/ Annual Return of the Company shall be placed at the website of the Company at the following link: <http://investor.gmrgroup.in/Investors/annual-report.html>.

Particulars of Employees and related disclosures

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including amendments thereto), is attached as "Annexure G" to this Report.

The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including amendments thereof), is provided in the Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure, other than the Executive Chairman and Managing Director, is related to any Director of the Company.

Dividend Distribution Policy

The Board has adopted Dividend Distribution Policy in terms of Regulation 43A of the SEBI LODR. The Dividend Distribution Policy is provided as "Annexure H" and is disclosed on the website of the Company at the link: <http://investor.gmrgroup.in/Investors/GIL-Policies.html>.

Developments in Human Resources and Organization Development

The Company has robust process of human resources development which is described in detail in Management Discussion and Analysis section under the heading "Developments in Human Resources and Organization Development at GMR Group".

Changes in Share capital

There was no change in authorized, issued and paid-up share capital of the Company during the year under review.

Environmental Protection and Sustainability

Since inception, sustainability has remained at the core of our business strategy. Besides economic performance, safe operations, environment conservation and social well-being have always been at the core of our philosophy of sustainable business. The details of initiatives/activities on environmental protection and sustainability are described in Business Responsibility Report forming part of Annual Report.

Events subsequent to the date of financial statements

There are no material changes and commitments affecting financial position of the Company between March 31, 2018 and Board's Report dated August 14, 2018.

Change in the nature of business, if any

There is no change in the nature of business of the Company.

Significant and Material Orders passed by the Regulators

There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Deposits

During the year under review, the Company has not accepted any deposit from the public.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to address complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is a summary of sexual harassment complaints received and disposed of during the FY ended March 31, 2018:

Number of complaints received	:	NIL
Number of complaints disposed of	:	NIL

Secretarial Standards

The Company confirms compliance with the requirements of Secretarial Standards 1 and 2.

Acknowledgements

Your Directors thank the lenders, banks, financial institutions, business associates, customers, Government of India, State Governments in India, regulatory and statutory authorities, shareholders and the society at large for their valuable support and co-operation. Your Directors also thank the employees of the Company and its subsidiaries for their continued contribution, commitment and dedication.

For and on behalf of the Board

Place: New Delhi	Sd/-
Date: August 14, 2018	G.M. Rao
	Chairman

ANNEXURE 'A' TO THE BOARD'S REPORT
Form No. AOC - 1

"(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)"
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part 'A': Subsidiaries

S. No	Name of the Subsidiary	Reporting period	Date since when subsidiary was acquired	Reporting currency	Capital	Other equity / Reserves	Total Assets	Total Liabilities	Investments*	Turnover (Revenue from Operations)	Profit before taxation	Provision for taxation	Profit after tax-provision for taxation	Other comprehensive income (OCI)	Tax impact of OCI	Other comprehensive income (Net)	Total comprehensive income	Proposed dividend	Effective % of shareholding	Turnover net of eliminations (Revenue from Operations)	% performance of the company to total revenue
1	GMR Krishnaagiri SIR Limited #	April 01, 2017 - March 31, 2018	28.09.2007	INR	11750	0.87	587.14	468.78	-	0.00	(2.37)	0.03	(2.40)	-	-	-	(2.40)	-	100.00%	-	0.00%
2	GMR Aviation Private Limited	April 01, 2017 - March 31, 2018	28.05.2007	INR	244.08	(106.08)	197.35	59.34	1.31	51.08	(6.19)	-	(6.19)	0.11	-	0.11	(6.08)	-	100.00%	32.86	0.38%
3	GMR SEZ & Port Holdings Limited (formerly known as GMR-SEZ & Port Holdings Private Limited)	April 01, 2017 - March 31, 2018	31.03.2008	INR	4799	180.06	5157.8	287.74	93.65	0.04	(20.82)	-	(20.82)	-	-	(0.00)	(20.82)	-	100.00%	0.04	0.00%
4	Adivika Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	6.19	722	0.03	-	-	(0.06)	-	(0.06)	-	-	-	(0.06)	-	100.00%	-	0.00%
5	Aklima Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	3.25	428	0.04	-	-	(0.04)	(0.00)	(0.04)	-	-	-	(0.04)	-	100.00%	-	0.00%
6	Amartya Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	6.86	786	0.00	-	-	(0.21)	-	(0.21)	-	-	-	(0.21)	-	100.00%	-	0.00%
7	Baruni Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	5.21	641	0.20	-	-	(0.05)	-	(0.05)	-	-	-	(0.05)	-	100.00%	-	0.00%
8	Bougavillea Properties Private Limited #	April 01, 2017 - March 31, 2018	07.07.2009	INR	1.00	4.72	6.05	0.32	-	-	(0.04)	-	(0.04)	-	-	-	(0.04)	-	100.00%	-	0.00%
9	Camelia Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	4.83	6.11	0.28	-	-	(0.05)	-	(0.05)	-	-	-	(0.05)	-	100.00%	-	0.00%
10	Deepesh Properties Private Limited #	April 01, 2017 - March 31, 2018	11.06.2010	INR	1.00	11.63	14.21	1.59	-	-	(0.11)	-	(0.11)	-	-	-	(0.11)	-	100.00%	-	0.00%
11	Ella Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	7.54	8.87	0.33	-	-	(0.14)	-	(0.14)	-	-	-	(0.14)	-	100.00%	-	0.00%
12	Gerbera Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	5.70	6.91	0.21	-	-	(0.05)	-	(0.05)	-	-	-	(0.05)	-	100.00%	-	0.00%
13	Lakshmi Priya Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	6.16	7.23	0.07	-	-	(0.06)	-	(0.06)	-	-	-	(0.06)	-	100.00%	-	0.00%
14	Larkspur Properties Private Limited #	April 01, 2017 - March 31, 2018	01.02.2011	INR	1.00	5.43	6.44	0.02	-	-	(0.04)	-	(0.04)	-	-	-	(0.04)	-	100.00%	-	0.00%
15	Honeysuckle Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	8.68	9.82	0.14	-	-	(0.07)	-	(0.07)	-	-	-	(0.07)	-	100.00%	-	0.00%
16	Idlika Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	5.48	6.48	0.00	-	-	(0.11)	-	(0.11)	-	-	-	(0.11)	-	100.00%	-	0.00%
17	Krishnapriya Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	5.55	6.55	0.01	-	-	(0.06)	-	(0.06)	-	-	-	(0.06)	-	100.00%	-	0.00%
18	Nadira Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	4.05	5.18	0.13	-	-	(0.10)	-	(0.10)	-	-	-	(0.10)	-	100.00%	-	0.00%
19	Prakalpa Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	5.56	6.56	0.00	-	-	(0.02)	-	(0.02)	-	-	-	(0.02)	-	100.00%	-	0.00%
20	Purnachandra Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	6.53	7.54	0.01	-	-	(0.07)	-	(0.07)	-	-	-	(0.07)	-	100.00%	-	0.00%
21	PadmaPriya Properties Private Limited	April 01, 2017 - March 31, 2018	11.06.2010	INR	1.00	(0.55)	19.57	19.12	0.13	0.84	0.09	0.13	(0.03)	-	-	-	(0.03)	-	100.00%	-	0.00%

(₹ in crore)

(₹ in crore)

S. No	Name of the Subsidiary	Reporting period	Date since when subsidiary was acquired	Reporting currency	Capital	Other equity / Reserves	Total Assets	Total Liabilities	Investments*	Turnover (Revenue from Operations)	Profit before taxation	Provision for taxation	Profit after taxation	Other comprehensive income (OCI)	Tax impact of OCI	Other comprehensive income (Net)	Total comprehensive income	Proposed dividend	Effective % of shareholding	Turnover net of eliminations (Revenue from Operations)	% performance of the company to total revenue
22	Pranesh Properties Private Limited #	April 01, 2017 - March 31, 2018	27.06.2011	INR	1.00	6.35	7.36	0.00	-	-	(0.05)	-	(0.05)	-	-	-	(0.05)	-	100.00%	-	0.00%
23	Radhapriva Properties Private Limited #	April 01, 2017 - March 31, 2018	01.11.2011	INR	1.00	15.93	16.94	0.01	-	-	(0.14)	-	(0.14)	-	-	-	(0.14)	-	100.00%	-	0.00%
24	Shreepadita Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	6.88	7.94	0.06	-	-	(0.12)	-	(0.12)	-	-	-	(0.12)	-	100.00%	-	0.00%
25	Sreepa Properties Private Limited #	April 01, 2017 - March 31, 2018	31.03.2009	INR	1.00	5.36	6.41	0.05	-	-	(0.07)	-	(0.07)	-	-	-	(0.07)	-	100.00%	-	0.00%
26	Asteria Real Estates Private Limited #	April 01, 2017 - March 31, 2018	28.04.2012	INR	0.03	5.06	5.11	0.02	-	-	(0.08)	-	(0.08)	-	-	-	(0.08)	-	100.00%	-	0.00%
27	Lantana Properties Private Limited (formerly known as GMR Hosur Industrial City Private Limited) #	April 01, 2017 - March 31, 2018	28.08.2012	INR	0.01	9.57	9.62	0.04	-	-	(0.17)	-	(0.17)	-	-	-	(0.17)	-	100.00%	-	0.00%
28	Namitha Real Estates Private Limited #	April 01, 2017 - March 31, 2018	27.03.2014	INR	0.01	(1.37)	14.72	16.08	-	-	(0.12)	-	(0.12)	-	-	-	(0.12)	-	100.00%	-	0.00%
29	Honeyflower Estates Private Limited	April 01, 2017 - March 31, 2018	27.03.2014	INR	4.76	32.38	40.51	3.37	4.98	4.98	3.26	0.40	2.86	-	-	-	2.86	-	100.00%	-	0.00%
30	GMR Hosur EMC Limited #	April 01, 2017 - March 31, 2018	05.03.2014	INR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00%	-	0.00%
31	East Godavari Power Distribution Company Private Limited #	April 01, 2017 - March 31, 2018	15.07.2014	INR	0.02	(0.01)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	-	-	(0.00)	-	100.00%	-	0.00%
32	Suzonne Properties Private Limited #	April 01, 2017 - March 31, 2018	15.07.2014	INR	0.01	4.58	10.58	5.99	-	-	(0.79)	-	(0.79)	-	-	-	(0.79)	-	100.00%	-	0.00%
33	Lilliam Properties Private Limited #	April 01, 2017 - March 31, 2018	15.07.2014	INR	0.01	2.52	6.35	3.82	-	-	(0.51)	-	(0.51)	-	-	-	(0.51)	-	100.00%	-	0.00%
34	GMR Utilities Private Limited #	April 01, 2017 - March 31, 2018	08.12.2014	INR	0.02	(0.01)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	-	-	(0.00)	-	100.00%	-	0.00%
35	GMR Corporate Affairs Private Limited	April 01, 2017 - March 31, 2018	22.12.2006	INR	5.00	(11.39)	84.27	90.66	33.82	0.24	(6.38)	0.09	(6.47)	-	-	-	(6.47)	-	100.00%	0.21	0.00%
36	GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)	April 01, 2017 - March 31, 2018	08.09.2008	INR	126.61	(138.65)	203.82	215.87	32.82	187.83	4.85	-	4.85	(0.01)	-	(0.01)	4.84	-	63.00%	184.94	2.12%
37	Kaknada SEZ Limited (formerly known as Kaknada SEZ Private Limited)	April 01, 2017 - March 31, 2018	15.01.2011	INR	93.99	(14.26)	2,250.23	2,170.50	-	2.12	(4.32)	-	(4.32)	(0.15)	-	(0.15)	(4.46)	-	51.00%	-	0.00%
38	Dhruvi Securities Private Limited	April 01, 2017 - March 31, 2018	23.02.2010	INR	168.06	170.34	741.44	403.04	-	66.92	(5.27)	(0.66)	(4.61)	-	-	-	(4.61)	-	100.00%	22.17	0.25%
39	GMR Business Process and Services Private Limited	April 01, 2017 - March 31, 2018	19.08.2011	INR	0.01	(8.99)	16.78	25.76	12.05	0.15	(2.04)	-	(2.04)	-	-	-	(2.04)	-	100.00%	0.15	0.00%
40	GMR Airport Developer's Limited	April 01, 2017 - March 31, 2018	22.01.2011	INR	10.20	42.10	133.87	81.57	18.05	100.57	13.32	4.80	8.52	0.10	0.03	0.07	8.59	-	100.00%	3.72	0.04%
41	Rava Security Services Limited	April 01, 2017 - March 31, 2018	20.10.2015	INR	36.44	13.99	354.31	303.88	-	163.16	6.12	1.96	4.16	(3.67)	-	(3.67)	0.49	-	100.00%	94.21	1.08%
42	GMR Hyderabad International Airport Limited	April 01, 2017 - March 31, 2018	29.10.2003	INR	378.00	744.42	4,509.71	3,387.30	826.22	1,252.03	637.50	34.79	602.71	14.92	-	14.92	617.63	-	63.00%	1,182.80	13.56%
43	Hyderabad Airport Security Services Limited #	April 01, 2017 - March 31, 2018	20.07.2007	INR	12.50	0.72	13.35	0.14	0.35	-	0.01	0.00	0.01	-	-	-	0.01	-	63.00%	-	0.00%

(₹ in crore)

S. No	Name of the Subsidiary	Reporting period	Date since when subsidiary was acquired	Reporting currency	Capital	Other equity / Reserves	Total Assets	Total Liabilities	Investments*	Turnover (Revenue from Operations)	Profit before taxation	Provision for taxation	Profit after taxation	Other comprehensive income (OCI)	Tax impact of OCI	Other comprehensive income (Net)	Total comprehensive income	Proposed dividend	Effective % of shareholding	Turnover net of eliminations (Revenue from Operations)	% performance of the company to total revenue
44	GMR Aerostructure Services Limited (formerly known as GMR Hyderabad Airport Resource Management Limited) #	April 01, 2017 - March 31, 2018	18.07.2007	INR	0.05	(23.44)	402.44	425.84	-	(23.38)	(23.38)	-	(23.38)	-	-	(23.38)	(23.38)	-	100.00%	-	0.00%
45	GMR Hyderabad Aerotropolis Limited	April 01, 2017 - March 31, 2018	18.07.2007	INR	57.50	(6.67)	103.12	52.29	9.27	5.81	(3.04)	-	(3.04)	-	-	(3.04)	(3.04)	-	63.00%	5.81	0.07%
46	Hyderabad Menzies Air Cargo Private Limited	April 01, 2017 - March 31, 2018	07.02.2007	INR	1.02	98.60	124.88	25.26	49.79	31.91	6.42	6.42	25.49	(0.05)	(0.01)	(0.04)	25.45	-	32.13%	92.45	1.06%
47	GMR Hyderabad Aviation SEZ Limited	April 01, 2017 - March 31, 2018	04.12.2007	INR	51.60	3.84	168.66	113.23	20.89	14.52	(3.43)	0.65	(4.08)	-	-	(4.08)	(4.08)	-	63.00%	5.57	0.06%
48	Gateways for India Airports Private Limited	April 01, 2017 - March 31, 2018	12.01.2005	INR	0.01	2.42	3.13	0.70	2.84	0.11	0.02	0.02	0.09	-	-	0.09	0.09	-	86.49%	-	0.00%
49	Delhi International Airport Limited	April 01, 2017 - March 31, 2018	19.04.2006	INR	2,450.00	418.12	11,492.40	8,624.28	2,584.47	3,680.97	(40.59)	(78.85)	38.26	19.65	6.80	12.85	51.11	-	64.00%	3,650.19	41.85%
50	Delhi Aerotropolis Private Limited #	April 01, 2017 - March 31, 2018	22.05.2007	INR	0.10	(0.16)	0.00	0.06	-	(0.00)	(0.00)	-	(0.00)	-	-	(0.00)	(0.00)	-	64.00%	-	0.00%
51	Delhi Airport Parking Services Private Limited	April 01, 2017 - March 31, 2018	03.03.2010	INR	81.44	16.26	224.45	126.76	14.77	123.93	40.07	10.12	29.95	(0.27)	(0.08)	(0.19)	29.76	-	72.04%	123.88	1.42%
52	GMR Hyderabad Airport Power Distribution Limited #	April 01, 2017 - March 31, 2018	18.09.2012	INR	0.05	(0.03)	0.03	0.00	-	(0.00)	(0.00)	-	(0.00)	-	-	(0.00)	(0.00)	-	63.00%	-	0.00%
53	GMR Aero Technic Limited	April 01, 2017 - March 31, 2018	12.12.2014	INR	25.00	(283.65)	90.43	349.08	-	104.56	(32.81)	24.66	(57.47)	(0.31)	-	(0.31)	(57.79)	-	63.00%	104.42	1.20%
54	GMR Aerospace Engineering Company Limited	April 01, 2017 - March 31, 2018	12.12.2014	INR	324.90	(8.48)	442.41	125.99	-	28.62	(6.00)	-	(6.00)	(0.00)	-	(0.00)	(6.00)	-	63.00%	-	0.00%
55	GMR Airports Limited	April 01, 2017 - March 31, 2018	31.03.2009	INR	350.87	1,954.47	2,690.82	385.48	31.15	350.41	217.76	2.29	215.47	0.05	0.02	0.03	215.50	-	97.15%	130.76	15.0%
56	Asia Pacific Flight Training Academy Limited	October 09, 2017 - March 31, 2018	09.10.2017	INR	8.89	(13.68)	4.89	9.68	1.73	4.00	(0.77)	-	(0.77)	0.01	-	0.01	(0.76)	-	63.00%	4.00	0.05%
57	GMR Power Corporation Limited	April 01, 2017 - March 31, 2018	30.03.2004	INR	247.50	24.67	892.93	620.76	-	24.05	(3.47)	(3.47)	27.52	0.05	0.02	0.03	27.55	-	51.00%	-	0.00%
58	GMR Energy Trading Limited	April 01, 2017 - March 31, 2018	09.03.2010	INR	74.00	(8.49)	1,302.97	1,237.46	14.46	1,731.00	2.93	0.47	2.46	0.01	-	0.01	2.47	-	90.83%	1,268.26	14.54%
59	GMR Coastal Energy Private Limited #	April 01, 2017 - March 31, 2018	24.07.2008	INR	0.01	(0.15)	3.08	3.23	-	(0.02)	(0.02)	-	(0.02)	-	-	(0.02)	(0.02)	-	100.00%	-	0.00%
60	GMR Londa Hydro Power Private Limited #	April 01, 2017 - March 31, 2018	11.11.2008	INR	0.01	(10.74)	59.78	70.51	-	(5.73)	(5.73)	-	(5.73)	0.00	-	0.00	(5.73)	-	100.00%	-	0.00%
61	GMR Kaknada Energy Private Limited #	April 01, 2017 - March 31, 2018	02.06.2010	INR	0.01	(0.10)	0.78	0.87	-	(0.02)	(0.02)	-	(0.02)	-	-	(0.02)	(0.02)	-	100.00%	-	0.00%
62	SIK Powergen Limited #	April 01, 2017 - March 31, 2018	14.12.2009	INR	0.50	(206.77)	608.86	815.13	-	(3.80)	0.75	(4.56)	(4.56)	0.00	-	0.00	(4.56)	-	70.00%	-	0.00%
63	GMR Genco Assets Limited (formerly known as GMR Hosur Energy Limited) #	April 01, 2017 - March 31, 2018	22.07.2010	INR	0.05	(5.56)	17.75	23.27	-	(0.83)	-	-	(0.83)	-	-	(0.83)	(0.83)	-	100.00%	-	0.00%
64	GMR Generation Assets Limited (formerly known as GMR Renewable Energy Limited)	April 01, 2017 - March 31, 2018	03.12.2010	INR	6,323.25	(5,318.69)	2,579.05	1,574.49	-	2.55	(5,226.83)	12.67	(239.50)	-	-	-	(5,239.50)	-	100.00%	2.43	0.02%
65	GMR Power Infra Limited	April 01, 2017 - March 31, 2018	25.02.2011	INR	1.70	(5.22)	16.20	19.72	-	1.15	(1.29)	-	(1.29)	-	-	(1.29)	(1.29)	-	100.00%	1.13	0.01%
66	GMR Tambaram Tindivanam Expressways Private Limited	April 01, 2017 - March 31, 2018	16.05.2002	INR	1.00	216.47	467.13	249.66	-	53.50	21.06	5.64	15.41	(0.03)	-	(0.03)	15.39	-	86.77%	53.50	0.61%

S. No	Name of the Subsidiary	Reporting period	Date since when subsidiary was acquired	Reporting currency	Capital	Other equity/Reserves	Total Assets	Total Liabilities	Investments*	Turnover (Revenue from Operations)	Profit before taxation	Provision for taxation	Profit after tax-ation	Other comprehensive income (OCI)	Tax impact of OCI	Other comprehensive income (Net)	Total comprehensive income	Proposed dividend	Effective % of shareholding	Turnover net of eliminations (Revenue from Operations)	% performance of the company to total revenue
67	GMR Tuni Anakapalli Expressways Private Limited	April 01, 2017 - March 31, 2018	16.05.2002	INR	1.00	112.56	26572	152.16	-	38.61	15.84	2.58	13.25	(0.12)	-	(0.12)	13.13	-	86.77%	38.61	0.44%
68	GMR Ambala Chandigarh Expressways Private Limited	April 01, 2017 - March 31, 2018	09.09.2005	INR	98.24	(185.57)	44973	53706	-	50.92	(50.81)	-	(50.81)	(0.02)	-	(0.02)	(50.82)	-	100.00%	50.92	0.58%
69	GMR Pochanpalli Expressways Limited	April 01, 2017 - March 31, 2018	18.11.2005	INR	138.00	80.23	73713	518.90	10.40	79.52	16.55	5.39	11.16	(0.11)	-	(0.11)	11.05	-	100.00%	79.52	0.91%
70	GMR Highways Limited	April 01, 2017 - March 31, 2018	08.01.2009	INR	2,052.93	(929.35)	2,167.29	1,043.71	0.82	32.87	(70.44)	(2.35)	(68.09)	0.04	-	0.04	(68.04)	-	100.00%	-	0.00%
71	GMR Hyderabad Vijayawada Expressways Private Limited	April 01, 2017 - March 31, 2018	31.07.2009	INR	5.00	(344.53)	2,132.87	2,472.39	-	262.39	(195.06)	-	(195.06)	0.08	-	0.08	(194.99)	-	90.00%	262.39	3.01%
72	GMR Chennai Outer Ring Road Private Limited	April 01, 2017 - March 31, 2018	26.03.2010	INR	30.00	42.92	856.22	783.30	-	122.18	(5.04)	(4.92)	(0.12)	(0.01)	-	(0.01)	(0.13)	-	90.00%	104.76	1.20%
73	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	April 01, 2017 - March 31, 2018	24.11.2011	INR	140.00	(8.76)	331.17	199.92	-	-	(0.12)	-	(0.12)	-	-	-	(0.12)	-	100.00%	-	0.00%
74	GMR Infrastructure (Global) Limited (a)	April 01, 2017 - March 31, 2018	28.05.2008	USD	894.72	61.22	957.28	1.34	-	-	(0.31)	-	(0.31)	-	-	-	(0.31)	-	100.00%	-	0.00%
75	GMR Infrastructure (Cyprus) Limited (a)	April 01, 2017 - March 31, 2018	19.11.2007	USD	0.05	(22.38)	186.23	208.56	-	-	(70.80)	1.45	(72.25)	-	-	-	(72.25)	-	100.00%	-	0.00%
76	GMR Energy (Global) Limited (a)	April 01, 2017 - March 31, 2018	27.05.2008	USD	956.92	(957.04)	0.14	0.26	-	-	(0.18)	-	(0.18)	-	-	-	(0.18)	-	100.00%	-	0.00%
77	GMR Infrastructure Overseas Limited, Malta (b)	April 01, 2017 - March 31, 2018	27.03.2013	EURO	0.02	732.33	732.61	0.25	-	-	(1.69)	-	(1.69)	105.46	-	105.46	103.77	-	100.00%	-	0.00%
78	GMR Infrastructure (Mauritius) Limited (a)	April 01, 2017 - March 31, 2018	18.12.2007	USD	-	-	-	-	190.95	-	-	-	-	-	-	-	-	-	100.00%	-	0.00%
79	GMR Infrastructure (UK) Limited (c)	April 01, 2017 - March 31, 2018	03.03.2008	GBP	46.23	(149.78)	6.28	109.83	-	-	(3.38)	-	(3.38)	(18.29)	-	(18.29)	(21.67)	-	100.00%	-	0.00%
80	GADL (Mauritius) Limited (a)	April 01, 2017 - March 31, 2018	22.01.2011	USD	1.08	(1.03)	0.20	0.15	-	-	(0.21)	-	(0.21)	0.00	-	0.00	(0.20)	-	100.00%	-	0.00%
81	GADL International Limited (e)	January 01, 2017 - December 31, 2017	22.01.2011	USD	0.16	(16.62)	135.65	152.10	34.93	16.52	7.45	-	7.45	1.29	-	1.29	8.75	-	100.00%	8.03	0.09%
82	GMR Infrastructure (Overseas) Limited (a)	April 01, 2017 - March 31, 2018	23.06.2010	USD	0.00	1,695.73	2,041.18	345.45	-	-	0.13	-	0.13	0.04	-	0.04	0.17	-	100.00%	-	0.00%
83	GMR Male International Airport Private Limited (e)	January 01, 2017 - December 31, 2017	09.08.2010	USD	194.72	439.15	692.06	58.19	-	-	(24.20)	-	(24.20)	(27.33)	-	(27.33)	(51.52)	-	76.87%	-	0.00%
84	GMR Energy (Cyprus) Limited (a)	April 01, 2017 - March 31, 2018	26.08.2008	USD	0.03	(71.62)	280.98	352.57	-	-	(74.12)	-	(74.12)	0.15	-	0.15	(73.98)	-	100.00%	-	0.00%
85	GMR Energy (Netherlands) B.V.(a)	April 01, 2017 - March 31, 2018	27.10.2008	USD	0.16	262.25	742.82	480.41	-	-	(1.65)	-	(1.65)	(2.41)	-	(2.41)	(4.06)	-	100.00%	-	0.00%
86	PT Unsooc (c) #	April 01, 2017 - March 31, 2018	04.08.2009	INR	0.47	0.11	0.58	-	-	0.00	0.00	-	0.00	-	-	-	0.00	-	100.00%	-	0.00%
87	PT Dwikarya Sejati Utama (a) #	April 01, 2017 - March 31, 2018	24.02.2009	USD	0.71	10.75	646.15	634.69	-	-	(1.75)	(0.02)	(1.73)	-	-	-	(1.73)	-	100.00%	-	0.00%
88	PT Duta Sarana Internusa (a) #	April 01, 2017 - March 31, 2018	24.02.2009	USD	0.88	(30.98)	642.78	672.88	-	-	(1.81)	(0.02)	(1.79)	(0.47)	-	(0.47)	(2.26)	-	100.00%	-	0.00%
89	PT Barasenos Lestari (a) #	April 01, 2017 - March 31, 2018	24.02.2009	USD	6.38	(26.91)	642.43	662.96	-	-	(1.73)	(0.02)	(1.71)	(0.47)	-	(0.47)	(2.18)	-	100.00%	-	0.00%

(₹ in crore)

(₹ in crore)

S. No	Name of the Subsidiary	Reporting period	Date since when subsidiary was acquired	Reporting currency	Capital	Other equity / Reserves	Total Assets	Total Liabilities	Investments*	Turnover (Revenue from Operations)	Profit before taxation	Provision for taxation	Profit after taxation	Other comprehensive income (OCI)	Tax impact of OCI	Other comprehensive income (Net)	Total comprehensive income	Proposed dividend	Effective % of shareholding	Turnover net of eliminations (Revenue from Operations)	% performance of the company to total revenue
90	GMR Infrastructure Singapore Pte Limited (a)	April 01, 2017 - March 31, 2018	10.02.2009	USD	378.67	554.59	1,489.67	556.41	1.98	269.83	(2.86)	4.68	(7.55)	-	-	-	(7.55)	-	100.00%	261.70	3.00%
91	GMR Energy Projects (Mauritius) Limited (b)	April 01, 2017 - March 31, 2018	23.12.2010	INR	0.07	(1,125.51)	767.50	1,892.95	-	-	(202.41)	-	(202.41)	-	-	-	(202.41)	-	100.00%	-	0.00%
92	GMR Coal resources Pte Ltd (b)	April 01, 2017 - March 31, 2018	04.06.2010	INR	657.78	(778.42)	3,323.78	3,444.43	-	-	6.88	17.76	(10.89)	3.04	-	3.04	(7.85)	-	100.00%	-	0.00%
93	GMR Airports (Mauritius) Limited (a)	April 01, 2017 - March 31, 2018	21.01.2013	USD	0.98	2.36	3.47	0.13	-	-	(0.27)	-	(0.27)	(0.01)	-	(0.01)	(0.28)	-	100.00%	-	0.00%
94	Indo Tausch Trading DMCC (a) #	January 01, 2017 - December 31, 2017	20.03.2016	USD	1.78	(0.54)	1.26	0.02	-	-	(0.29)	-	(0.29)	0.02	-	0.02	(0.27)	-	100.00%	-	0.00%
95	Kakinada Gateway Port Limited	April 01, 2017 - March 31, 2018	13.07.2016	INR	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	-	-	(0.00)	-	51.00%	-	0.00%
96	GMR SEZ Infra Services Limited	April 01, 2017 - March 31, 2018	20.05.2016	INR	0.05	(0.01)	0.05	0.01	0.04	-	(0.00)	-	(0.00)	-	-	-	(0.00)	-	100.00%	-	0.00%
97	GMR Infra Developers Limited	April 01, 2017 - March 31, 2018	28.02.2017	INR	0.05	(0.00)	0.05	0.00	-	-	(0.00)	-	(0.00)	-	-	-	(0.00)	-	100.00%	-	0.00%
98	Megawide - GISPL Construction JV** (d)	January 01, 2017 - December 31, 2017	01.04.2017	PHP	2.89	29.32	153.67	121.46	-	206.00	22.55	-	22.55	(1.37)	-	(1.37)	21.18	-	50.00%	206.00	2.36%
99	GMR Goa International Airport Limited	April 01, 2017 - March 31, 2018	14.10.2016	INR	114.00	(5.29)	159.54	50.83	122.12	-	(3.42)	0.60	(4.02)	-	-	-	(4.02)	-	99.99%	-	-

Notes:

- The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the company and the subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any member in the registered office and that of the subsidiary companies concerned.
- * Investments except investment in Group entities (Subsidiaries / Joint ventures / Associates).
- ** MGICV is jointly controlled operation (JCO) consolidated on proportionate basis w.e.f 1st April 2017.
4. Details of reporting currency and the rate used in the preparation of consolidated financial statements.

Reporting Currency Reference	For Conversion		
	Currency	Average Rate (in ₹)	Closing Rate (in ₹)
a	USD	65.24	65.34
b	Euro	75.06	80.81
c	GBP	85.28	92.28
d	PHP	1.30	1.28
e	USD@	66.06	64.80

- # indicates the names of subsidiaries which are yet to commence operations
- @ Rates as at December 31, 2017

Part "B": Associates and Joint Ventures

"Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures"

S No	Name of Associates/Joint Ventures	Code	Latest audited Balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Profit / (Loss) for the year (₹ in crore)		OCI for the year (₹ in crore)	
					Number in crore	Amount of investment in Associates/Joint Venture (₹ in crore)	% Extend of Holding			Considered in Consolidation	Not considered in Consolidation	Considered in Consolidation	Not considered in Consolidation
Associates													
1	GMR Chhattisgarh Energy Limited	GCHEPL	March 31, 2018	21.02.2017	272.05	3,368.00	47.62%	Company holds investment which by share ownership is deemed to be an associate company	NA	1,485.25	(544.20)	0.06	-
2	GMR Rajahmundry Energy Limited	GREL	March 31, 2018	12.05.2016	115.70	1,157.00	45.00%		NA	(557.86)	(557.82)	(0.03)	-
3	GMR Mining & Energy Private Limited #	GMEL	March 31, 2018	21.02.2017	0.01	0.05	68.57%		NA	(0.73)	(0.01)	-	-
4	GMR OSE Hungund Hospet Highways Private Limited	GOSEHPL	March 31, 2018	23.03.2016	8.28	82.82	36.01%		No Beneficial Ownership	-	-	-	-
5	East Delhi Waste Processing Company Private Limited	EDWPCPL	March 31, 2018	23.10.2013	0.00	0.01	48.99%		Beneficial Ownership	70.12	-	(27.13)	-
Joint Ventures													
1	GMR Energy Limited	GEL	March 31, 2018	04.11.2016	186.59	5,369.98	51.73%		NA				
2	GMR Vemagiri Power Generation Limited	GVPGL	March 31, 2018	04.11.2016	27.45	295.90	51.73%		NA				
3	GMR (Badrinath) Hydro Power Generation Private Limited #	GBHPL	March 31, 2018	04.11.2016	0.50	5.00	51.73%		NA				
4	GMR Maharashtra Energy Limited #	GMEAL	March 31, 2018	04.11.2016	0.01	0.05	51.73%		NA				
5	GMR Consulting Services Limited	GCSL	March 31, 2018	04.11.2016	0.01	0.05	51.21%		NA				
6	GMR Bajaj Holi Hydro Power Private Limited #	GBHPL	March 31, 2018	04.11.2016	36.41	364.10	54.29%		NA				
7	GMR Warora Energy Limited (formerly EMCO Energy Limited)	GWEL	March 31, 2018	04.11.2016	87.00	998.75	51.73%		NA				
8	GMR Bundeekhand Energy Private Limited #	GBEPL	March 31, 2018	04.11.2016	0.00	0.01	51.73%		NA				
9	GMR Rajam Solar Power Private Limited (Formerly GMR Uttar Pradesh Energy Pvt. Ltd.)	GRSPLL	March 31, 2018	04.11.2016	0.00	0.01	51.73%		NA	3145.66	(12.755)	0.16	-
10	GMR Gujarat Solar Power Limited	GGSPPL	March 31, 2018	04.11.2016	7.36	73.60	51.73%		NA				
11	GMR Indo-Nepal Energy Links Limited #	GINELL	March 31, 2018	04.11.2016	0.01	0.05	51.73%		NA				
12	GMR Indo-Nepal Power Corridor's Limited #	GINPCL	March 31, 2017	04.11.2016	0.01	0.05	51.73%		NA				
13	GMR Energy (Mauritius) Limited (b)	GEMIL	March 31, 2018	04.11.2016	0.00	-	54.14%		NA				
14	GMR Lion Energy Limited (b)	GLEL	March 31, 2018	04.11.2016	0.29	19.30	54.14%		NA				
15	Himtal Hydro Power Co. (P) Limited (a) #	HHPPL	March 31, 2018	04.11.2016	0.16	31.79	42.42%		NA				
16	GMR Upper Karnali Hydro Power Limited (a) #	GUKPL	March 31, 2018	04.11.2016	0.11	0.95	39.52%		NA				
17	Karnali Transmission Company Private Limited (a) #	KTCPL	March 31, 2018	04.11.2016	0.00	0.30	54.14%		NA				
18	Marsyangdi Transmission Co. Pvt. Limited (a) #	MITPL	March 31, 2018	04.11.2016	0.00	0.30	54.14%		NA				
19	GMR Kamalanga Energy Limited	GKEL	March 31, 2018	28.12.2007	187.84	1,887.67	45.22%		NA				
20	Delhi Aviation Services Private Limited	DASPL	March 31, 2018	30.07.2010	1.25	12.50	32.00%		NA	20.28	5.64	(0.00)	-
21	Travel Food Services (Delhi T3) Private Limited	TFS	March 31, 2018	23.06.2010	0.56	5.60	25.60%		NA	4.41	0.71	(0.00)	-
22	Delhi Aviation Fuel Facility Private Limited	DAFF	March 31, 2018	08.01.2010	4.26	42.64	16.64%		NA	53.30	10.99	(0.01)	-
23	Celebi Delhi Cargo Terminal Management India Private Limited	CDCTM	March 31, 2018	24.08.2009	2.91	29.12	16.64%		NA	52.24	4.96	(0.03)	-
24	TIM Delhi Airport Advertising Private Limited	TIM	March 31, 2018	09.07.2010	0.92	9.22	31.94%		NA	36.90	13.52	(0.04)	-
25	Wipro Airport IT Services Limited	WAISL	March 31, 2018	29.01.2010	0.13	1.30	16.64%		NA	1.43	(2.03)	(0.00)	-
26	Delhi Duty Free Services Private Limited	DDFS	March 31, 2018	07.06.2013	5.35	135.16	48.97%		NA	25.652	74.06	(5.83)	-

S No	Name of Associates/Joint Ventures	Code	Latest audited Balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Network Shareholding attributable as per latest audited Balance Sheet	Profit / (Loss) for the year (₹ in crore)		OCI for the year (₹ in crore)	
					Number in crore	Amount of investment in Associates/Joint Venture (₹ in crore)				% Extend of Holding	Considered in Consolidation	Not considered in Consolidation	Considered in Consolidation
27	Asia Pacific Flight Training Academy Limited *	APFT	March 31, 2018	18.02.2011	-	-	NA	NA	-	0.16	-	-	-
28	Lapshya Hyderabad Airport Media Private Limited	LAQSHYA	March 31, 2018	14.05.2011	0.98	9.80	30.87%	NA	14.48	4.03	-	(0.00)	-
29	GMR Megawide Cebu Airport Corporation	GMCAC	December 31, 2017	13.01.2014	202.70	297.92	40.00%	NA	390.25	57.93	-	0.11	-
30	Limak GMR Construction JV	CIV	March 31, 2018	25.03.2008	-	0.12	50.00%	NA	(0.78)	(0.25)	-	-	-
31	Rampia Coal Mine and Energy Private Limited	RCMEPL	March 31, 2018	19.02.2008	2.43	2.44	9.00%	NA	NA	NA	-	NA	-
32	PT Golden Energy Mines Tbk	PTGEMS	December 31, 2017	17.11.2011	-	-	30.00%	-	-	-	-	-	-
33	PT Roundhill Capital Indonesia	RCI	December 31, 2017	17.11.2011	-	-	29.70%	-	-	-	-	-	-
34	PT Borneo Indobara	BIB	December 31, 2017	17.11.2011	-	-	29.43%	-	-	-	-	-	-
35	PT Kuansing Inti Makmur	KIM	December 31, 2017	17.11.2011	-	-	30.00%	-	-	-	-	-	-
36	PT Karya Cemerlang Persada	KCP	December 31, 2017	17.11.2011	-	-	30.00%	-	-	-	-	-	-
37	PT Bungo Bara Utama	BBU	December 31, 2017	17.11.2011	-	-	30.00%	-	-	-	-	-	-
38	PT Bara Harmonis Batang Asam	BHBA	December 31, 2017	17.11.2011	-	-	30.00%	-	-	-	-	-	-
39	PT Berkat Nusantara Permai	BNP	December 31, 2017	17.11.2011	-	-	30.00%	-	-	-	-	-	-
40	PT Tanjung Belt Bara Utama	TBBU	December 31, 2017	17.11.2011	-	-	30.00%	-	-	-	-	-	-
41	PT Trisula Kencana Sakti	TKS	December 31, 2017	17.11.2011	176.47	3,384.71	21.00%	NA	3151.65	233.30	-	(1.83)	-
42	PT Era Mitra Selaras	EMS	December 31, 2017	20.09.2016	-	-	30.00%	-	-	-	-	-	-
43	PT Wahana Rimba	WRL	December 31, 2017	20.09.2016	-	-	30.00%	-	-	-	-	-	-
44	PT Berkat Satira Abadi	BSA	December 31, 2017	20.09.2016	-	-	30.00%	-	-	-	-	-	-
45	PT Gems Energy Indonesia	GEMSENERGY	December 31, 2017	19.03.2015	-	-	30.00%	-	-	-	-	-	-
46	GEMS Trading Resources Pte Limited	GEMSCR	December 31, 2017	13.07.2012	-	-	30.00%	-	-	-	-	-	-
47	Shanghai Jinguang Energy Co. Ltd	SJELC	December 31, 2017	09.04.2015	-	-	30.00%	-	-	-	-	-	-
48	PT Karya Mining Solution (formerly known as PT Bumi Anugerah Semesta)	BAS	December 31, 2017	24.07.2013	-	-	30.00%	-	-	-	-	-	-
49	PT Kuansing Inti Sejahtera	KIS	December 31, 2017	22.11.2017	-	-	30.00%	-	-	-	-	-	-
50	PT Bungo Bara Makmur	BBM	December 31, 2017	22.11.2017	-	-	30.00%	-	-	-	-	-	-

1. # indicates the names of Joint Ventures/Associates which are yet to commence operations

2. *APFT became subsidiary w.e.f October 9, 2017 on purchase of further stake by Group

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors of GMR Infrastructure Limited

G M Rao
Chairman
DIN: 00574243

Madhva Bhimacharya Terdal
CFO

Grandhi Kiran Kumar
Managing Director & CEO
DIN: 00061669

Venkat Ramana Tangirala
Company Secretary

Place: New Delhi
Date: August 14, 2018

ANNEXURE 'B' TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

CSR Policy of the Company is stated herein below.

Weblink: <http://investor.gmrgroup.in/investors/GIL-Policies.html>

2. **The Composition of the CSR Committee:**

Mr. R.S.S.L.N. Bhaskarudu	-	Chairman (Independent Director)
Mr. B.V.N. Rao	-	Member (Group Director)
Mr. G.B.S. Raju	-	Member (Group Director)

3. **Average net profit/loss of the Company for last three financial years:**

Average net loss : ₹ 150.21 Crore

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

Not applicable in view of losses.

5. **Details of CSR spent during the financial year:**

- (a) Total amount spent for the financial year:

Nil

- (b) Amount unspent, if any:

N.A.

- (c) Manner in which the amount spent during the financial year is detailed below:

N.A.

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report:**

Due to non-availability of profits the Company was not required to spend any amount on CSR activities during the financial year 2017-18.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company :**

The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-

R.S.S.L.N. Bhaskarudu
Chairman CSR Committee

Sd/-

Grandhi Kiran Kumar
Managing Director and CEO

Corporate Social Responsibility (CSR) Policy

GMR Infrastructure Limited (**the Company**), a part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group (the Group) recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

The Company is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company intends to support corporate social responsibility initiatives across the country through GMR Varalakshmi Foundation (**implementing partner**). The initiatives will be in the areas of education, health, hygiene, sanitation, empowerment, livelihood and community development.

CSR Policy for GMR Infrastructure Limited

In continuance to the community development initiatives being undertaken by the Company and in pursuance of the requirements of the Companies Act, 2013, the Company as part of its CSR initiatives proposes to engage and work on the following areas (with a special focus to geographical locations in India where GMR Infrastructure Limited has presence), hereinafter referred to as the CSR Policy:

i) Education:

- Support for promotion of education of all kinds (school education, technical, higher, vocational and adult education), to all ages and in various forms, with a focus on vulnerable and under-privileged;
- Education for girl child and the under-privileged by providing appropriate infrastructure and groom them as future citizens and contributing members of society;

ii) Health, Hygiene and Sanitation:

- Ambulance services, mobile medical units, health awareness programmes and camps, medical check-ups, HIV/AIDS awareness initiatives, health care facilities and services, sanitation facilities;
- Eradicating hunger, poverty and malnutrition, promotion of preventive health care and sanitation, and making available safe drinking water;
- Reducing child mortality and improving maternal health;

iii) Empowerment & Livelihoods:

- Employment enhancing vocational skills training, marketing support and other initiatives for youth, women, elderly, rural population and the differently-abled, and livelihood enhancement projects;
- Promoting gender equality, empowering women, working for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Assist in skill development by providing direction and technical expertise for empowerment;

iv) Community Development:

- Encouraging youth and children to form clubs and participate in community development activities such as like cleanliness drives, plantation drives etc.

v) Environmental sustainability:

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water.

vi) Heritage and Culture:

- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.

vii) Measures for the benefit of armed forces veterans, war widows and their dependents.

viii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief, and funds for the welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.

- x) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- xi) Other rural development projects.
- xii) Slum area development.
- xiii) Such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by CSR Committee from time to time, which are not expressly prohibited.

It may be noted that the above activities are indicative and are activities that the company may at any point of time engage but all such activities may not be taken up by the Company during the year.

The expenditure incurred for the following activities shall not be treated as CSR activity by the Company:

- Activities undertaken in pursuance of the normal course of business;
- Activities undertaken outside India;
- Activities that benefit exclusively the employees of the company or their family members;
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc;
- Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) Further, the surplus arising out of the CSR activity shall not form part of business profits of the Company.
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc;
- Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) Further, the surplus arising out of the CSR activity shall not form part of business profits of the Company.

ANNEXURE 'C' TO BOARD'S REPORT
Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management

1. INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute a Nomination and Remuneration Committee. The Company has constituted a Nomination and Remuneration Committee as required by the Listing Agreement entered into with the Stock Exchanges and the Companies Act, 2013.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

1.1 Purpose of the Policy

The Key Objectives of the Committee are:

- (a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The Policy ensures that:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- (c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

1.2. Definitions

1.2.1. "Board" means the Board of Directors of the Company.

1.2.2. "Company" means "GMR Infrastructure Limited."

1.2.3. "Employees' Stock Option" means the option given to the directors, officers or employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

1.2.4. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

1.2.5. "Key Managerial Personnel" or "KMP" means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder. (As per Section 203 of the Companies Act, 2013, the following are whole-time Key Managerial Personnel:

- (i) Managing Director or Chief Executive Officer or the Manager and in their absence a whole-time Director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer.

1.2.6. "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

1.2.7. "Policy or This Policy" means, "Nomination and Remuneration Policy."

1.2.8. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

1.2.9. "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

1.3. Interpretation

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following acts, listing agreement, regulations, rules:

- (i) The Companies Act, 2013 or the rules framed thereon;
- (ii) Listing Agreement with the Stock Exchanges;
- (iii) Securities Contracts (Regulation) Act, 1956;
- (iv) Securities and Exchange Board of India Act, 1992;
- (v) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
- (vi) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

2. NOMINATION AND REMUNERATION COMMITTEE

2.1. Role of the Committee

- (a) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- (b) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- (c) Formulating the criteria for evaluation of Independent Directors and the Board;
- (d) Devising a policy on Board diversity;
- (e) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- (f) All information about the Directors / Managing Directors / Whole time Directors / Key Managerial Personnel i.e. background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to the shareholders, where required;
- (g) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole-time Directors;
- (h) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- (i) The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders.

2.2. Composition of the Committee

- (a) The Committee shall comprise of atleast three (3) Directors, all of whom shall be non-executive Directors and atleast half shall be Independent;
- (b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement;
- (c) Minimum two (2) members shall constitute a quorum for the Committee meeting;
- (d) Membership of the Committee shall be disclosed in the Annual Report;
- (e) Term of the Committee shall be continued unless terminated by the Board of Directors.

2.3. Chairman of the Committee

- (a) Chairman of the Committee shall be an Independent Director;
- (b) Chairman of the Company may be appointed as a member of the Committee but shall not Chair the Committee;
- (c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;

- (d) Chairman of the Nomination and Remuneration Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

2.4. Frequency of the Meetings of the Committee

The meeting of the Committee shall be held at such regular intervals as may be required.

2.5. Committee Member's Interest

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

2.6. Voting at the Meeting

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

2.7. Minutes of the Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

3. APPLICABILITY

This Policy is Applicable to:

- (a) Directors (Executive, Non-Executive and Independent);
- (b) Key Managerial Personnel;
- (c) Senior Management Personnel;
- (d) Other employees as may be decided by the Nomination and Remuneration Committee.

4. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

4.1. Appointment criteria and qualifications

- (a) Subject to the applicable provisions of the Companies Act, 2013, the Listing Agreement, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment;
- (b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position;
- (c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

4.2. Term / Tenure

4.2.1. Managing Director / Whole-time Director / Manager (Managerial Personnel)

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

4.2.2. Independent Director

- (a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- (b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director:

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- (c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company;
- (d) The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

4.3. Familiarization Programme for Independent Directors

The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

4.4. Evaluation

Subject to Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Committee shall carry out the evaluation of Directors periodically.

4.5. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

4.6. Retirement

The Director, KMP and Personnel of Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Personnel of Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

5. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT PERSONNEL

5.1. General

- (a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required;
- (b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force;
- (c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel;
- (d) Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

5.2. Remuneration to Managerial Personnel, KMP, Senior Management and Other Employees

5.2.1. Fixed Pay

Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

5.2.2. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

5.2.3. Provisions for excess remuneration

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

5.2.4. The remuneration to Personnel of Senior Management shall be governed by the GMR Group HR Policy.

5.2.5. The remuneration to other employees shall be governed by the GMR Group HR Policy.

5.3. Remuneration to Non-Executive / Independent Director

5.3.1. Remuneration / Commission

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

5.3.2. Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof:

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

5.3.3. Limit of Remuneration / Commission

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

5.3.4. Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

6. DISCLOSURES

The Company shall disclose the Policy on Nomination and Remuneration on its website and the web-link shall be provided in the Annual Report.

7. AMENDMENT

Any amendment or modification in the Listing Agreement and any other applicable regulation relating to Nomination and Remuneration Committee shall automatically be applicable to the Company.

ANNEXURE 'D' TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

FOR THE FINANCIAL YEAR ENDED: 31.03.2018

To,
The Members,
GMR Infrastructure Limited
Naman Centre, 7th Floor, Opp. Dena Bank,
Plot No. C-31, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051. Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GMR Infrastructure Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives and during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2018 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2018 according to the provisions of:

- (i) The Companies Act, 1956 to the extent applicable and the Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period)

- (vi) Other laws applicable specifically to the Company, namely:
- (a) Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
 - (b) Building and other Construction Workers' Welfare Cess Act, 1996;
 - (c) Contract Labor (Regulation and Abolition) Act, 1970 and the Rules thereunder; and
 - (d) Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1) on meetings of the Board of Directors and Secretarial Standards (SS-2) on General Meetings issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We have not examined compliance by the Company with applicable financial laws, such as direct and indirect tax laws, since the same have been subject to review by statutory auditors and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the statutory compliance certificates furnished by the Managing Director and Company Secretary and taken on record at various board meetings of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations, standards and guidelines.

We further report that during the audit period, the Company has undertaken the following actions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines, etc.

1. Approval for fund raising for an amount up to ₹ 2500 Crore in one or more tranches.
2. Approval under 179 of the Companies Act, 2013 to infuse up to 150 Million Pounds towards Company's equity for the payment of Upfront Concession fee for Nikola Tesla Airport, in Belgrade, Serbia.

Bengaluru

Date : July 13, 2018

For V. Sreedharan & Associates

Sd/-

V. Sreedharan

Partner

FCS 2347; C. P. No. 833

ANNEXURE ‘E’ TO THE BOARD’S REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*
- (ii) the steps taken by the company for utilising alternate sources of energy:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*
- (iii) the capital investment on energy conservation equipments:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*

(B) Technology absorption:

- (i) the efforts made towards technology absorption:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
 - (a) the details of technology imported:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*
 - (b) the year of import:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*
 - (c) whether the technology been fully absorbed:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*
- (iv) the expenditure incurred on Research and Development:
Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.*

*However, various steps taken by the Group towards energy efficiency, utilising alternative resources and technology absorption are covered under the Business Responsibility Report forming part of the Annual Report 2018.

(C) Foreign exchange earnings and Outgo during the year:

- (i) The Foreign Exchange earned in terms of actual inflows:

(₹ in Crore)

Particulars	March 31, 2018	March 31, 2017
Interest / Miscellaneous income	21.47	3.37
Profit on sale of Investment	Nil	Nil
Income from Management and other services / Management Consulting Services	Nil	19.87

- (ii) Foreign Exchange outgo in terms of actual outflows:

(₹ in Crore)

Particulars	March 31, 2018	March 31, 2017
Other Expenses	12.74	4.06
Interest on FCCB	144.81	151.86

ANNEXURE 'F' TO THE BOARD'S REPORT
List of Holding, Subsidiary and Associate companies

As on the Financial Year ended on 31.03.2018

Sl. No	Name#	Holding/ Subsidiary/ € Associate
1	GMR Enterprises Private Limited (GEPL)	Holding
2	GMR Energy Limited (GEL)*	Subsidiary
3	GMR Power Corporation Limited (GPCL)	Subsidiary
4	GMR Vemagiri Power Generation Limited (GVPGL)*	Subsidiary
5	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)*	Subsidiary
6	GMR Energy (Mauritius) Limited (GEML)*	Subsidiary
7	GMR Lion Energy Limited (GLEL)*	Subsidiary
8	GMR Energy Trading Limited (GETL)	Subsidiary
9	GMR Consulting Services Limited (GCSL)*	Subsidiary
10	GMR Coastal Energy Private Limited (GCEPL)	Subsidiary
11	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)*	Subsidiary
12	GMR Londa Hydropower Private Limited (GLHPPPL)	Subsidiary
13	GMR Kakinada Energy Private Limited (GKEPL)	Subsidiary
14	GMR Energy (Cyprus) Limited (GECL)	Subsidiary
15	GMR Energy (Netherlands) B.V. (GENBV)	Subsidiary
16	PT Dwikarya Sejati Utma (PTDSU)	Subsidiary
17	PT Duta Sarana Internusa (PTDSI)	Subsidiary
18	PT Barasentosa Lestari (PTBSL)	Subsidiary
19	SJK Powergen Limited (SJK)	Subsidiary
20	PT Unsoco (PTU)	Subsidiary
21	GMR Warora Energy Limited (GWEL)* (Formerly EMCO Energy Limited)	Subsidiary
22	GMR Maharashtra Energy Limited (GMAEL)*	Subsidiary
23	GMR Bundelkhand Energy Private Limited (GBEPL)*	Subsidiary
24	GMR Rajam Solar Power Private Limited (GRSPPL)* (Formerly GMR Uttar Pradesh Energy Private Limited)	Subsidiary
25	GMR Genco Assets Limited (GGEAL) (Formerly GMR Hosur Energy Limited)	Subsidiary
26	GMR Gujarat Solar Power Limited (GGSPPL)*	Subsidiary
27	Karnali Transmission Company Private Limited (KTCPL)*	Subsidiary
28	Marsyangdi Transmission Company Private Limited (MTCPL)*	Subsidiary
29	GMR Indo-Nepal Energy Links Limited (GINELL)*	Subsidiary
30	GMR Indo-Nepal Power Corridors Limited (GINPCL)*	Subsidiary
31	GMR Generation Assets Limited (Formerly GMR Renewable Energy Limited) (GGAL)	Subsidiary
32	GMR Energy Projects (Mauritius) Limited (GEPML)	Subsidiary
33	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Subsidiary
34	GMR Coal Resources Pte Limited (GCRPL)	Subsidiary
35	GMR Power Infra Limited (GPIL)	Subsidiary
36	GMR Highways Limited (GHL)	Subsidiary
37	GMR Tambaram Tindivanam Expressways Limited (GTTEL)	Subsidiary
38	GMR Tunj-Anakapalli Expressways Limited (GTAEL)	Subsidiary
39	GMR Ambala-Chandigarh Expressways Private Limited (GACEPL)	Subsidiary
40	GMR Pochanpalli Expressways Limited (GPEL)	Subsidiary
41	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	Subsidiary
42	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	Subsidiary
43	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	Subsidiary
44	GMR Hyderabad International Airport Limited (GHIAL)	Subsidiary

Sl. No	Name#	Holding/ Subsidiary/ €Associate
45	Gateways for India Airports Private Limited (GFIAL)	Subsidiary
46	Hyderabad Airport Security Services Limited (HASSL)	Subsidiary
47	GMR Aerostructure Services Limited (GASL) (Formerly GMR Hyderabad Airport Resource Management Limited)	Subsidiary
48	GMR Hyderabad Aerotropolis Limited (HAPL)	Subsidiary
49	GMR Hyderabad Aviation SEZ Limited (GHASL)	Subsidiary
50	GMR Aerospace Engineering Limited (GAEL)	Subsidiary
51	GMR Aero Technic Limited (GATL)	Subsidiary
52	GMR Airport Developers Limited (GADL)	Subsidiary
53	GADL International Limited (GADLIL)	Subsidiary
54	GADL (Mauritius) Limited (GADLML)	Subsidiary
55	GMR Hospitality and Retail Limited (GHRL) (formerly GMR Hotels and Resorts Limited)	Subsidiary
56	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)	Subsidiary
57	Delhi International Airport Limited (DIAL) (Formerly Delhi International Airport Private Limited)	Subsidiary
58	Delhi Aerotropolis Private Limited (DAPL)	Subsidiary
59	Delhi Airport Parking Services Private Limited (DAPSL)	Subsidiary
60	GMR Airports Limited (GAL)	Subsidiary
61	GMR Malé International Airport Private Limited (GMIAL)	Subsidiary
62	GMR Airports (Mauritius) Limited (GAML)	Subsidiary
63	GMR Aviation Private Limited (GAPL)	Subsidiary
64	GMR Krishnagiri SIR Limited (GKSIR) (formerly GMR Krishnagiri SEZ Limited)	Subsidiary
65	Advika Properties Private Limited (APPL)	Subsidiary
66	Aklima Properties Private Limited (AKPPL)	Subsidiary
67	Amartya Properties Private Limited (AMPPL)	Subsidiary
68	Baruni Properties Private Limited (BPPL)	Subsidiary
69	Bougainvillea Properties Private Limited (BOPPL)	Subsidiary
70	Camelia Properties Private Limited (CPPL)	Subsidiary
71	Deepesh Properties Private Limited (DPPL)	Subsidiary
72	Eila Properties Private Limited (EPPL)	Subsidiary
73	Gerbera Properties Private Limited (GPL)	Subsidiary
74	Lakshmi Priya Properties Private Limited (LPPPL)	Subsidiary
75	Honeysuckle Properties Private Limited (HPPL)	Subsidiary
76	Idika Properties Private Limited (IPPL)	Subsidiary
77	Krishnapriya Properties Private Limited (KPPL)	Subsidiary
78	Larkspur Properties Private Limited (LPPL)	Subsidiary
79	Nadira Properties Private Limited (NPPL)	Subsidiary
80	Padmapriya Properties Private Limited (PAPPL)	Subsidiary
81	Prakalpa Properties Private Limited (PPPL)	Subsidiary
82	Purnachandra Properties Private Limited (PUPPL)	Subsidiary
83	Shreyadita Properties Private Limited (SPPL)	Subsidiary
84	Pranesh Properties Private Limited (PRPPL)	Subsidiary
85	Sreepa Properties Private Limited (SRPPL)	Subsidiary
86	Radhapriya Properties Private Limited (RPPL)	Subsidiary
87	Asteria Real Estates Private Limited (AREPL)	Subsidiary
88	Lantana Properties Private Limited (Formerly GMR Hosur Industrial City Private Limited) (LPPL)	Subsidiary
89	Namitha Real Estates Private Limited (NREPL)	Subsidiary
90	Honey Flower Estates Private Limited (HFEPL)	Subsidiary
91	GMR SEZ & Port Holdings Limited (Formerly GMR SEZ & Port Holdings Private Limited) (GSPHL)	Subsidiary
92	East Godavari Power Distribution Company Private Limited (EGPDCPL)	Subsidiary

Sl. No	Name#	Holding/ Subsidiary/ € Associate
93	Suzone Properties Private Limited (SUPPL)	Subsidiary
94	GMR Utilities Private Limited (GUPL)	Subsidiary
95	Lilliam Properties Private Limited (LPPL)	Subsidiary
96	GMR Corporate Affairs Private Limited (GCAPL)	Subsidiary
97	Dhruvi Securities Private Limited (DSPL)	Subsidiary
98	Kakinada SEZ Limited (KSL) (Formerly Kakinada SEZ Private Limited)	Subsidiary
99	GMR Business Process and Services Private Limited (GBPSPL)	Subsidiary
100	GMR Infrastructure (Mauritius) Limited (GIML)	Subsidiary
101	GMR Infrastructure (Cyprus) Limited (GICL)	Subsidiary
102	GMR Infrastructure Overseas Limited (GIOSL)	Subsidiary
103	GMR Infrastructure (UK) Limited (GIUL)	Subsidiary
104	GMR Infrastructure (Global) Limited (GIGL)	Subsidiary
105	GMR Energy (Global) Limited (G EGL)	Subsidiary
106	GMR Infrastructure (Overseas) Limited (GIOL)	Subsidiary
107	Raxa Security Services Limited ('Raxa' or 'RSSL')	Subsidiary
108	Indo Tausch Trading DMCC (ITDD)	Subsidiary
109	Kakinada Gateway Port Limited (KGPL)	Subsidiary
110	GMR Goa International Airport Limited (GGIAL)	Subsidiary
111	GMR SEZ Infra Services Limited (GSISL)	Subsidiary
112	GMR Infra Developers Limited (GIDL)	Subsidiary
113	GMR Kamalanga Energy Limited (GKEL)*	Subsidiary
114	Himtal Hydro Power Company Private Limited (HHPPL)*	Subsidiary
115	Delhi Duty Free Services Private Limited (DDFS)*	Subsidiary
116	GMR Upper Karnali Hydropower Limited (GUKPL)*	Subsidiary
117	Hyderabad Menzies Air Cargo Private Limited (HMACPL)	Subsidiary
118	GMR Highways Projects Private Limited (GHPPL)®	Subsidiary
119	Asia Pacific Flight Training Academy Limited (APFT)	Subsidiary
120	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)	Associate
121	GMR Rajahmundry Energy Limited (GREL)	Associate
122	GMR Chhattisgarh Energy Limited (GCHEL)	Associate
123	GMR Megawide Cebu Airport Corporation (GMCAC)	Associate
124	Travel Food Services (Delhi Terminal 3) Private Limited (TFSP)	Associate
125	Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Associate
126	Delhi Aviation Services Private Limited (DASPL)	Associate
127	TIM Delhi Airport Advertising Private Limited (TIMDAA)	Associate
128	Rampia Coal Mine and Energy Private Limited (RCMEPL)	Associate
129	PT Golden Energy Mines Tbk (PT GEMS)	Associate
130	PT Roundhill Capital Indonesia (RCI)	Associate
131	PT Borneo Indobara (BIB)	Associate
132	PT Kuansing Inti Makmur (KIM)	Associate
133	PT Karya Cemerlang Persada (KCP)	Associate
134	PT Bungo Bara Utama (BBU)	Associate
135	PT Bara Harmonis Batang Asam (BHBA)	Associate
136	PT Berkat Nusantara Permai (BNP)	Associate
137	PT Tanjung Belit Bara Utama (TBBU)	Associate
138	PT Trisula Kencana Sakti (TKS)	Associate
139	GEMS Trading Resources Pte Limited (GEMSCR) (Formerly GEMS Coal Resources Pte Limited)	Associate
140	PT Karya Mining Solution (KMS) (Formerly PT Bumi Anugerah Semesta)	Associate
141	Delhi Aviation Fuel Facility Private Limited (DAFF)	Associate

Sl. No	Name [#]	Holding/ Subsidiary/ €Associate
142	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	Associate
143	Wipro Airport IT Services Limited (WAISL)	Associate
144	Limak GMR ConstructionJV (CJV)	Associate
145	PT Gems Energy Indonesia (Gems Energy)	Associate
146	Megawide - GISPL Construction Joint Venture (MGCJV)	Associate
147	PT Era Mitra Selaras (EMS)	Associate
148	PT Wahana Rimba (WRL)	Associate
149	PT Berkat Satria Abadi (BSA)	Associate
150	GMR Mining and Energy Private Limited (GMEL)	Associate
151	PT Kuansing Intis Sejahtera (KIS)	Associate
152	PT Bungo Bara Makmur (BBM)	Associate

* assessed as Jointly Controlled Entities for the purpose of Indian Accounting Standards.

does not include Company limited by guarantee.

€ Associate include Joint Ventures.

@ Struck off from Register of Companies with effect from August 9 2018.

ANNEXURE 'G' TO THE BOARD'S REPORT

Disclosure of Managerial Remuneration for Financial Year ended March 31, 2018

(Ref.: Board's Report under the head "Particulars of Employees and related disclosures")

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of the Director (Mr./Mrs.)	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
G. M. Rao, Executive Chairman [#]	9.11
Grandhi Kiran Kumar, Managing Director and CEO	0.00
Srinivas Bommidala, Group Director	N.A.
B. V. N. Rao, Group Director	N.A.
G. B. S. Raju, Group Director	N.A.
N. C. Sarabeswaran, Independent Director*	0.56
R. S. S. L. N. Bhaskarudu, Independent Director*	0.68
S. Rajagopal, Independent Director*	0.52
S. Sandilya, Independent Director*	0.19
C. R. Muralidharan, Independent Director*	0.23
Vissa Siva Kameswari, Independent Director*	0.52
Vikas Deep Gupta, Additional Director	N.A.

- b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of the Director and Key Managerial Personnel (Mr./Mrs.)	Percentage increase/ (decrease) in remuneration in the financial year
G.M. Rao, Executive Chairman [#]	9.12
Grandhi Kiran Kumar, Managing Director and CEO	(100.00)
Srinivas Bommidala, Group Director	N.A.
B. V. N. Rao, Group Director	N.A.
G. B. S. Raju, Group Director	N.A.
N. C. Sarabeswaran, Independent Director*	(4.00)
R. S. S. L. N. Bhaskarudu, Independent Director*	(3.33)
S. Rajagopal, Independent Director*	0.00
S. Sandilya, Independent Director*	(33.33)
C. R. Muralidharan, Independent Director*	0.00
Vissa Siva Kameswari, Independent Director*	(8.33)
Vikas Deep Gupta, Additional Director [§]	N.A.
Madhva Bhimacharya Terdal, Chief Financial Officer	21.42
Adi Seshavataram Cherukupalli, Company Secretary (upto November 14, 2017) [^]	(23.69)
T. Venkat Ramana, Company Secretary (from November 15, 2017)	N.A.

* Sitting fees paid to the Independent Directors

[#]The salary was paid upto the month of October 2017.[§]Appointed as Additional Director w.e.f. November 14, 2017.[^]Compared remuneration paid during previous year 2016-17 with the remuneration paid upto the date of relieving in 2017-18.

- c) The percentage increase/(decrease) in the median remuneration of employees in the financial year: 46.98%
- d) The number of permanent employees on the rolls of the company as on March 31, 2018 : 381
- e) Average percentile/percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Average percentile/percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was 6.20%.
No remuneration was paid to the Managing Director during the year under review. Remuneration paid to the Executive Chairman was increased/ (decreased) by 9.12%. The % increase in remuneration of the Executive Chairman is on account of the revised limits of remuneration payable in terms of Schedule V of the Companies Act, 2013.
- f) Affirmation that the remuneration is as per the remuneration policy of the Company:
It is affirmed that the remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company.

ANNEXURE 'H' TO THE BOARD'S REPORT DIVIDEND DISTRIBUTION POLICY

(Pursuant to Regulation 43 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors (the "Board") of GMR Infrastructure Limited (the "Company") has adopted the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") in its meeting held on December 7, 2016.

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. December 7, 2016.

PURPOSE, OBJECTIVES AND SCOPE

The Securities and Exchange Board of India ("SEBI") vide its Notification dated July 08, 2016 amended the Listing Regulations by inserting Regulation 43A, requiring top five hundred listed companies based on their market capitalization, calculated as on the 31st day of March of every year to have a Dividend Distribution Policy in place. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking the decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be deemed relevant by the Board.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element of this Policy shall be regarded as deviation. Any such deviation, in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale shall be disclosed in the Annual Report by the Board of Directors and on the Company website.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, dividend, which shall be consistent with the performance of the Company over the years.

A. Circumstances under which the shareholders may or may not expect dividend

The Equity shareholders of the Company may expect dividend only if the Company is having surplus funds after providing all expenses, depreciation etc., and complying all other statutory requirements of the Companies Act 2013. Company's immediate expansion / investment plans shall also be a big factor for taking the dividend decision and determine the dividend amount. The Board shall consider the factors provided under Para B and Para C below, before determination of any dividend pay-out. The decision of dividend pay-out shall, majorly be based on taking a balanced view of factors mentioned below, in the best interest of the shareholders and the Company.

Preference Shareholders shall be entitled and paid dividend at the fixed rate as per the terms of issue. In case of the Cumulative Preference Shares, if the Company is not having distributable profits for any certain financial year or the Company is not able to pay the dividend, then this shall be accumulated and be paid later on.

B. Financial Parameters

Subject to provisions of the Companies Act, 2013, dividend can be declared only out of the following:

- i) Currents Financial Year's profits:
 - a) after providing for depreciation in accordance with law;
 - b) after transferring to reserve such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.
 - c) After providing for accumulated losses, if any;.
- ii) The Profits for any previous financial year(s):
 - a) after providing for depreciation in accordance with law;
 - b) remaining undistributed; or
- iii) Out of both (i) & (ii) above.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account

of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortisation or resulting from changes in accounting policies or accounting standards.

The Board may, at its discretion, declare a special dividend under certain circumstances such as extraordinary profits from sale of investments.

Further, though it is not mandatory, the Board shall give due regard to the availability of profits as per consolidated financial statements of the company, besides availability of profits on a standalone basis.

C. CONSIDERATIONS RELEVANT FOR DECISION OF DIVIDEND PAY-OUT

The Board shall consider the following, while taking decision of a dividend pay-out during a particular year:

C-I External Factors

C-I.1 Statutory requirements

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

C-I.2 Agreements with lending institutions/ Debenture Trustees

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

C-I.3 Macroeconomic conditions

Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

C-I.4 Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

C-II Internal Factors

The board shall also take into account the following internal factors while declaring dividend:-

- a) Profits earned during the year;
- b) Availability of adequate cash flow, after considering all debt servicing requirements;
- c) Present and future capital requirements of the existing businesses;
- d) Business acquisitions;
- e) Expansion/modernisation of existing businesses;
- f) Additional investments in subsidiaries/associates of the Company;
- g) Fresh investments into external businesses;
- h) Uncertainties, if any in the operating performance of business units
- i) Management recommendations, based on any other consideration; and
- j) Any other factor as deemed fit by board.

D. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain the Company earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- a) Expansion plans;

- b) Investment needs of Subsidiary / Associate companies, in view of their respective project implementation / expansions/ modernisation etc.,
- c) Diversification of business;
- d) Funds requirement of business units, owing to uncertain operational performance;
- e) Long term strategic plans;
- f) Replacement of capital assets;
- g) Where the cost of debt is expensive;
- h) Other such criteria as the Board may deem fit from time to time.

E. PARAMETERS FOR VARIOUS CLASSES OF SHARES

- 1. The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
- 2. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
- 3. The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.
- 4. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

F. MANNER OF DIVIDEND PAYOUT

Below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations:

In case of final dividends

- 1. Recommendation, if any, shall be done by the Board at its meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- 2. The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.
- 3. The payment of dividends shall be made within the statutory time to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

In case of interim dividend

- 1. Interim dividend, if any, shall be declared by the Board.
- 2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- 3. The payment of dividends shall be made within the statutory time to the shareholders entitled to receive the dividend on the record date as per the applicable laws.
- 4. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

G. DISCLOSURE

This Policy, as approved by the board of Directors, at its meeting held on December 7, 2016 shall be disclosed in the Annual Report, and hosted on the website of the Company www.gmrgroup.in

H. AMENDMENT

The Policy shall automatically stand modified to cover revision(s)/amendment(s) in accordance with applicable laws and regulations in force from time to time.

Notwithstanding anything contained anywhere the Company reserves its right to alter/modify/add/delete or amend any of the provisions of this policy with the approval of management committee by way of resolution.

Report on Corporate Governance

I. Company's Philosophy on Code of Governance

The chosen vision of your Company is institution in perpetuity. The Company is deeply conscious that, while doing business successfully it will actively cater to building of nation and society around it. The long term interest of the Company, particularly in infrastructure domain, is closely woven with stakeholders' alignment. Your Company has large number of stakeholders in all spheres of business and society. It will be our endeavor to constantly promote and enhance the stakeholders' legitimate interests.

Ethics / Governance Policies

The Company endeavors to conduct its businesses and strengthen relationships in a manner that is dignified, distinctive and responsible. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, the Company has adopted various codes and policies to carry out its duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Board Members
- Code of Conduct for Senior Management
- Code of Business Conduct and Ethics applicable to employees
- Code of Conduct for Prohibition of Insider Trading
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Nomination and Remuneration Policy
- Policy on Whistle Blower
- Policy on Related Party Transactions
- Risk Management Policy
- Policy on Preservation of Documents and Archival of documents
- Policy on disclosure of material events and information
- Policy on Material Subsidiaries

II. Board of Directors

a. Board composition and category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors is as follows:

Category	Name of the Directors
Promoter Directors	Mr. G. M. Rao (Chairman) Mr. Grandhi Kiran Kumar (Managing Director and CEO) Mr. Srinivas Bommidala Mr. G.B.S. Raju
Executive Directors (other than above)	NIL
Non-Executive Directors	Mr. B.V.N. Rao Mr. Vikas Deep Gupta
Independent Non-Executive Directors	Mr. N. C. Sarabeswaran Mr. R.S.S.L.N. Bhaskarudu Mr. S. Rajagopal Mr. S. Sandilya Mr. C.R. Muralidharan Mrs. Vissa Siva Kameswari
Nominee Directors	NIL

Mr. G. M. Rao is the father of Mr. G. B. S. Raju and Mr. Grandhi Kiran Kumar and father-in-law of Mr. Srinivas Bommidala and therefore, are deemed to be related to each other accordingly. None of the other directors are related to any other director on the Board.

b. Selection of Independent Directors

Taking the requirement of skill sets on the Board into consideration, eminent persons having independent standing in their respective field or profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection of directors and determining directors' independence. The Board considers the Committee's recommendations, takes appropriate decision and recommends to the shareholders for the appointment of the Independent Directors.

The Independent Director(s), at the first meeting of the Board in which they participate as Director and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet the criteria of independence as provided under the Companies Act, 2013.

c. Familiarization programs for Board Members

The Board members are provided with necessary documents, viz., Company's corporate profile, its Mission, Vision, Values and Beliefs, Organization Structure, the Company's history and milestones, Annual Reports, a brief background on the business of the Company, Institutional Building and highlights of its performance, major policies of the Company, Code of Conduct, fund raising history etc. Periodic presentations are made to the Board on business and performance updates of the Company, global business environment, risk management, company policies, subsidiary information and changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates and other relevant issues. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://investor.gmrgroup.in/pdf/Familiarisation.pdf>.

d. Meetings of Independent Directors

As per requirement of Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR") and Companies Act, 2013, the Independent Directors of the Company meet at least once every year without the presence of Executive Directors or management personnel. Such meetings enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Companies Act, 2013. The Independent Directors take appropriate steps to present their views to the Chairman. One meeting of the Independent Directors was held during the year.

e. Code of Conduct

As per requirement of Regulation 26(3) of SEBI LODR, the Board has laid down a Code of Conduct ("the Code") for all Board members and Senior Management Personnel of the Company. The Code is posted on the website of the Company (www.gmrgroup.in). All Board members and Senior Management Personnel affirm compliance with the Code on an

annual basis and the declaration to that effect by Managing Director and CEO, Mr. Grandhi Kiran Kumar is attached to this report.

A Code of Business Conduct and Ethics applicable to all the employees of the Group is communicated and affirmed by them periodically, which is to be followed in day to day work life and which enables the employees to maintain highest standards of values in their conduct to achieve organizational objectives.

The Company recognizes that sexual harassment violates fundamental

rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate any act of sexual harassment (which includes unwelcomed sexually determined behavior) and to take necessary penal action, if required. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment by displaying posters at all the prominent places in the Offices of the Company and organising awareness sessions.

f. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various Companies and shareholding in GMR Infrastructure Limited:

Sl. No.	Name of Director	DIN ^	Category @	Number of other Directorships held in other Public Limited Companies as on March 31, 2018 #		Number of committee Chairmanships / memberships held in Public Limited Companies as on March 31, 2018 *		Board Meetings during the period from April 01, 2017 to March 31, 2018		Whether present at the Previous AGM held on September 29, 2017	No. of shares held
				Chairman	Director	Chairman	Member	Held	Attended [§]		
1.	Mr. G.M. Rao	00574243	EC	6	-	-	-	5	4	Yes	17,31,330 [€]
2.	Mr. Grandhi Kiran Kumar	00061669	MD & CEO	1	4	-	1	5	5	Yes	8,72,160 [€]
3.	Mr. Srinivas Bommidala	00061464	NEPD	1	7	-	-	5	4	Yes	4,51,660 [€]
4.	Mr. G.B.S. Raju	00061686	NEPD	-	5	-	4	5	3	Yes	5,44,160 [€]
5.	Mr. B.V.N. Rao	00051167	NENID	1	5	-	1	5	4	Yes	1,82,142
6.	Mr. N.C. Sarabeswaran	00167868	NEID	-	4	1	4	5	5	Yes	24,285
7.	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	-	7	4	5	5	4	No	Nil
8.	Mr. S. Sandilya	00037542	NEID	2	3	5	2	5	4	No	7,000
9.	Mr. S. Rajagopal	00022609	NEID	1	4	3	3	5	5	Yes	26,714
10.	Mr. C.R. Muralidharan	02443277	NEID	-	2	-	-	5	5	Yes	NIL
11.	Mrs. Vissa Siva Kameswari	02336249	NEID	-	8	-	8	5	5	Yes	NIL
12.	Mr. Vikas Deep Gupta**	01763472	NENID	-	1	-	-	5	2	N.A.	Nil

^DIN - Director Identification Number

@EC - Executive Chairman, MD & CEO - Managing Director and Chief Executive Officer, NEPD - Non-Executive Promoter Director, NENID - Non-Executive Non-Independent Director, NEID - Non-Executive Independent Director.

#Other companies do not include directorship(s) of this company, private limited companies, Section 8 companies and companies incorporated outside India.

* Committee means Audit Committee and Stakeholders' Relationship Committee.

**Mr. Vikas Deep Gupta was appointed as Additional Director in a Board Meeting held on November 14, 2017.

§ Attendance includes participation through video conference.

€ Shareholding includes shares held as Karta of HUF.

Five Board Meetings were held during the Financial Year (FY) ended March 31, 2018, i.e., on May 30, 2017, August 11, 2017, September 29, 2017, November 14, 2017 and February 13, 2018. Atleast one board meeting was held in each Quarter. The Maximum gap between any two consecutive board meetings was 90 days.

III. Audit Committee

a. Composition of Audit Committee:

The Audit Committee comprises of the following Directors:

Name	Designation
Mr. N. C. Sarabeswaran (Independent Director)	Chairman
Mr. R. S. S. L. N. Bhaskarudu (Independent Director)	Member
Mr. S. Rajagopal (Independent Director)	Member
Mrs. Vissa Siva Kameswari (Independent Director)	Member

Mr. T. Venkat Ramana, Company Secretary and Compliance Officer, acts as Secretary to the Audit Committee.

Mr. N. C. Sarabeswaran, Chairman of the Audit Committee, had attended the last Annual General Meeting held on September 29, 2017.

b. Meetings and attendance during the year:

During the FY ended March 31, 2018, six meetings of the Audit Committee were held i.e., on May 30, 2017, July 21, 2017, August 10, 2017, September 29, 2017, November 10, 2017 and February 12, 2018.

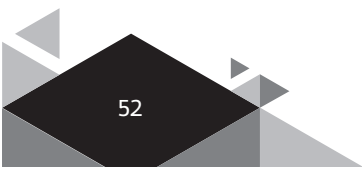
The attendance of the Audit Committee members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. N. C. Sarabeswaran	6	6
Mr. S. Rajagopal	6	6
Mr. R. S. S. L. N. Bhaskarudu	6	5
Mrs. Vissa Siva Kameswari	6	6

Special meetings of the Committee were held on July 21, 2017 and September 29, 2017 exclusively for considering the matters other than the routine matters.

c. The terms of reference of the Audit Committee are as under:

- i. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the



- financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 - iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - iv. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Qualifications in the draft audit report.
 - v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - vi. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - vii. Review and monitor the auditor's independence and performance and effectiveness of audit process;
 - viii. Approval or any subsequent modification of transactions of the Company with related parties;
 - ix. Scrutiny of inter-corporate loans and investments;
 - x. Valuation of undertakings or assets of the Company, wherever it is necessary;
 - xi. Evaluation of internal financial controls and risk management systems;
 - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - xiv. Discussion with internal auditors of any significant findings and follow up thereon;
 - xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc., of the candidate.

IV. Nomination and Remuneration Committee

a. Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of the following Directors:

Name	Designation
Mr. R. S. S. L. N. Bhaskarudu (Independent Director)	Chairman
Mr. B.V.N. Rao (Non-Executive Non Independent Director)	Member
Mr. N.C. Sarabeswaran (Independent Director)	Member

Mr. T. Venkat Ramana, Company Secretary and Compliance Officer, acts as the Secretary to the Nomination and Remuneration Committee.

Mr. R.S.S.L.N. Bhaskarudu, Chairman of the Nomination and Remuneration Committee, did not attend the last Annual General Meeting held on September 29, 2017. However, he authorized Mr. N.C. Sarabeswaran to address the queries of the shareholders, if any.

b. Meetings and Attendance during the year:

During the FY ended March 31, 2018, two meetings of the Nomination and Remuneration Committee were held on August 10, 2017 and November 14, 2017.

The attendance of the Nomination and Remuneration Committee members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. R. S. S. L. N. Bhaskarudu	2	2
Mr. B.V.N. Rao	2	2
Mr. N.C. Sarabeswaran	2	2

c. The terms of reference of the Nomination and Remuneration Committee are as under:

- i. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance;
- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- iii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iv. Devising a policy on Board diversity;
- v. Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- vi. All information about the Directors / Managing Directors / Whole time Directors / Key Managerial Personnel i.e., background

details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders, where required;

- vii. The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors/ Whole time Directors;
- viii. While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- ix. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders.

d. Performance evaluation criteria for Independent Directors and Board

The Nomination and Remuneration Committee coordinates and oversees the annual self-evaluation of the Board including committees thereof and of individual directors. It reviews and discusses all matters pertaining to performance of all directors including independent directors, periodically as may be necessary on the basis of the detailed performance parameters set forth. The Committee also periodically evaluates the usefulness of such performance parameters and makes necessary amendments.

The Nomination and Remuneration Committee has laid down the criteria/questionnaires for performance evaluation of Board, Committees and Directors (including Independent Directors) which is based on certain parameters inter-alia including the following:

- i. Frequency of meetings and attendance of Directors.
- ii. Timeliness of circulating Agenda for meetings.
- iii. Quality, quantity and timeliness of flow of information to the Board.
- iv. Promptness with which Minutes of the meetings are drawn and circulated.
- v. Opportunity to discuss matters of critical importance, before decisions are made.
- vi. Familiarity with the objects, operations and other functions of the Company.
- vii. Level of monitoring of Corporate Governance Regulations and compliance.

- viii. Involvement of Board in Strategy evolution and monitoring.
- ix. Performance of the Chairperson of the Company including leadership qualities.
- x. Director's contribution for enhancing the governance, regulatory, legal, financial, fiduciary and ethical obligations of the Board.
- xi. Director's adherence to high standards of integrity, confidentiality and ethics.
- xii. Overall performance and contribution of directors at meetings.
- xiii. Overall performance of the Board/Committees.

e. Nomination and Remuneration Policy

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of Directors. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management. In line with this requirement, the Board had adopted the Nomination and Remuneration Policy. The Policy is annexed as Annexure 'C' to the Board's Report.

V. Details of remuneration paid during the FY ended March 31, 2018 to the Directors are furnished hereunder:

- a. There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the FY 2017-18.
- b. Criteria for making payments to Non-Executive Directors: - The Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committees thereof. The Sitting fee as decided by the Board is reasonable and sufficient to attract, retain and motivate Independent Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). However, it is ensured that the amount of such fees does not exceed the amount prescribed by the Central Government from time to time.

Other than the above, no other payments are made to the Non-Executive Directors of the Company.

c. Details of Remuneration to Directors:

Name	Category @	Salary, Commission and allowance(s) (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)
Mr. G.M. Rao	EC	7,778,912	-	-	7,778,912
Mr. Grandhi Kiran Kumar	MD & CEO	-	-	-	-
Mr. Srinivas Bommidala	NEPD	-	-	-	-
Mr. G.B.S. Raju	NEPD	-	-	-	-
Mr. B.V.N. Rao	NENID	-	-	-	-
Mr. N.C. Sarabeswaran	NEID	-	-	4,80,000	480,000
Mr. R.S.S.L.N. Bhaskarudu	NEID	-	-	5,80,000	580,000
Mr. S. Sandilya	NEID	-	-	1,60,000	160,000

Name	Category [@]	Salary, Commission and allowance(s) (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)
Mr. S. Rajagopal	NEID	-	-	440,000	440,000
Mr. C.R. Muralidharan	NEID	-	-	200,000	200,000
Mrs. Vissa Siva Kameswari	NEID	-	-	440,000	440,000
Mr. Vikas Deep Gupta	NENID	-	-	-	-

[@] EC -Executive Chairman, MD & CEO - Managing Director and Chief Executive Officer, NEPD - Non-Executive Promoter Director, NENID - Non-Executive Non-Independent Director, NEID - Non-Executive Independent Director

Note: The remuneration paid to Executive Chairman does not include provision for gratuity, superannuation and premium for personal accident policy, as the same are determined for the company as a whole.

The Company does not have any stock option plan or performance-linked incentive for the Director(s). The members of the Company have appointed the Chairman and the Managing Director for a period of three years commencing from October 18, 2017 and July 28, 2018 respectively. However, Mr. G.M. Rao had stepped down as Executive Chairman with effect from closure of business hours of March 31, 2018 and is continuing as Non-executive Chairman of the Company. Further, no service contracts, notice period and severance fees are applicable.

VI. Stakeholders' Relationship Committee

a. Composition of the Committee:

The Stakeholders' Relationship Committee comprises of the following Directors:

Name	Designation
Mr. R.S.S.L.N. Bhaskarudu (Non-Executive Independent Director)	Chairman
Mr. B. V. N. Rao (Non-Executive Non Independent Director)	Member
Mr. G.B.S. Raju (Non-Executive Promoter Director)	Member

Mr. T. Venkat Ramana, Company Secretary and Compliance Officer, acts as Secretary to the Stakeholders' Relationship Committee.

Mr. R.S.S.L.N. Bhaskarudu, Chairman of the Stakeholders' Relationship Committee, did not attend the last Annual General Meeting held on September 29, 2017. However, he authorized Mr. N.C. Sarabeswaran to address the queries of the shareholders, if any.

b. Meetings and Attendance during the year:

During the FY ended March 31, 2018, four meetings of the Stakeholders' Relationship Committee were held i.e., on May 30, 2017, August 11, 2017, November 14, 2017 and February 13, 2018. The attendance of the Stakeholders' Relationship Committee members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. R.S.S.L.N. Bhaskarudu	4	4
Mr. B. V. N. Rao	4	3
Mr. G.B.S. Raju	4	3

c. The terms of reference of the Stakeholders' Relationship Committee are as under:

- Allotment of all types of securities to be issued by the Company;
- Transfer, transposition and transmission of securities;
- Issuance of duplicate shares or other securities;
- Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Reports, etc.;

- Investigate into security holders/ other investor's complaints and take necessary steps for redressal thereof;
- To perform all functions relating to the interests of shareholders/ security holders/ investors of the Company as may be required by the provisions of the Companies Act, 2013, Listing Agreements with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority;
- Authorise Company Secretary or other persons to take necessary action;
- Appointment and fixation of remuneration of the Registrar and Share Transfer Agent and Depositories and to review their performance.

d. The details of the complaints received during the FY 2017-18 and the status of the same are as below:

- Number of complaints pending as on April 1, 2017 : NIL
 - Number of shareholder complaints received* : 92
 - Number of complaints resolved* : 92
 - Number of complaints not resolved to the satisfaction of shareholders : NIL
 - Number of complaints pending as on March 31, 2018 : NIL
- *excluding the number (157) of requests received and resolved for copy of Annual Report.

VII. Other Committees :

1. Management Committee

a. Composition of Management Committee:

The Management Committee comprises of the following Directors:

Name	Designation
Mr. G.M. Rao (Chairman)	Chairman
Mr. Grandhi Kiran Kumar (Managing Director & CEO)	Member
Mr. Srinivas Bommidala (Non-Executive Promoter Director)	Member
Mr. G.B.S. Raju (Non-Executive Promoter Director)	Member
Mr. B.V. N. Rao (Non-Executive Non Independent Director)	Member

Mr. T. Venkat Ramana, Company Secretary and Compliance Officer, acts as Secretary to the Management Committee.

b. Meetings and Attendance during the year:

During the FY ended March 31, 2018, eleven meetings of the Management Committee were held i.e., on April 27, 2017, May 11, 2017, May 29, 2017, June 09, 2017, July 18, 2017, August 31, 2017, September

14, 2017, November 16, 2017, December 11, 2017, February 14, 2018 and March 12, 2018.

The attendance of members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. G.M. Rao	11	10
Mr. Grandhi Kiran Kumar	11	10
Mr. Srinivas Bommidala	11	9
Mr. G.B.S. Raju	11	8
Mr. B.V.N. Rao	11	9

c. The terms of reference of the Management Committee are as under:

- i. Decision-making relating to operational matters such as investments in new projects, financial matters, borrowings, capital expenditure, purchases and contracts - non-capital (including services), sales and marketing, long-term contracts, stores, HR related matters, establishment and administration, writing-off of assets, etc.
- ii. Decision-making relating to private placements/QIP/IPO/Rights issue matters like quantum of issue, issue price, appointment of lead managers and other intermediaries, registrars to the issue, bankers to the issue, listing of shares, execution of all the documents pertaining to IPO, etc.

The Board of Directors from time to time delegates specific powers to the Management Committee.

2. Corporate Social Responsibility (CSR) Committee

a. Composition of CSR Committee:

The CSR Committee comprises of the following Directors:

Name	Designation
Mr. R.S.S.L.N. Bhaskarudu (Non-Executive Independent Director)	Chairman
Mr. B.V.N. Rao (Non-Executive Non Independent Director)	Member
Mr. G.B.S. Raju (Non-Executive Promoter Director)	Member

Mr. T. Venkat Ramana, Company Secretary and Compliance Officer, acts as Secretary to the CSR Committee.

b. Meetings and Attendance during the year:

During the FY ended March 31, 2018, one meeting of CSR Committee was held i.e., on August 11, 2017. The attendance of the CSR Committee members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. R.S.S.L.N. Bhaskarudu	1	1
Mr. B. V. N. Rao	1	1
Mr. G.B.S. Raju	1	1

c. The terms of reference of the CSR Committee are as follows:

- i. Preparation of Corporate Social Responsibility Policy for the Company and to recommend the Board for its approval;
- ii. Recommendation of projects or programmes relating to activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- iii. To recommend on CSR activities to be undertaken by the Company on its own or in collaboration with any registered trust/society or a company established under Section 25 of the Companies Act, 1956 or under Section 8 of the Companies Act, 2013;
- iv. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company or trust / society / company mentioned in point no. iii;
- v. To report periodically on the CSR activities of the Company to the Board and in the Board's report;
- vi. To seek expert advice on CSR activities of the Company that may be appropriate to discharge its responsibilities; and
- vii. To take up any other roles and responsibilities delegated by the Board from time to time.

3. Debentures Allotment Committee

a. Composition of Debentures Allotment Committee:

The Debentures Allotment Committee comprises of the following Directors:

Name	Designation
Mr. B.V.N. Rao (Non-Executive Non Independent Director)	Member
Mr. Srinivas Bommidala (Non-Executive Promoter Director)	Member
Mr. G.B.S. Raju (Non-Executive Promoter Director)	Member

Mr. T. Venkat Ramana, Company Secretary and Compliance Officer, acts as Secretary to the Debentures Allotment Committee.

b. Meetings and Attendance during the year:

No Meeting of the Debentures Allotment Committee was held during the FY ended March 31, 2018.

c. The terms of reference of the Debentures Allotment Committee are as under:

Issuance and allotment of debentures on such terms and conditions as may be prescribed from time to time in this regard.

VIII. General Body Meetings

a. Annual General Meetings

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolutions passed thereat were as under:

Year	Venue	Date and Time	Special Resolutions passed
2016-17	Rangsharda Auditorium, Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra (West), Mumbai 400050, Maharashtra.	September 29, 2017 at 2.15 p.m.	<ol style="list-style-type: none"> Approval for issue and allotment of Securities for an amount upto ₹ 2,500 Crore in one or more tranches. Re-appointment of Mr. G.M. Rao as Executive Chairman of Company. Re-appointment of Mr. Grandhi Kiran Kumar as Managing Director of the Company.
2015-16	Rangsharda Auditorium, Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra (West), Mumbai - 400050, Maharashtra.	September 14, 2016 at 3.00 p.m.	<ol style="list-style-type: none"> Re-appointment of Mrs. Vissa Siva Kameswari as an Independent Director of the Company. Re-appointment of Mr. R.S.S.L.N. Bhaskarudu as an Independent Director of the Company. Re-appointment of Mr. N.C. Sarabeswaran as an Independent Director of the Company. Re-appointment of Mr. S. Sandilya as an Independent Director of the Company. Re-appointment of Mr. S. Rajagopal as an Independent Director of the Company. Re-appointment of Mr. C.R. Muralidharan as an Independent Director of the Company. Approval to make investment in securities under Section 186 of the Companies Act, 2013. Approval for issue and allotment of Securities for an amount upto ₹ 2,500 Crore in one or more tranches.
2014-15	MLR Convention Centre, Brigade Millennium Campus, 7th phase, J.P. Nagar, Bangalore - 560 078, Karnataka.	September 23, 2015 at 3.00 p.m.	<ol style="list-style-type: none"> Issue and allotment of Securities, for an amount up to ₹ 2,500 Crore in one or more tranches. Approval of the revised terms and conditions of the employee welfare scheme implemented through Welfare Trust of GMR Infra Employees. Re-classification of the Authorized Share Capital of the Company.

b. Extraordinary General Meetings

No Extraordinary General Meeting (EGM) was held during the three years preceding the year 2017-18.

c. Special Resolution passed through postal ballot

During the year under review, no resolution has been passed through the exercise of postal ballot.

d. Procedure for postal ballot

The Company shall comply with sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules for any postal ballot procedure.

IX. Means of Communication

The Company has been sending Annual Reports, Notices and other communications to each shareholder through e-mail, post or courier.

The quarterly/annual results of the Company as per the requirement of SEBI LODR, are generally published in the 'Business Line' and / or 'Financial Express' and 'Nav Shakti' (a regional daily in Marathi language). Quarterly and Annual Financial Statements, along with segment report, if any, and Quarterly shareholding pattern are posted on the Company's website (www.gmrgroup.in), BSE website (www.bseindia.com) and NSE website (www.nseindia.com). The presentations made to analysts and others including official news

release are also posted on the Company's website. The Shareholding Pattern, Reconciliation of Share Capital Audit Report and Corporate Governance disclosures as per the SEBI LODR are filed electronically through NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance & Listing Centre (BSE Listing Centre) and investor complaints are redressed through SEBI Complaints Redress System (SCORES). Further, all other price sensitive information, press releases and other information is sent to the stock exchange where shares of the Company are listed and updated on Company's website.

X. General Shareholder Information

a. Annual General Meeting to be held for the financial year 2017-18:

Day : Friday
 Date : September 21, 2018
 Time : 3.00 P.M.
 Venue : Rangsharda Auditorium, Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra (West), Mumbai - 400050, Maharashtra.

b. Financial Calendar

The Financial year is 1st April to 31st March every year and for the FY 2018-19, the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Schedule
Financial reporting for the quarter ended June 30, 2018	August 14, 2018
Financial reporting for the quarter/half year ending September 30, 2018	First fortnight of November 2018
Financial reporting for the quarter/nine months ending December 31, 2018	First fortnight of February 2019
Financial reporting for the quarter/year ending March 31, 2019	Second fortnight of May 2019
Annual General Meeting for the year ending March 31, 2019	August/September 2019

c. Book Closure Date

The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 14, 2018 to Friday, September 21, 2018 (both days inclusive) for the purpose of the 22nd Annual General Meeting.

d. Dividend Payment Date

Your Directors have not recommended any dividend for the FY 2017-18.

e. Listing on Stock Exchanges

(i) Equity Shares

The Company's equity shares are listed on the following Stock Exchanges with effect from August 21, 2006:

Name of the Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051.	GMRINFRA
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	532754

The Company paid Annual listing fees for the FY 2018-19 to both Stock Exchanges.

(ii) Privately placed Debt instruments

During 2011-12 and 2012-13, 10,000 Secured Non-Convertible Debentures of ₹ 10 lakh each aggregating to ₹ 1,000.00 Crore were issued to ICICI Bank Limited on a private placement basis, in various tranches. These Secured Non-Convertible Debentures are listed on National Stock Exchange of India Limited and were partially redeemed and are due to be fully redeemed on March 25, 2021. During the year, the face value of Secured Non-Convertible Debentures was reduced to ₹ 5,67,500/- from ₹ 7,17,500/- for each debenture. The stock codes of Secured Non-Convertible Debentures are GMRI21, GMRI21A, GMRI21B and GMRI21C.

The Company paid Annual listing fees to the Stock Exchange in respect of the aforementioned Secured Non-Convertible Debentures for the year 2018-19.

f. Debenture Trustees

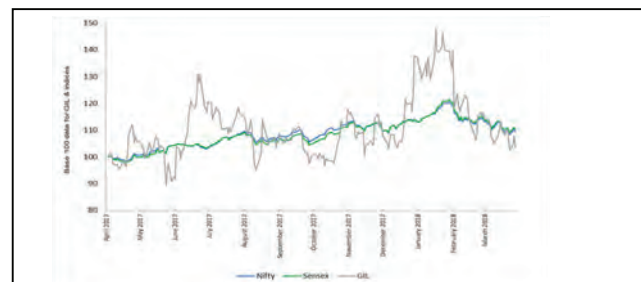
IDBI Trusteeship Services Limited
 Regd. Off.: Asian Building, Ground Floor
 17. R. Kamani Marg, Ballard Estate,
 Mumbai - 400 001
 Phone: +91 022 40807000
 Fax: +91 022 66311776
 Email: itsl@idbitrustee.com

g. Market Price Data - high, low during each month in last financial year relating to Equity Shares listed

(Amount in ₹)

Month	BSE		NSE	
	High	Low	High	Low
Apr-17	18.60	15.35	18.65	15.35
May-17	17.75	14.20	17.70	14.20
Jun-17	22.10	14.65	22.05	14.60
Jul-17	20.25	17.25	21.20	17.20
Aug-17	19.50	15.10	19.15	15.10
Sep-17	18.50	15.40	18.55	15.40
Oct-17	19.70	15.50	19.70	15.40
Nov-17	19.80	15.95	19.85	15.65
Dec-17	22.80	16.35	22.80	16.30
Jan-18	25.00	20.65	25.05	20.60
Feb-18	23.85	17.10	23.90	17.20
Mar-18	19.20	16.30	19.20	16.30

Performance of the share price of the Company in comparison to BSE Sensex and S & P CNX Nifty



h. Registrar and Share Transfer Agent (RTA)

Karvy Computershare Private Limited
 Unit: GMR Infrastructure Limited
 Karvy Selenium Tower B,
 Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad - 500 032
 Phone : +91 40 6716 1500
 Fax : +91 40 23001153
 Email ID: einward.ris@karvy.com

i. Share Transfer System

The share transfer requests that are received in physical form are processed by the RTA and the share certificates are returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated powers of approving transfers and transmission of securities to the Stakeholders' Relationship

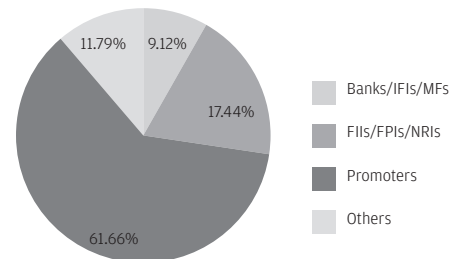
Committee. The Committee has authorized each member of the Committee to approve the transfer of shares up to 20,000 shares per transfer deed and the Company Secretary and other specified executives of the Company to approve the transfer of shares up to 10,000 shares per transfer deed. A summary of the transfer, transmissions / de-materialization request / re-materialization requests approved by the Member(s) of the Committee / Executives is placed before the Committee. The Company obtains certificate from a practicing Company Secretary in terms of Regulation 40(9) of the SEBI LODR certifying that all the certificates have been issued within 30 days of the date of lodgment for transfer, and thereafter submit the same to the stock exchanges.

In terms of amendment to Regulation 40 of SEBI LODR vide Gazette notification dated June 8, 2018, no transfer of shares in physical mode

would be permitted on or after December 5, 2018 or such other time as may be prescribed by SEBI in this regard.

j. Distribution of equity shareholding as on March 31, 2018

Distribution by category



Description	No. of Cases*	Total Shares	% Equity
Banks	18	112791888	1.87
Indian Financial Institutions	24	225352174	3.73
Mutual Funds	38	212116554	3.51
Foreign Institutional Investors	12	495259320	8.20
Foreign Portfolio Investors	103	534631486	8.86
Non Resident Indians	4641	22701436	0.38
Promoters	34	3721549249	61.66
Others:			
H U F	7810	21484078	0.36
Bodies Corporates	2470	167334187	2.77
NBFC	19	1541015	0.03
Resident Individuals	422807	511954405	8.48
Trusts	12	57838	0.00
Alternative Investment Fund	1	225000	0.00
Clearing Members	291	8946645	0.15
Total	438280	6035945275	100.00

*Calculated on folio basis.

Distribution by size

Sl. No	Category (Shares)	March 31, 2018				March 31, 2017			
		No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1	1 - 500	311837	71.15	55706919	0.92	302381	72.88	53724012	0.89
2	501 - 1000	57277	13.07	48132049	0.80	52233	12.59	43114372	0.71
3	1001 - 2000	31576	7.20	50282174	0.83	28935	6.98	45550902	0.76
4	2001 - 3000	11598	2.65	30377225	0.50	10112	2.44	26310508	0.44
5	3001 - 4000	5573	1.27	20526035	0.34	5256	1.27	19298913	0.32
6	4001 - 5000	5517	1.26	26612887	0.44	4164	1.00	19909719	0.33
7	5001 - 10000	7805	1.78	60084153	1.00	6343	1.53	47739452	0.79
8	10001 and above	7097	1.62	5744223833	95.17	5455	1.31	5780297397	95.76
	Total	438280	100.00	6035945275	100.00	414879	100.00	6035945275	100.00

k. Dematerialization of Shares and Liquidity

The Company's shares are available for dematerialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.98% of shares have been dematerialized as on March 31, 2018.

ISIN: INE776C01039 (Fully Paid Shares)

Description	No. of Shareholders	No. of Shares	% Equity
Physical	282	917358	0.02
NSDL	272552	5806760156	96.20
CDSL	165446	228267761	3.78
Total	438280*	6035945275	100.00

The Company's shares are regularly traded on BSE Limited and the National Stock Exchange of India Limited and were never suspended from trading.

*In shareholding pattern, promoters' holding was reported by consolidating the folios on the basis of respective PAN.

I. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

GDRs / ADRs:

The Company has not issued any GDRs / ADRs in the past and hence as on March 31, 2018, the Company does not have any outstanding GDRs / ADRs.

Warrant:

During the year under review, the Company has not issued any warrant and there is no warrant outstanding for conversion which is likely to impact on equity.

Foreign Currency Convertible Bonds (FCCBs):

The Company has issued 6 (Six) Foreign Currency Convertible Bonds to Kuwait Investment Authority ("Subscriber") during the year 2015-16 with the terms and conditions which, inter-alia, include as under:-

Number of Bonds issued	: 6
Nominal Value of each Bond	: US\$ 50,000,000
Total value of the issue	: US\$ 300,000,000
Conversion	: The bonds are convertible into Equity Shares of the Company
Conversion Price	: ₹ 18 per Equity Share.
Tenor	: 60 years
Coupon Rate	: 7.5%
Yield to maturity	: 7.5%

m. Commodity Price Risk/ Foreign Exchange Risk and Hedging activities:

The details of foreign currency exposure and hedging are disclosed in note no. 37(c) to the standalone financial statement.

n. Plant locations

In view of the nature of the Company's business viz. providing infrastructure facilities, the Company, through its subsidiaries / associates / joint venture, operates from various offices in India and abroad.

The international locations where the Company operates through its subsidiaries / associates / joint venture are Indonesia, Singapore, Nepal, Philippines (Cebu) and national locations (States) where the Company operates by itself and through its subsidiaries, JVs, Associates in India are Delhi, Karnataka, Telangana, Maharashtra, Goa, Odisha, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Andhra Pradesh, Himachal Pradesh, Gujarat, Uttarakhand, Rajasthan, Jharkhand, Punjab etc.

o. Address for correspondence

GMR Infrastructure Limited
 CIN: L45203MH1996PLC281138
 Company Secretary and Compliance Officer
 (Corporate Secretarial Department)
 New Udaan Bhawan, Opp. Terminal 3 IGI Airport
 New Delhi- 110037
 T +91 011 4921 6751
 F +91 011 4921 6723
 E-mail: Gil.Cosecy@gmrgroup.in

p. Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading, in the Company's shares and Code of practices and procedures for fair disclosure of unpublished price sensitive information.

q. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and paid-up capital. This audit is carried out every quarter and the report there on is submitted to the Stock Exchanges and is placed before the Stakeholders' Relationship Committee and the Board of Directors of the Company. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

r. Equity Shares in Suspense Account

As per Schedule V read with Schedule VI, Regulation 34(3), 53(f) and 39(4) of the SEBI LODR, the details in respect of equity shares lying in the suspense / escrow account are as under:

Particulars	No. of share-holders	No. of equity shares held
Aggregate number of shareholders and the outstanding shares in the suspense /escrow account (maintained with CDSL & NSDL) lying as on April 1, 2017	13	17924
Number of shareholders who approached the Company for transfer of shares from suspense /escrow account (maintained with NSDL) during the year	0	0

Particulars	No. of share-holders	No. of equity shares held
Number of shareholders to whom shares were transferred from the suspense / escrow account (maintained with NSDL) during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account (maintained with CDSL & NSDL) lying as on March 31, 2018	13	17924

The voting rights on the shares outstanding in the aforesaid suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares. There were no unclaimed equity shares issued in physical form.

XI. Subsidiary Companies

The Company reviews the performance of its subsidiary companies, inter-alia, by the following means:

- i. The financial statements, including the investments made by subsidiary companies, are reviewed by the Audit Committee of the Company, periodically;
- ii. The minutes of the Board / Audit Committee Meetings of the subsidiary companies are noted at the Board/Audit Committee Meetings respectively of the Company;
- iii. The details of significant transactions and arrangements entered into by the material subsidiary companies are placed periodically before the Board of the Company.

XII. Disclosures

- a. Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or their relatives, management, its subsidiaries etc., that may have potential conflict with the interests of the Company at large:**

None of the transactions with related parties were in conflict with the interests of the Company at large. The transactions with related parties are mentioned in note no. 33 of the financial statements.

- b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalties or strictures have been imposed by the Stock Exchanges or SEBI or any statutory authority.

- c. Whistle Blower Policy /Vigil Mechanism:**

To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to voice concern in a responsible and effective manner about serious malpractice, impropriety, abuse or wrongdoing within the organization, the Company has a Whistle

Blower Policy /Vigil Mechanism in place, applicable to the Company and its subsidiaries.

This mechanism has been communicated to all concerned and posted on the Company's website <http://investor.gmrgroup.in/investors/GIL-Policies.html>.

The Company has set up an "Ethics Helpline", with a toll free number and entrusted the running of the said helpline to an outside agency so as to address issues relating to protecting the confidentiality of the information and identity of the whistle blower.

We affirm that no one has been denied access to the Audit Committee.

- d. **The Company has complied with the mandatory requirements of listing regulations. Further, the Company has also put its best endeavor to comply with non-mandatory requirement(s).**
- e. **The Company has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the same is <http://investor.gmrgroup.in/investors/GIL-Policies.html>**
- f. **The Company has framed Related Party Transaction Policy, and the same is placed on the Company's website and the web link for the same is <http://investor.gmrgroup.in/investors/GIL-Policies.html>**
- g. **During the FY ended March 31, 2018, the Company did not engage in commodity price risk and commodity hedging activity.**

XIII. There has been no instance of non-compliance of any requirement of Corporate Governance Report as prescribed under SEBI LODR.

XIV. Adoption of Non-Mandatory Requirements as stipulated in Part E of Schedule II of SEBI LODR.

- a. The Board**

Since the Company does not have a Non-Executive Chairman during the year under review, it does not maintain such office.

- b. Shareholder Rights**

Half yearly financial results are forwarded to the Stock Exchanges, published in newspapers and uploaded on the website of the Company like quarterly results.

- c. Modified opinion(s) in audit report**

The modified opinion of statutory auditor forms part of auditors report on standalone as well as consolidated financial statements and the management's response thereon is furnished in Board's report.

- d. Separate posts of Chairman and Chief Executive Officer**

The Company has appointed separate persons to the post of Chairperson and Managing Director & Chief Executive Officer.

- e. Reporting of Internal Auditor**

The Head, Management Assurance Group, Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting their findings of the internal audit to the Audit Committee.

XV. The Company has fully complied with the applicable requirements specified in regulation 17 to 27 and clause B to clause I of sub-regulation 2 of regulation 46 of the SEBI LODR.

Certificate on Corporate Governance:

Pursuant to Schedule V of the SEBI LODR, the Certificate from Practicing Company Secretary on Corporate Governance is annexed hereinafter.

Declaration on compliance with Code of Conduct

To,

The Members of GMR Infrastructure Limited

Sub: Declaration by the Managing Director & CEO under Para D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Grandhi Kiran Kumar, Managing Director & CEO of GMR Infrastructure Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2018.

Sd/-

Place : New Delhi

Grandhi Kiran Kumar

Date : May 29, 2018

Managing Director & CEO

Managing Director & CEO and CFO certification pursuant to Regulation 17(8) read with Part B of Schedule II of Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors

GMR Infrastructure Limited

We hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2018 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee (wherever applicable):

- i. significant changes in internal controls over financial reporting during the year;
- ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; wherever applicable; and
- iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For GMR Infrastructure Limited

Sd/-

Grandhi Kiran Kumar

Managing Director & CEO

Place: New Delhi

Date: May 22, 2018

For GMR Infrastructure Limited

Sd/-

Madhva Bhimacharya Terdal

CFO

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L45203MHI996PLC281138

Nominal Capital : ₹ 1950 Crore

To the Members of

GMR INFRASTRUCTURE LIMITED

We have examined all the relevant records of GMR Infrastructure Limited ("the Company") for the year ended March 31, 2018 for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated Regulations.

For V. Sreedharan and Associates

Company Secretaries

V. SREEDHARAN

Partner

FCS.2347; CP.No.833

Date: July 25, 2018

Place: Bengaluru

Management Discussion & Analysis

Forward-looking Statements

This document contains certain forward-looking statements based on the currently held beliefs and assumptions of the management of GMR Infrastructure Limited, which are expressed in good faith, and in its opinion and judgment, are fairly reasonable. For this purpose, forward-looking statements mean statements, remarks or forecasts that address activities, events, conditions or developments that the Company expects or anticipates which may occur in the future. Because of the inherent risks and uncertainties in the social and economic scenarios the actual events, results or performances can differ materially and substantially from those indicated by these statements. GMR Infrastructure Limited disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Infrastructure Growth

Economic activity across the world has been growing at a sustained pace. The global economy grew at 3.8% in 2017 compared with 3.1% in 2016 and is likely to grow at even higher pace at 3.9% (IMF). Domestically, the Indian economy posted strong recovery from the impact of demonetization and grew from 5.5% in 1st Quarter (Q1) Financial Year (FY) 2018 to 7.7% in 4th Quarter (Q4) FY 2018. For the entire fiscal year 2017-18 (FY 2018), the growth was at 6.7% which was less than 7.1% growth registered in the previous financial year. However, over the four quarters, the recovery continued to show momentum which suggests continued positive trend going ahead. The inflation figures were range bound during the period corresponding to FY 2018 and within the comfort zone of the Reserve Bank of India (RBI). Consequently, RBI reduced the repo rate once from 6.25% to 6.00% in 2nd Quarter (Q2) FY 2018 and kept it at that level during the remainder of the FY 2018. However, in the wake of increasing oil prices and consequent risks to inflation, RBI increased the repo rate to 6.25% from 6.00% in its June 2018 meeting. Overall, the macro picture of the economy was largely positive for the FY 2018.

On the policy front, several key initiatives were implemented by the government to boost the economy. Implementation of the Goods and Services Tax (GST) was one of the most prominent reforms which came into implementation in July 2017. Though it faced initial rolling out issues, we believe it will provide a major boost to economic activity in the long run. By the end of the year, though, administrative issues were largely resolved, the transition should get progressively smoother.

In order to provide necessary liquidity in the banking sector for investments, the government announced ₹ 2.1 Lakh Crore recapitalization plan for public sector banks. These steps and others taken by the Government and RBI demonstrate the commitment of the Government to improve the investment climate and overhaul the economy structurally for the sustainable higher growth trajectory in coming years.

Foreign Direct Investment (FDI) in the country was at USD-62 bn during the year, up from USD-60 bn in the previous year. Further, India jumped 30 spots on World Bank's Ease of Doing Business rankings to 100th position

which acknowledges improving perception about doing business in India and efforts put in by the government. Apart from several initiatives being taken by the government, Insolvency and Bankruptcy Code (IBC) roll out is another major milestone. It is a bold policy measure and is expected to address major concerns of global investors and lenders in the long term and help in resolution of corporate debt stress in a time bound manner.

Coming to developments specific to the Infrastructure sector, the Government has continued its focus on the infrastructure creation in the country by budgetary allocation and various policy measures. The total allocation in the budget for the sector was at ₹ 4.94 Lakh Crore as against ₹ 3.96 Lakh Crore in FY 2017. Rate of highway construction was highest in FY 2018 at 9,829 km. In the railways, track renewal was done for 4,405 km length. Around 4,000 km long railway tracks were electrified. In the power sector, the Nation achieved another milestone by completing electrification of all the villages in the country. The next target in this mission is to connect another 30 million households which the government is trying to electrify by March 2019 under the SAUBHAGYA scheme. As for the Aviation sector, domestic traffic rose by 18% Year on Year (Y-o-Y) making India the fastest growing aviation market in the world. The UDAN scheme launched in June 2016 was able to connect 25 new airports and airstrips to the existing airports network in the country.

Looking ahead for FY 2019, we remain optimistic about the growth in the Indian economy and the infrastructure sector. The economy is expected to do better than the previous year driven mainly by the acceleration in the investment and construction activity and continued domestic consumption. In the coming year (FY 2019), while RBI and IMF project the economy to grow by 7.4%, World Bank expects it to grow by 7.3%, indicating a better year ahead. For the infrastructure sector, Government estimates investments in excess of ₹ 50 Lakh Crore in the coming years. For FY 2019, the budgetary allocation for the sector has been increased to ₹ 5.97 Lakh Crore. NABH (Nextgen Airports for Bharat) Nirman Initiative of the government plans to increase the airport capacity by more than five times that can handle a billion trips. Third round of UDAN scheme is to be launched this year. In the railways, the capex envisaged is ₹ 1.5 Lakh Crore, mostly for capacity creation by way of electrification, gauge conversion and laying new tracks. Railways are also planning to spend ₹ 5,000 Crore for modernizing 68 major stations in FY 2019. Target for the highways construction has been stretched further and set at 16,420 km. In the power sector, government is continuously looking at ways to improve the health of discoms (UDAY), help power producers through schemes such as SHAKTI and at the same time, meet the target for universal electrification by the end of FY 2019.

While the economy is expected to do better in the coming year, of late, various challenges have emerged which are posing serious concerns for the growth momentum. Oil prices have moved up by more than 70% from the year's low which poses strain on fiscal deficit and thereby constraints government investment in the infrastructure sector. Depreciating Indian National Rupee (INR) and rising interest rates in India and abroad is likely to make cost of borrowings expensive. Global trade and capital flows face the

risk of slowing down amidst protectionism policies being implemented by US and other countries in retaliation.

At GMR, we continue to strive to the cause of Nation building through creation of quality assets. Over the past few years, we have consolidated our position, focused on addressing corporate debt and stressed assets, while building a platform for growth for the future. We continue to focus and work closely with lenders on the few distressed assets in our portfolio and we are hopeful of resolving the pending issues at the earliest in line with new RBI guidelines for the same.

In view of the airports infrastructure landscape and growing passenger traffic in the country, our focus will be on strengthening the Airports platform to drive growth for the Group going forward. We strongly believe we have created a strong platform to scale up our activities in this segment and become a leading player both at Regional and International level.

On the other hand, we will continue to consolidate the Energy and Highways business with focus on unlocking value by recovering long pending receivables and pursuing claims with the appropriate agencies. In partnership with Tenaga, our strategic partner, we are in the process of identifying new areas of growth for the Energy Business.

Initiatives such as 'Make in India', proactive favorable policy interventions and improving rank of the country in ease of doing business should be able to attract various global companies to set up base in India which is a positive development for monetization of our SIRs.

In order to improve the value to the stakeholders and strengthen the balance sheet through deleveraging, various efforts are in pipeline related to monetization / divestment of assets and reducing debt and the overall cost of borrowing.

Airport Sector Outlook and Future Plan

Airport Sector

Indian aviation sector has witnessed remarkable growth in the last decade and it is expected to be the fastest growing aviation market in the world for the next twenty years. Indian airport system is poised to handle 336 million domestic and 85 million international passengers by 2020 making India the third largest aviation market (International Air Transport Association (IATA)). The aviation sector recorded an impressive growth in passenger and cargo traffic in 2017-18, and we expect the upward trajectory to continue, buoyed by the favorable macroeconomic factors. Proactive policy measures from the Government such as NABH Nirman whereby Government plans to expand airport capacity to more than five times to handle a billion trips a year, should provide further impetus for the sector.

We expect the growth in domestic traffic would continue to be led by the Low Cost Carriers. UDAN scheme should boost air traffic in the country by expanding regional air connectivity. Further, international flying rights and existing bilaterals are undergoing an overhaul, which should provide a boost to overseas traffic. We seek to increase passenger traffic at the airports by, among other things, attracting new airline customers to use the airports and encouraging existing airline customers to increase the number of routes and flights servicing the airports.

We plan to gradually increase the passenger capacity in phases based on

traffic demand. The expansion plans are underway for our Delhi International Airport as well as Hyderabad International Airport.

There is tremendous potential for the real estate available as part of the concessions for our airports. We intend to strategically realise value in our real estate asset portfolio by diversifying the monetisation models as well as the end use formats for development of these strategically located assets to capture demand for a wider range of developments. We intend to use a combination of lease and self-development models targeting developers and end-use customers respectively.

Economic Regulation & Airport Tariffs

On the economic regulation front, the Ministry of Civil Aviation and Airport Economic Regulatory Authority of India (AERA) has decided to adopt the hybrid till methodology for all airports. While the hybrid till comes as a great relief for existing airports, the government is actively working towards adopting pre-determined tariffs for future airport development projects, which should provide greater certainty with regards to cash flows and the expected returns from an airport. AERA has also decided to adopt normative benchmarks for capital expenditure that will be permitted at an airport. While it will help keep tariffs down, it is expected to adversely impact the level of service that airports offer to passengers.

Tariff at Delhi Airport: The Hon'ble Supreme Court of India, on SLP filed by Air India, vide its judgment dated July 03, 2017, has vacated the order of Hon'ble High Court of Delhi and directed Telecom Disputes Settlement and Appellate Tribunal (TDSAT) to dispose of the appeals of DIAL no. 10/2012 for first control period in the next two months.

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

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

Further, as per State Support Agreement signed between DIAL and AAI as part of concession, DIAL is eligible for minimum tariff equivalent to Base Airport Charges as per schedule 8 of State Support Agreement + 10% in any year during the concession term. Since the tariff post July 7, 2017 has fallen below the Base Airport Charge + 10%, DIAL approached the regulator to allow minimum tariff as provided in the concession. The Regulator has also acknowledged the rights provided under the concession agreement and issued the consultation paper no. 6/2018-19 on May 29, 2018 for stakeholder's consultation.

Tariff at Hyderabad Airport: The tariff revision for Hyderabad airport for the 2nd Control Period i.e., 2016-2021 is due and AERA issued a Consultation Paper in December 2017. In the Consultation Paper, some of our major entitlements viz., pre-control period entitlement, foreign exchange losses, cost of equity and treatment of Cargo, Ground Handling and Fuel Farm, were

not considered favorably by AERA.

Aggrieved by the Consultation Paper, GMR Hyderabad International Airport Limited (GHIAL) filed a writ petition before the Hon'ble High Court at Hyderabad, India and the Hon'ble Court passed an interim order wherein AERA has been directed not to finalize the determination of aeronautical tariff in respect of GHIAL for the second control period, pending disposal of writ petition. This interim order is in force as of date and we are hopeful of a favourable resolution of the issues.

Tariff at Cebu Airport, Philippines: The concession structure at Cebu provides for a fixed pre-determined tariff at the time of bidding.

Tariff at Mopa Airport, Goa: The new airport is likely to be commissioned by 2020. GMR will be submitting its tariff determination application to AERA in early 2020.

Growth Outlook – New Opportunities

The Group has made significant progress last year in its airport concessions. Goa airport, which was awarded in August 2016 has achieved the financial closure for 1st phase. GMR, along with its Greek partner, was also awarded Provisional Contractor status at Heraklion Airport in Greece and now is in process of completing the documentation. In Philippines, the Group has also secured the EPC contract of Clark Airport in Mabalacat City in Philippines.

In line with our strategy, Airport business will continue to be the growth engine for the Group. The Group is actively pursuing suitable airport opportunities in India as well as globally. Domestically, GMR is currently exploring the airport development opportunities in Nagpur, Jewar, Jaipur and Ahmedabad. Internationally, the Group is actively exploring opportunities in South Asia, South East Asia, Middle East, Africa and Eastern Europe.

Indira Gandhi International Airport (IGI) – Delhi Airport operated by DIAL

Focus Areas for FY 2018-19

In FY 2018, IGI handled 66 million passengers and 0.96 million tons of cargo and ranked number one among all Indian airports in both passenger traffic and cargo handled. DIAL was ranked as the world's best Airport in the 40 million plus passenger category. Maintaining and improving the service quality standards will be a key goal for DIAL.

DIAL has been working with all stakeholders, specifically airlines to establish IGI as an international hub airport for passengers and cargo. In line with this goal, the airline marketing team will continue to work with international carriers to boost long haul flights as well as dedicated freighters coming into Delhi.

DIAL will initiate the expansion of its airside infrastructure and terminal capacity as per the approved Master Development Plan in order to cater to the future growth in passenger and air traffic. The Phase 3A expansion, includes, among others, expansion of Terminal 1 and Terminal 3, construction of a fourth runway along with enhancement of airfields and construction of taxiways and will expand capacity to 94 million passengers annually.

Rajiv Gandhi International Airport (RGIA) – Hyderabad Airport operated by GHIAL

Focus Areas for FY 2018-19

The key focus areas for Hyderabad Airport have been route development, airport capacity enhancement and passenger service quality.

With the Government of India's focus on Regional Connectivity, Hyderabad Airport is well positioned to leverage Hyderabad Airport's geographically central location to emerge as a gateway to entire South-Central India.

To enable continued growth in traffic and business during the period of expansion, new Interim terminals are being constructed for International Departures and Domestic Arrivals. Both these facilities are expected to be completed during FY 2018-19, which would de-congest the existing Passenger Terminal Building and provide additional capacity.

In addition to the enhanced air connectivity and expanded facilities, Hyderabad Airport has also been focusing on implementing various measures under its flagship 'Passenger is Prime' programme to deliver enhanced experience for the passengers which helped the airport retain its World No. 1 ranking in the 5-15 million size category for 2017 even through unprecedented growth in traffic.

GMR Megawide Cebu Airport Corporation (GMCAC)

In line with the concession agreement, GMCAC successfully commissioned Terminal 2 of Mactan Cebu International Airport on July 1, 2018. The terminal building was inaugurated by Hon'ble President of Philippines Rodrigo Duterte in a ceremony held on 7th June where the President called Terminal 2 as the most beautiful airport in the world.

Terminal 2 has been built to cater specifically to international passengers which in Cebu are dominated by tourists from Korea, Japan and China. The new terminal has been built around the theme of being the world's first resort airport with the wooden roof being the standout feature.

With Terminal 2 adding to the passenger handling capacity of the airport, we expect to unlock the latent demand which could not be accommodated till date due to constrained infrastructure. Coupled with the initiatives GMCAC has taken to boost air connectivity to China, we are confident that the international traffic growth for Cebu for 2018-19 should exceed 30%.

The Government of Philippines has been taking various steps to decongest Manila airport by moving flights to Clark airport. This should also help reduce congestion in Manila and lead to addition of more seat capacity between Manila and Cebu and hasten the pace of growth of domestic traffic.

Energy Sector Outlook and Future Plan

Indian Economy - Power Sector Scenario

The Indian economy in FY 2017-18 has continued to gain strength after the demonetization and GST disruptions. The oil price has emerged as the biggest risk to the economy (~70% rise in oil prices in one year) as it can stoke inflation and reduce growth. The industrial growth picture as per the Index of Industrial Production (IIP) suggests that industrial production had gained once again in FY 2017-18. The overall growth during FY 2017 has been 4.3%, mainly with positive contribution of Electricity (5.4%), Basic Metals (5.6%), Manufacturing (4.5%) and Mining (2.3%). The improved performance in electricity is due to high electricity demand even though growth in thermal power generation has lagged due to increasing role of renewables in power mix. The electricity generation by power utilities has increased by 4.00% in FY 2017-18 to 1,206.31 billion units (BU) from 1,160.14 BU in FY 2016-17.

As on March 31, 2018, total installed capacity in India stood at 344 GW.

Conventional energy (from thermal) sources accounted for 223 GW or 64.8% of the total capacity while renewable energy sources accounted for 69 GW and the rest comprised capacity from nuclear and hydro (>25 MW) based power plants. The new capacity addition during the year increased to 17,169 MW from 14,210 MW mainly due to higher renewable capacity addition (~11,778 MW). Most of the capacity addition in the renewable energy has been in solar sector (~9,362 MW).

Although, India is making rapid strides in renewable sector but issues remain for the thermal power sector:

1. Some 81 GW of thermal capacity (~36% of total installed thermal capacity) remains under stress due to various reasons such as non-availability of fuel, lack of power offtake agreements, regulatory stance, rising receivables and policy framework among other issues. These projects were commissioned on the basis of forecasted demand growth of the electricity which has not fructified. Though the Government is working towards electricity for all, India still remain one of the lowest per capita electricity consumption nations.
2. Government has come up with various measures to address the above issues such as SHAKTI scheme (auction of long term coal linkages) and coal tolling policy. SHAKTI scheme has been successful with 27.8 MT of coal linkages been awarded while coal tolling policy has been moderately successful with only a few states such as Gujarat opting for the same.

Internationally, coal demand and prices have seen a rebound from the lows of 2014-16 due to sustained demand from China and India. China has cut down its coal production due to environmental concerns while India continues to import due to high power demand and inadequate production by Coal India Limited. South-East Asia is likely to become the next growth driver for international coal demand. High coal demand and prices have also benefitted group's Indonesian coal mines.

The Country also witnessed a great emphasis on renewable energy by the Government. Generation from renewable sources increased by a healthy 24.83% to 101.8 BU in FY 2017-18 compared to 81.6 BU in FY 2016-17. Further, installed capacity from renewable energy sources increased by 21% to 69 GW in FY 2017-18 from 57 GW in FY 2016-17 - it is noteworthy that out of the capacity addition of 12 GW in renewable in FY 2017-18, bulk of it was added by private sector. Government is now confident of achieving the 175 GW capacity target of renewable energy much before 2022.

Government of India is planning to push manufacturing of solar cells and modules as well as battery storage through mandatory requirements of at least 50% domestic manufacturing component in solar bids and also planning to invite mega tenders (~100 GW) to encourage large scale solar manufacturing in the country.

GMR Energy Limited demonstrated outstanding resilience during one of the most challenging and volatile periods being faced by energy sector. Our focus over last year has been on stabilizing our existing assets, improving their profitability and achieving operational excellence. We have been able to stabilize GMR Kamalanga Energy Limited (GKEL) operations with 1.5 MT additional linkage coal secured through auction under SHAKTI Policy of the

Gol. As a result of our sustained efforts, we have secured favorable regulatory orders in Central Electricity Regulatory Commission (CERC) for Change in Law petitions for GWEL and GKEL. Only two major regulatory orders are now pending in Appellate Tribunal for Electricity (APTEL) and CERC, which we hope to be favorably decided shortly during the first half of FY 2019. We had also focused on realization of regulatory receivables during FY 2018 which bore fruit with reduction in our receivables. We will continue this focused effort towards realizing regulatory receivables. GMR is proud to be the first and only IPP in the country to contribute towards Indian Government's goal of efficiency in coal transportation. Our GMR Chhattisgarh Energy Limited (GCEL) plant is currently operating a 500 MW PPA with Gujarat Urja Vikas Nigam Limited (GUVNL) by tolling the coal allotted to GUVNL and saving transportation of coal over 1,500 km. We thus remain committed to our goal of nation building.

The flagship power plant of the Group, GMR Power Corporation Limited (GPCL), was successfully monetized this year after having served the Group for more than 18 years.

However, due to the non-availability of domestic gas and high price of imported gas, we have been facing challenges in securing gas for our operational gas plants. After the unexpected order of the Supreme Court against GMR Vemagiri Power Generation Limited (GVPGL), we have been working at various levels and forums in order to secure gas supplies at competitive price to operationalize our gas assets and hope to achieve positive results in the coming fiscal.

Battling water ingress, tough geography and adverse weather conditions, our project team at GMR Bajoli Holi Hydro Power Limited (GBHHPL) has managed to tunnel through the tough terrain and the project is progressing full steam. We are expecting to commission the plant by the end of FY 2020.

As part of our Asset Light Asset Right (ALAR) strategy, we believe O&M of power plants is an area that could have good potential. This year, the Group has successfully partnered with TNB Remaco, (an associate of Malaysia's largest utility player Tenaga Nasional Berhad (TNB), which is a specialist in power plant repair and maintenance with a proven track record of over 30 years) and formed a new alliance - GMR Tenaga Operation and Maintenance Private Limited, to provide O&M services in India also.

Transportation and Urban Infrastructure Sector Outlook and Future Plan

Transportation

Railways

Your Company has entered Railways business in FY 2014 by winning 2 Rail Vikas Nigam Limited (RVNL) projects. We made a big leap into Railway projects in FY 2015 when we were awarded 2 packages on the eastern Dedicated Freight Corridor (DFCC) in the State of Uttar Pradesh worth ₹ 5,080 Crore and further 2 more package 301 and 302 in 2016 worth ₹ 2,281 Crore. The Government is targeting capital expenditure of ₹ 1.48 Lakh Crore in this fiscal (up from ₹ 1.2 Lakh Crore in the previous year) which is mostly towards capacity creation by way of doubling of lines and track renewal. Out of the 67,000 km network of railways, only 40% of the track is electrified. Railway plans to bid out large tenders for electrification under the EPC

model by 2021. The potential opportunity size is ₹ 36,000 Crore. There are other opportunities in other corridors of DFCC and station redevelopment as well. Your Company will pursue those opportunities which are viable and corresponds to our overall strategy.

Highways

Road sector in the country has emerged as one of the most active sectors in the country. The country achieved a highest constructed level of 9,829 km in FY 2018 and plans to construct 16,420 km in FY 2019- 65% more. The award of project is targeted at 20,000 km in FY 2019 against 17,055 km which were awarded in FY 2018. Government has also come up with Bharatmala Pariyojana which envisages constructing 84,000 km of roads at an investment of ₹ 7 Lakh Crore by 2022. Most of these projects are expected to be awarded in Hybrid Annuity Model (HAM) and Engineering, Procurement and Construction (EPC) modes. Govt. successfully monetized first bundle of projects under TOT model and is planning to come up with such more bundles in FY 2019. Though we are consolidating our portfolio in the Highways Sector, we will be on lookout for the right opportunities which are in sync with our strategy of ALAR and which will enhance values for our stakeholders.

Urban Infrastructure

The year has been challenging for the manufacturing and private investments. However, with the implementation of GST and campaigns like 'Make in India' and 'Invest India' gaining momentum, it is expected to provide much required impetus to the manufacturing and logistics sector in the country.

In Kakinada Special Economic Zone (SEZ) /Special Investment Region (SIR) (hereinafter referred to as "Kakinada SIR"), we started the on-ground development and developed shovel-ready land parcels for industries to set up their operations.

Notable achievements in Kakinada SIR during the FY under review were signing of MoUs by six companies with Govt. of Andhra Pradesh stating that they have chosen our Kakinada SIR project area for establishing their units. Further, we have signed lease deeds with couple of key players in the sea foods / fisheries segments for establishing their sea food processing units in Kakinada SIR. A 33/11 KV in-zone Sub-Station has been constructed and commissioned. A site administrative office building with a total area of about 13,000 sq.ft has also been constructed and put to operation. In addition, Kakinada SEZ Limited has been declared as a selected bidder for development of commercial port from the earlier permit to develop a captive port.

In Krishnagiri SIR, we stepped up our marketing efforts in reaching out to various leading companies across the geographies to set up their manufacturing facilities in Krishnagiri SIR in line with GoI's thrust on boosting manufacturing ecosystem in the country.

We are now taking up development of phase 1A of the project spread over 275 acres. Necessary applications to Statutory Authorities were made and accordingly clearances were obtained.

In FY 2019, we will continue our efforts to create a right ecosystem for world's leading companies to establish their facilities in Kakinada SIR and Krishnagiri SIR and contribute to socio-economic development of the respective regions.

Environmental Protection and Sustainability

As the Company operates in an increasingly resource-constrained world, being environmentally conscious and efficient are key to our operations. The Company has a Corporate Environment, Health, Safety and Quality (EHSQ) Policy to articulate, guide, and adopt an integrated approach towards implementing EHSQ objectives and the Company remains committed towards the said policy. These established systems certified by reputed certifying agencies have helped to monitor and manage our operations systematically, safely and in environmental friendly manner. The Company continues to abide by regulations concerning the environment by allocating substantial investments and resources on a continuous basis to adopt and implement pollution control measures. Our continuous endeavor to go beyond compliance and conserve natural resources helps to march towards attaining excellence in environment management and efficient and sustainable operations as well. The details of Environment, Health and Safety (EHS) initiatives are provided in the Business Responsibility Report forming part of Annual Report.

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial position as at March 31, 2018 and performance of the Company and its subsidiaries, joint ventures and associates during the financial year ended on that date are discussed hereunder:

1. ASSETS- NON CURRENT ASSETS

1.1. Property Plant and Equipment (PPE)

PPE has decreased from ₹ 10,139.61 Crore as at March 31, 2017 to ₹ 9,422.35 Crore as at March 31, 2018 primarily due to depreciation charge during the year.

1.2. Capital work-in-progress

Capital work-in-progress has increased from ₹ 239.20 Crore as at March 31, 2017 to ₹ 587.84 Crore as at March 31, 2018 primarily on account of expansion of existing airport at New Delhi and Hyderabad.

1.3. Investment Property

Investment property has increased from ₹ 2,520.68 Crore as at March 31, 2017 to ₹ 2,804.61 Crore as at March 31, 2018 primarily on account of additional capital expenditure incurred during the year by Kakinada SEZ Limited (KSEZ) and GMR Krishnagiri SIR Limited (GKSIR).

1.4. Financial assets - Investments

Investments has decreased from ₹ 9,448.29 Crore as at March 31, 2017 to ₹ 8,831.57 Crore as at March 31, 2018 primarily due to share of loss of parent in associates.

1.5. Other financial assets

Other financial assets has decreased from ₹ 1,818.93 Crore as at March 31, 2017 to ₹ 1,720.07 Crore as at March 31, 2018 mainly due to decrease in receivable against Service Concession Arrangements (SCA) and decrease in non-current bank balances.

1.6. Other non-current assets

Other non-current assets has increased from ₹ 322.18 Crore as at March 31, 2017 to ₹ 340.05 Crore as at March 31, 2018 primarily on account of capital advance towards airport expansion.

2. ASSETS – CURRENT ASSETS

2.1. Financial assets – Investments

Investments has increased from ₹ 2,973.94 Crore as at March 31, 2017 to ₹ 4,039.31 Crore as at March 31, 2018 primarily on account of increase in mutual fund investments by DIAL and GHIAL. GHIAL has also invested in commercial papers. All investments are in normal course of business.

2.2. Financial assets – Trade receivables

Trade receivables has increased from ₹ 1,736.74 Crore as at March 31, 2017 to ₹ 1769.65 Crore as at March 31, 2018. This is primarily on account of increase in trade receivables in GETL, GAL and GATL in the normal course of business, offset by decrease in trade receivables in DIAL

2.3. Financial assets – Cash and cash equivalents

Cash and cash equivalents has increased from ₹ 1,458.76 Crore as at March 31, 2017 to ₹ 1,647.16 Crore as at March 31, 2018. This is mainly due to increase in current account balances with bank in Delhi International Airport Limited (DIAL), GMR Hyderabad International Airport Limited (GHIAL), GMR Energy Trading Limited (GETL) and GMR Infrastructure Singapore Pte Limited (GISPL) on account of higher revenue from improved performance.

2.4. Financial assets – Bank balances other than cash and cash equivalents

Bank balances other than cash and cash equivalents increased from ₹ 312.32 Crore as at March 31, 2017 to ₹ 331.91 Crore as at March 31, 2018 primarily due to increase in bank deposits in DIAL and GHIAL offset by marginal decrease in bank deposits in GTTEPL and GPEL.

2.5. Other financial assets

Other financial assets has increased from ₹ 627.10 Crore as at March 31, 2017 to ₹ 750.84 Crore as at March 31, 2018. This is mainly on account of increase in unbilled revenue and other non-trade receivables in subsidiaries in the normal course of business.

2.6. Other current assets

Other current assets has increased from ₹ 205.54 Crore as at March

31, 2017 to ₹ 253.26 Crore as at March 31, 2018. This is primarily due to increase in prepaid expenses & deposits with statutory authorities in subsidiaries in the normal course of business.

2.7. Assets classified as held for disposal

Assets classified as held for disposal increased from ₹ 851.09 Crore as at March 31, 2017 to ₹ 942.77 Crore as at March 31, 2018. GMIAL, PTDSU, GKUAEL, and Power plant asset of GPCL were accounted as Assets held for sale during 2017-18.

3. EQUITY

Equity share capital remains the same at ₹ 603.59 Crores. Other equity has decreased from ₹ 4,738.69 Crore as at March 31, 2017 to ₹ 3,214.75 Crore as at March 31, 2018 primarily on account of current year losses. Non-controlling interests has also increased from ₹ 1,713.55 Crore as at March 31, 2017 to ₹ 1,826.47 Crore as at March 31, 2018 mainly on account of share of current year profit and payment of dividend by DIAL and GHAIL.

4. NON-CURRENT LIABILITIES

4.1. Borrowings

Non-current borrowings has increased from ₹ 18,959.72 Crore as at March 31, 2017 to ₹ 20,552.95 Crore as at March 31, 2018, primarily due to issuance of Secured Senior Notes by GHIAL during the year

4.2. Deferred tax liabilities (net)

Deferred tax liabilities stood at ₹ 400.06 Crore as at March 31, 2018 (₹ 413.81 Crore as at March 31, 2017). Reduction in deferred tax liabilities is primarily due to deferred tax asset created on non-deductible expenses in DAAL.

5. CURRENT LIABILITIES

5.1. Borrowings

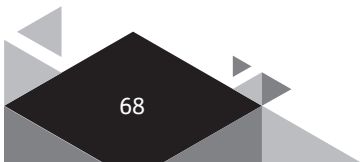
Borrowings has reduced from ₹ 617.56 Crore to ₹ 542.37 Crore as at March 31, 2018 mainly due to reduction in “Indian Rupee short term loan from others” in DSPL

5.2. Trade Payables

Trade payables has increased from ₹ 1,410.30 Crore as at March 31, 2017 to ₹ 1,957.24 Crore as at March 31, 2018 which is mainly in GETL, GHVEPL and GIL EPC business due to enhanced progress of its projects, deferment of revenue share in GHVEPL, offset by decrease of trade payables in GISPL.

5.3. Other financial liabilities

Other financial liabilities has increased from ₹ 3,594.15 Crore as at March 31, 2017 to ₹ 4,302.98 Crore as at March 31, 2018. The increase is mainly on account of increase in Non-trade payables, security deposits and current maturities of long term borrowings offset by decrease of interest payable.



5.4. Liabilities for current tax (net)

Liabilities for current tax (net) has decreased from ₹ 98.70 Crore as at March 31, 2017 to ₹ 55.32 Crore as at March 31, 2018 mainly due to decrease in DIAL offset by increase in GHIAL.

5.5. Liabilities directly associated with the assets classified as held for disposal

Liabilities held for disposal increased from ₹ 458.56 Crore as at March 31, 2017 to ₹ 530.8 Crore as at March 31, 2018. GMIAL, PTDSU, GKUAEI, and Power plant asset of GPCL were accounted as Assets held for sale during 2017-18.

Overview of our results of operations

The following table sets forth information with respect to our revenues, expenditure and profits (loss) on a consolidated basis:

₹ in crore

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Continuing operations		
Income		
Sales / income from operations	8,721.21	9,556.82
Other income	553.04	482.28
Total Income	9,274.25	10,039.10
Expenses		
Revenue share paid / payable to concessionaire grantors	1,911.50	2,762.93
Operating and other administrative expenditure	4,623.81	3,562.41
Depreciation and amortization expenses	1,028.40	1,018.65
Finance costs	2,316.34	2,128.00
Total expenses	9,880.05	9,471.99
Profit / (loss) before share of (profit) / loss of associate and joint ventures, exceptional items and tax from continuing operations	(605.80)	567.11
Share of (loss) / profit of associates and joint ventures (net of dividend distribution tax)	(431.36)	(68.40)
Profit / (loss) before exceptional items and tax from continuing operations	(1,037.16)	498.71
Exceptional items - (loss) / gains (net)	-	(385.70)
Profit / (loss) before tax from continuing operations	(1,037.16)	113.01
Tax expense	45.49	744.85
(Loss) / profit after tax from continuing operations	(1,082.65)	(631.84)
EBITDA from continuing Operations (sales/income from operations - Revenue share - Operating and other admin exp)	2,185.90	3,231.48
Discontinued operations		
Profit / (loss) from discontinued operations before tax expenses	(31.96)	283.25
Tax expense/(credit)	(0.02)	(1.13)
Profit / (loss) after tax from discontinued operations	(31.94)	284.38
Total (Loss) / profit after tax for the year	(1,114.59)	(347.46)
Other comprehensive income for the year, net of tax	(110.69)	5.41
Total comprehensive income for the year, net of tax	(1,225.28)	(342.05)

Sales/Operating Income

The segment wise break-up of the Sales/Operating Income are as follows:

Particulars	For the year ended			
	March 31, 2018		March 31, 2017	
	Amount (₹ in Crore)	% of Total Income	Amount (₹ in Crore)	% of Total Income
Revenue from Operations:				
Airports segment	5,418.74	62.13%	7,100.16	74.29%
Power segment	1,533.53	17.58%	1,274.08	13.33%
Road segment	589.70	6.76%	565.10	5.92%
EPC segment	931.12	10.68%	380.86	3.99%
Others segment	248.14	2.85%	236.62	2.47%
Total Revenue from operations	8,721.21	100.00%	9,556.82	100.00%

Operating income from airport segment

Income from our airport segment consists of income from aeronautical sources (principally consisting of landing and parking, passenger service fees and UDF), non-aeronautical sources (consisting principally of income from rentals, trade concessionaires and ground handling) cargo operations and rentals received in connection with commercial development on land that is part of our airport projects.

Operating income from airport segment decreased by 23% from ₹ 7,100.16 Crore in fiscal 2017 to ₹ 5,418.74 Crore in fiscal 2018 primarily due to revision of tariff in DIAL, however there is overall increase in traffic in all the operating airports.

Operating income from power segment

Income from our power segment mainly consists of energy and coal trading income from GETL, GCRPL and GISPL. Other major operating energy entities including major entities like GWEL, GKEL and GGSPPL are assessed as Joint ventures and accounted based on equity accounting.

Operating income from road segment

Income from our road operations is derived from annuity payments received from NHAI for our annuity projects and toll charges collected from road users of the toll road projects.

The operating income from road segment has marginally increased by 4% to ₹ 589.70 Crore for fiscal 2018 from ₹ 565.10 Crore for fiscal 2017 primarily on account of increase in operation and maintenance income and construction income and Toll income from expressways.

Operating income from EPC sector

Income from our EPC division is derived from the execution of engineering, procurement and construction works in connection with power, road, railways and other projects under implementation.

During the current year, the EPC sector has contributed ₹ 931.12 Crore to the operating income as against ₹ 380.86 Crore in the previous year. Increase is mainly on account of revenues from ongoing DFCC project.

Operating income from Other Sectors

Income from other sector includes management services income, investment income and operating income of our aviation and hotel businesses. During the current year, the other sector has contributed ₹ 248.14 Crore to the Operating Income as against ₹ 236.62 Crore in the previous year.

Expenditure

Revenue share paid/payable to concessionaire grantors

The revenue share paid/payable to various concessionaires has decreased from ₹ 2,762.93 Crore in fiscal 2017 to ₹ 1,911.50 Crore in fiscal 2018 primarily on account of decrease in operating income at DIAL

Cost of material consumed

The increase in cost of material consumed is mainly on account of higher material consumption at DFCC project.

Purchase of Traded goods

Increase in trading activity of energy and coal has resulted in higher

purchase of traded goods in the current year as compared to previous year.

Employee benefits expenses

The increase in employee benefit costs is mainly on account of annual salary increments.

Other expenses

Other expenses include:

- Consumption of fuel and lubricants, water, manpower hire charges, technical consultancy fee, cost of variation works, insurance for plant and machinery, airport operator fee, cargo handling charges, lease rentals and repairs and maintenance to plant and machinery, office rental, travel, insurance, electricity, legal and other professional charges, contributions to provident fund, provision for advances, claims and debts, losses on sale of fixed assets and investments, travelling and conveyance, communication, loss on foreign exchange and other miscellaneous expenses.

There is a marginal increase in other expenses mainly due to operational needs and inflation impact.

Exceptional items

In fiscal 2017, an impairment loss of ₹ 385.70 Crore was booked against impairment of assets in GHVEPL. No exception items in fiscal FY 2018.

Tax expenses

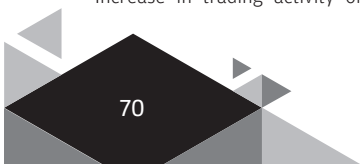
Tax expenses, mainly comprising of current tax and deferred tax expense, has decreased from ₹ 744.85 Crore in fiscal 2017 to ₹ 45.49 Crore in fiscal 2018. Reduction in current tax in FY 2018 was due to primarily on account of reduction in profits of DIAL and GHIAL from last year. Increase in deferred tax expense in FY 2017 was mainly due to reduction in carried forward losses and unabsorbed depreciation in DIAL and GHIAL.

Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) is the corporate social responsibility arm of the GMR Group. The Group has been undertaking CSR activities on a significant scale since 1991. GMRVF supports the companies under the Group in implementing their CSR mandates. GMRVF's purpose is to work in the fields of Education, Health and Empowerment such that its activities directly benefit the communities in the immediate neighbourhood of the Group's projects. Currently, GMRVF is working with selected communities in 25 locations in India. The locations are spread across different states namely Andhra Pradesh, Chhattisgarh, Delhi, Himachal Pradesh, Karnataka, Maharashtra, Goa, Odisha, Punjab, Tamil Nadu, Telangana, Uttar Pradesh and Uttarakhand. The detailed information on CSR activities of the Group is provided in Business Responsibility Report forming part of the Annual Report.

Awards and Recognitions in the year 2017-18:

- CSR Leadership Award in the category of "Best CSR Practices Award for Women Empowerment" by Navbharat Hindi Daily.
- Award for Excellence in Social Welfare Initiatives for Women Empowerment at GMR Hyderabad International Airport Ltd. by The Federation of Telangana and Andhra Pradesh Chambers of



Commerce and Industry (FTAPCCI).

- CSR Health Impact Award in the category of “Healthy Nutrition Awareness Initiative of the Year” by Paras Health Care.
- CSR Excellence Award jointly by Bollywood and Government of Telangana.
- “Golden Peacock Award for Corporate Social Responsibility” for GHIAL in the category of Transportation (Aviation) by Institute of Directors, Bangalore.

Risk Concerns and Threats

Identification, assessment, profiling, treatment and monitoring the risks

The Company has deployed risk management process which includes risk identification, its assessment and profiling, its treatment, monitoring and review actions. The Enterprise Risk Management (ERM) process that has been in place over the years helps the Sectors and key business units in aggregating and consolidating their risks. The Company prioritizes and manages the risks identified through its Risk Registers.

The ERM Framework deployment across the Group is independently assessed by internal audit team i.e. Management Assurance Group (MAG). Their inputs and recommendations serve as opportunities for improvements and also help create better alignment and learning across the Group.

Linkages: Strong linkage with Corporate Strategy has helped the Company to focus on key strategic risks. Detailed risk analysis is carried out during the formulation of the Company’s Strategic Plan and Annual Operating Plan. List of top risks are revised as a part of the Strategic plan exercise. ERM team also shares the results of its exercise with the MAG to enable it to draw plans for risk-based audit.

Business Resilience: For organization to quickly adapt to disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand equity, we have detailed Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP) in place for key assets. The plans identify potential vulnerabilities and puts in place appropriate processes and risk treatment plans to respond and minimize impact of disruptive events.

Reporting: The ERM Team regularly presents the risk assessment and minimization procedures adopted to assess the reliability of the risk management structure and efficiency of the process to the Management and the Audit Committee of the Board.

Based on the above process, the management has taken cognizance of risks in the recent times and for which appropriate plans and actions are being taken, as follows:

1. **Macroeconomic Risk factors:** The Indian economy has been recovering, helped by positive policy actions and lower global oil prices. However, the trend on global oil prices has reversed in the past few months, which may adversely impact the fiscal deficit, with consequent impact on inflation and interest rates. Macroeconomic factors in India have a significant impact on the operating performance of the Group. Revenue from our airport projects, merchant sale of electricity and our toll road projects are exposed to the changes in the economic environment and market demand. The diversified nature of our portfolio across

different sub-sectors within the Infrastructure Sector and our revised strategies would help in mitigating some of these risks.

2. **Regulatory Risk:** Being in the Infrastructure Sector, we are exposed to regulatory risks

- The Company’s Airports business is exposed to regulatory changes that can affect its revenue model. AERA’s tariff determinations have affected and may continue to adversely affect our results of operations and financial condition.
- Third parties like ‘International Air Transport Association (IATA) and Federation of Indian Airlines (FIA) may file appeals against the Company’s airport operations.
- The new guidelines from RBI on non-performing loans may have unforeseen implications on our stressed assets.
- Changes and modifications in regulations related to tariffs and environmental protection may impact the Group’s energy business.
- Regulatory changes that affect toll-roads have had direct impact on revenue from operating road assets.
- Implementation of GST has had impact on goods traffic throughout the country. Consequently, our road assets saw mixed response on revenue. Our Ambala-Chandigarh asset saw a positive effect on revenue due to abolition of octroy. Hyderabad Vijayawada asset however, did not see any positive impact.

The Group proactively tracks developments in the regulatory environment and proactively engages with all stakeholders. We participate in sector-specific industry associations and chambers of commerce to work for resolution of issues that may impact our businesses.

Business teams are focused on identifying, monitoring and updating the management on regulatory developments and their impact.

Where required, the Company uses litigation as an appropriate measure to protect its interests in regulatory issues.

3. **Project development, acquisition and management:** In an ever-changing world, quality of portfolio, profitability and liquidity continue to be the critical differentiators. In such an environment, proactive adaptability still holds the key to sustained financial performance. Based on the portfolio exercise being carried out every year at the Group level and the prevailing external environment, management has taken a conscious decision to follow an “Asset Light and Asset Right” model whereby we would be looking at divesting options for some of our non performing projects/assets as well as those projects that have created good value for themselves while simultaneously being selective in new bids and acquisition. The focus is, as always, on consolidation of our existing portfolio, sweating of assets and completion of the existing projects within time, cost and quality parameters. The Group has also initiated the outsourcing of some of its non-core activities in Finance, HR, IT and Internal Audit function so

as to gain more management bandwidth, improve productivity and efficiency in the Group's operations.

4. **Ability to finance projects at competitive rates:** Infrastructure players, given the nature of the sector, carry relatively higher debt levels. Under adverse market conditions, this could inhibit our ability to raise more funds at competitive rates for further growth. We are continuously exploring innovative means to finance/refinance our projects with the aim to reduce the overall interest cost. For example, we are exploring and implementing the options of refinancing through bond issue, takeout finance, ECB loans (where we have a natural hedge to reduce the forex exposure) etc., wherever possible at competitive rates.
5. **Credit Risk:**
 - Our exposure to merchant sale of electricity to private sector customers and weak financial health of airlines in the airports sector might expose us to credit risk of default in payments. We have developed models to check and regularly monitor the credit-worthiness of our customers. Also, all our receivables are being closely monitored and reviewed frequently by the top management.
 - Our airport business is exposed to credit risks of our airline customers and non-aero services customers, due to which collection of receivables could be at risk.
6. **Interest Rate Risk:** Recent macroeconomic trends on account of rising oil prices may adversely impact interest rates. Any increase in interest rate may adversely affect our profitability. We are continuously exploring and implementing innovative means of financing/refinancing our existing loan with the aim of reducing our interest costs. Also, with the divestments of some of our assets, we also aim to reduce our debt exposure and thereby the interest cost.
7. **Foreign Currency Exchange Rate Risk:** We are exposed to the vagaries of exchange rate risk, as we have some expenditure in foreign currencies for procurement of project equipment, but a majority of revenues are in Indian Rupee (though Airports and other international assets earn some foreign currency). We have in place a mechanism of having regular review of our foreign exchange exposures including the sensitivity of our financials to the movements in exchange rate. However, we hedge our exposures and keep rolling them as part of a robust foreign exchange risk management policy which is reviewed regularly.
8. **Cyber Security Risk:** The Group has so far protected itself well from malicious hacking of its internet-based business operations. However, with hacking becoming increasingly sophisticated, the Group's businesses in airport sector remain vulnerable to hacking. It has become a top priority for the Group to enhance the safety and security of its IT-based operations, for which it plans to deploy best-in-class resources. The Company has instituted processes to assess its vulnerability to cyber security risks and initiated actions to mitigate emerging risks. This will be an ongoing exercise.

9. **Technology Risk:** In the rapidly evolving technology across all industries, businesses that had operated successfully over the years and even decades are now faced with the reality of either overhauling their technology, or become obsolete.

- While coal-based, gas-based and hydro-power still provide the bulk of generated power in the country, solar energy is fast gaining acceptance as the preferred mode of power generation. The Group has energy assets that are impacted in the immediate term by the boom in solar-panel based power generation though these assets would prove to be competitive in long run.

10. **Terrorism Risk:** Risk from terrorism has become more pronounced over the past few years. It is seen that despite all security measures, frequent terror attacks still take place in cities and locations that are regarded as high in safety and security setup. Public areas like airports and rail/road assets are vulnerable to terror attacks. The Group has assets in airport and road sectors and railway projects that are inherently exposed to terrorism. The group identifies the assets such as airports and highways that are sensitive to terror risks and therefore covered the same under terrorism insurance cover for suitable limits.

11. **Competition risk:** Under its plan for accelerating infrastructure development, government authorities could grant new concessions that may compete with our airports or the existing airports may compete with our proposed airports. With several infrastructure players in the country diversifying into multiple businesses, competition in key sectors of transportation and retail has increased. In addition, smaller players have made foray into industries that were considered the turf of the large business houses. The Group is also affected by the increasing competition in nearly every business stream it is involved in, thus exposing itself to thinner margins. In the Infrastructure area, competition is more likely to impact at the initial stage itself. The Group has continued to focus on building competitive advantage in its core business areas to ensure that we are competitively well-positioned in our businesses.

We also have mechanisms in place to ensure that we understand our competitive position while making bid-related decisions, and ensure that the criteria for financial returns remain the key consideration in any bidding activity.

12. **Litigation risk:** With changes in business environment, land-reform policies, taxation policies and axing of appellate tribunals, the Group faces severe risks of unresolved disputes or annulment of appeals.

- The Group has appeals and dispute resolutions pending in tribunals and courts related to tariff, toll, environment protection, labour regulations, etc. that were expected to be resolved favorably. However, with new government initiatives of merging tribunals and dispute resolution bodies, the Group faces risk of annulment of/ or significant delay in resolution of several of cases.

The Group has a strong in-house legal team and is proactive in ensuring that we take most suitable legal advice from leading law practitioners, as may be required. Where appropriate, and in the context of commercial disputes with private parties, the Group also considers and explores out of court settlements under advice.

13. **Geopolitical risk:** Over the years, geopolitical landscape has considerably changed. While the country has witnessed improvement in the geopolitical landscape in the east, countries in the north and west have taken significant steps in altering the geopolitics for India, thus increasing the risks that may impact the Group's businesses, particularly in the airport sector. Rise in protectionism in Western nations and recent developments like One Belt One Road (OBOR) and its implications could have long term consequences for industrial development in India, thus affecting some of the Group's businesses. The Group relies on the government's proactive role in protecting the interests of Indian industries arising out of changing geopolitical landscape.
14. **Socio-economic risks:** Despite efforts from the government, businesses and organizations, socio-economic conditions of a large section of the civil society have not improved over the past years. Several factors like widening inequality gap, dislocation of vulnerable sections of the society, loss of livelihood disruption and an increase in fear of social and communal disharmony have aggravated the risk of disruption to businesses. The Group's businesses in transportation sector stand exposed to risks from changing socio-economic landscape in the country. To mitigate risks to our businesses arising from socio-economic issues, the Group takes proactive steps in engaging with affected people as well as customers.

Internal control systems and their adequacy

The Company's internal financial control framework, established in accordance with the COSO framework is adequate to ensure its operational, compliance and reporting objectives are achieved. The Company's internal financial control framework is based on the 'three lines of defense model'.

The Company has appropriate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are periodically reviewed to ensure both relevance and comprehensiveness and its compliance is ingrained into the management review process. Respective Business/Company CEOs are responsible to ensure compliance with the policies and procedures laid down by the Management.

Deviations, if any, are addressed through systemic identification of causals. Various data analytic reports, run as a part of routine monitoring activities by all functions, also assist in early and timely identification of exceptions. Corrective actions, if required, are taken by the respective functions. As far as possible, emphasis is placed on automation of controls within the process to minimize deviations and exceptions. Investment in advanced IT tools on an ongoing basis is one of the key means to achieve the automation.

The Company firmly believes that every employee has a role to play in fostering an environment in which emphasis on compliance with regulations

and ethical behavior are accorded highest importance. Towards this, sessions are periodically held to increase employee awareness on the Company's Code of Conduct.

The Company has also invested in an IT tool that helps track crucial compliances as close as possible to the actual due date. Any deviations are highlighted for prompt corrective action. Functional owners take responsibility for introducing preventive actions. Proactive actions are initiated to ensure compliance with the several upcoming regulations through deployment of cross functional teams.

The effectiveness of the internal controls is continuously monitored by the MAG. MAG's main objective is to provide to the Audit Committee, an independent, objective and reasonable assurance of the Company's risk management, control compliance and governance framework. MAG continuously assesses opportunities for improvement in all business processes, systems and controls and provides recommendations which add value to the Company. It also follows up on the implementation of corrective actions and improvements after the review by Senior Management and the Audit Committee.

The Company continues to stay committed to working at the highest standards of governance.

Seamless transition

A well-planned and coordinated initiative was undertaken to design systems and set up process controls that ensured a smooth, efficient and effective transition to the GST regime.

Developments in Human Resources and Organization Development at GMR Group

The FY 2017-18 was the year when group focused heavily on investing in talent and digital transformation of the process platforms across HR, Facilities Management and Shared Services Centre (back-office transaction processing center). While large number of initiatives were successfully completed during the year, the focus is continued on stabilizing the digital platforms and more importantly adapt the new way of managing work. Numerous number of improvement initiatives arising from Group Corporate Services Integration Council, HR Strategic Advisory Council, Group Business Excellence Council, HR and FMS Council, GPAC (GMR Performance Advisory Committee) Reviews and Business Organization Development workshops have started delivering encouraging results on all front, especially people performance, engagement and culture.

This year we witnessed tremendous participation from employees across the group and robust outcomes in plethora of people initiatives, e.g. Employee Engagement and Ethical Culture survey, Continual Improvement Projects, Employee Suggestion Scheme - Idea Factory, Employee Rewards & Recognition, Employee Communication through Town Halls, Skip Level Meetings, Goal Setting, Performance Appraisals, Digital Awareness, Self-learning and development, while keeping a close eye on 'Frugal' way of working and imbibing group's core values and beliefs.

Some of the initiatives taken up at the Group are detailed below:

• **Annual Staffing Plan**

Successfully completed the 2nd round of Annual Staffing Plan during the year for estimating the optimum level of human capital requirement, both in terms of capacity and capability to accomplish organizational objectives.

This has yielded resource optimization by up to 45% of additional requirement, by implementing innovative suggestions arising out of Productivity Studies, Process improvements, Cross functional team led technological interventions.



• **Internal Job Opportunities**

‘GROW’ - Group’s in-house developed Internal Job Posting (IJP) portal was launched in FY 2017 which is now stabilized and has been widely adopted by employees to continue to look for exciting job opportunities round the year. Backed by a robust panel interview and screening process, this year 32% of job postings were internally fulfilled, which is double the FY 2017 IJP fulfillment.



• **AARAMBH**

AARAMBH is a group initiative taken in FY 2017 to induct Management Trainee from well-known institutes in India, including Chartered Accountants for creating a sustainable pipeline of future leaders across all sectors.

The 1st Batch of 38 Management Trainees underwent a robust 1 year blended training program including class room sessions, on the job assignment and individual projects, mentored by senior leaders



While the 1st batch graduated and the trainees joined their respective business functions during FY 2018, the 2nd batch of Management Trainees was inducted under AARAMBH having selected 47 management graduates screened through a stringent selection criteria across 14 B-Schools and Educational Institutes across the country. To fulfil the need for technical talent specifically in Airports Sector 52 GETs (Graduate Engineer Trainees) were inducted in FY 2018, currently undergoing 1 full year of training period and shall soon graduate to join their respective functions.

• **Leadership Pipe Line & Talent Review:**

GMR is now poised to embark on the next phase of growth journey. ‘Engaged Talent’ has been the key focus area for Group Leadership team and therefore to prepare for these massive growth opportunities a two pronged approach has been adopted. Lateral recruitment to cater to immediate requirements and Talent Review and Development for Mid-term to Long-term talent needs.

Over the last 3 years there has been significant progress on bridging the talent demand and supply gap, having inducted 6 top leaders in FY 2016, 13 in FY 2017 and 20 in FY 2018.

On other hand, to groom internal top talent and provide them with the robust career progression while building talent pipeline for future opportunities, Group Talent Review was initiated during FY 2017. Significant progress has been made, having completed the TR Process in respective sectors (250+ Top Employees), now geared up for Group Level Top Talent review in Q2 FY 2019.



• **Employee Engagement**

‘PULSE’ is Group initiative to assess the Employees’ engagement levels and Ethical Culture climate through an IT enabled online survey. This was a remarkable year which witnessed increase in Employee Engagement Score from 4.12 (on a scale of 0-5) in FY 2017 to 4.40 in FY 2018, while the % employee participation increased from 78.7% in FY 2017 to 89.1% in FY 2018. The ethical climate results also indicated improvement as the score moved from 3.93 in FY 2017 to 4.39 in FY 2018.



To learn from global best practices implemented in other organizations, Group Airport entities including Delhi Airport, Hyderabad Airport, Airport Construction and Airport Corporate Teams invited GPTW (Great Place To Work) Team during FY 2018. The GPTW survey outcome has been extremely encouraging, and largely corroborates with PULSE survey.

The result of surveys were analyzed from numerous perspectives to develop deeper insights around Employee Engagement and Workplace experience, backed by time bound, Cross Functional Team led Action Projects.

- **Goal Setting & Performance Management Process (Mid-Year and Annual Appraisal)**

In order to achieve organizational objectives (Group Objectives >> Sector Objectives >> Business Objectives >> Function >> Employee), each employee sets individual goals which are Specific, Measurable, Attainable, Relevant and with Timelines (SMART) ensuring alignment with respective business priorities in a specific year, which are reviewed by respective managers and registered on online IT Portal "Digital HR". Half yearly and annual appraisal process is carried out to access and confirm the performance of all employees.



Having implemented the Digital HR, the process has become much simpler and accessible from any part of the world, providing immense flexibility to exercise Goal Setting, Mid-year self-appraisal, Full year appraisal, and Performance appraisal reviews by managers within the set time lines.

- **Digital HR, Digital FMS**

A massive transformation project was initiated in FY 2017 to digitize people processes spanning across employee life cycle from Hire-to-Retire. It would provide seamless and secure 24x7 access to Digital HR through multiple modes to all employees whether in or outside of office. It delivers state-of-the-art features and enhanced user friendliness with inbuilt performance dashboard and insightful analytics for effective and timely decision making.



During FY 2018, a cluster of 13 core HR Processes were successfully migrated from a legacy platform to a new digital platform of SAP Successfactors. With no additional project resource deployed, the existing team members formed small Cross Functional Teams having members from Core HR, Shared Services Center, Information Technology, Procurement, Business, Legal, Internal Audit and other support teams, implemented these 13 core HR modules in a record period of 12 months. Massive Change Management programs were held at all GMR locations to train the employee with new way of HR Process Management.

Under Digital FMS, a total of 15 FMS processes were digitized out of total 18 processes at Group level, aimed at providing a seamless, digital and customer friendly experience to all employees.

- **Digital Awareness**

The pace at which the external world is changing coupled with internal processes continuously undergoing digital transformation, Digital Awareness has become one of the most desired mandatory skillset for each member in GMR agnostic of the job level.



A customized curriculum blended with classroom sessions and online self-learning modules was developed by the Digital Awareness partner. By end of Q4 FY 2018 72% of total 4,250 employees in core businesses were covered under class room training across group locations including corporate office, plant sites, airport operations, project sites and other assets. The content quality, training delivery effectiveness, learning effectiveness and overall program management was continuously evaluated at the end of each session, which is @ 4.37 on a scale of 0-5. The focus in FY 2019 is now on to drive the self-learning digital modules and assessment of post training effectiveness.

- **Gender diversity and sensitization**

Gender equality, gender diversity and gender sensitivity have been immutable focus areas for leadership in GMR Group. There has been continuous focus to enhance the current gender diversity at group level, which has improved by 10% over FY 2017 levels. For every position up to 50% of profiles are women candidate only. However, gender diversity at senior position has been an area which has



significant improvement opportunity and we expect to see better ratio at senior positions also in FY 2019.

Series of programs were conducted in FY 2018 including Panel discussion with external HR experts, women folks, and business leaders to discuss on issues, policies and processes to make workplace environment more women-friendly. During FY 2018 45% of total female employees participated in women self-defense training programme which received enthusiastic response and well appreciated.

Business Excellence

Business Excellence Framework provides a holistic way of conducting business, in the interest of organization's sustenance, which is concerned with stakeholders - Customers, Shareholders, Govt. Institutions, Employees, Suppliers, Community, aiming to yield 'Robust & Sustained' business results by continually assessing, improving and deploying organizational processes following GBEM (GMR Business Excellence Model), which is based on Malcolm Baldrige National Quality Award (MBNQA), one of the most prestigious Organization Performance Assessment framework in US and adopted worldwide by 9000+ organizations.



During FY 2018, GMR Hyderabad Airport conducted the External BE Assessment and reported the improvement in Business Process and Business Results (Score - 556 out of 1000) moving to 'Emerging Industry Leader' Band.

The 6th edition of Group Business Excellence Reward and Recognition was conducted on February 2, 2018, during which 133 team members were felicitated for successfully completing 197 yielding benefits of ₹ 101.72 Crore. During the year, 229 CIPs were registered of which 159 were successfully completed and balance 70 projects are under implementation. Under Bhavyatha Framework (GMR project execution excellence) 16 processes were covered out of total 25 in Delhi Airport expansion project, while balance processes are being covered in line with project progress. The I2P (Invoice-to-pay) project under P2P (Procure-to-pay) transformation is now in its final phase of testing and production roll out check stage, which shall replace the legacy application with SAP Open Text solution standardizing the invoice processing across group with optimized process turnaround time.

Job Evaluation (New Grades & Bands)

It is a systematic process for ranking jobs logically and fairly to determine the relative worth of job in the organization.



Having completed the Phase I roll out of new grades and bands, during FY 2018 the revised Grades and Bands were rolled out at CEBU Airport Project. Initial preparatory work has been completed in other GMR Businesses including RAXA, GMRVF CSW (GMR Varalakshmi Foundation Community Services Wing).

Shared Service Center @ Hyderabad (SSC 3.0)

In line with our Group Strategy, the Bangalore SSC Center was successfully migrated to Hyderabad during FY 2018 and commenced operation from February 26, 2018. The new center was built in record 5 months at extremely competitive per sq.ft. cost. This is a best-in-class back office operation center on ground floor of Aero Towers Building in Hyderabad airport campus, equipped with 466 seats, state-of-the-art training rooms, meeting rooms, discussion rooms with open office concept based work space, and an OPS (Operations) command room streaming the live status of processing.



HR Strategic Advisory Council (HR SAC)

An advisory council comprising of eminent external HR experts and Group HR leaders was formed in FY 2017 to take up various people related agenda points, debate, discuss and adopt Best & Next HR practices and recommend improvement strategies and directions.



4 council meetings were organized during FY 2018, to appraise the panel with ongoing HR initiatives at Group level and invite their insights and learning from global best companies in the areas of People Practices.

GCS Integration Council

As the businesses of the Group are growing across industry lines and geographies, there is a need for a federal structure that provides increasing independence to various businesses, while also ensuring alignment to the GMR Vision, Values & Beliefs and GMR BE Model.

GCS Integration Council is a platform created in FY 2017 with an aim to provide a federal oversight leveraging collective strengths of various Group Corporate Services (GCS) functions and to create a platform for inter-functional effectiveness. This council identifies and implements

cross-functional business process transformation projects, running across all GMR Businesses.

GCS Integration Council

3 Council meetings were held during FY 2018, discussing on apex agenda items which has potential impact at group level, the committee identified 12 improvement projects, which are under implementation.

- **ANUSHiSTA**

'Being Frugal' has been one of the core focus area of Group when it comes to the utilization of resources whether monetary or non-monetary. 'ANUSHiSTA' was launched in FY 2017 across Group business units and asset sites to impart awareness amongst employees and inculcate the culture of frugality. Employees were encouraged to form small cross functional teams and identify avenues to optimize resource utilization. During FY 2018, a total 380 ANUSHiSTA Projects were registered, involving 1,520 employees, delivering annual benefits of ₹ 7.26 Crore.



Business Responsibility Report

Section A: General Information about the Company

- 1. Corporate Identity Number (Business Responsibility Report) of the Company :**
L45203MH1996PLC281138
- 2. Name of the Company :**
GMR Infrastructure Limited
- 3. Registered address :**
Naman Centre, 7th Floor, Opp. Dena Bank,
Plot No. C-31, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051
- 4. Website :**
www.gmrgroup.in
- 5. E-mail id :**
Gil.Cosecy@gmrgroup.in
- 6. Financial Year reported :**
2017-18
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise):**
The Company has Engineering, Procurement and Construction (EPC) business and is a holding company for the investments made in Airports, Energy and Transportation & Urban Infrastructure sectors.

NIC Code of the Product / Service	Name and Description of main products / services
43900	Engineering, Procurement and Construction (EPC) [Handling of engineering, procurement and construction solutions in Infrastructure Sectors]
66309	Others [Investment Activity and corporate support to various infrastructure SPVs]

- 8. List three key products/services that the Company manufactures/ provides (as in balance sheet)**
The Company has Engineering, Procurement and Construction (EPC) business and is a holding company for the investments made in Airports, Energy and Transportation & Urban Infrastructure sectors.
- 9. Total number of locations where business activity is undertaken by the Company:**
 - i. Number of International Locations (Provide details of major 5):
The Group has business activities in Indonesia, Singapore, Nepal, and Philippines (Cebu).
 - ii. Number of National Locations: The Company by itself and through its subsidiaries, JVs, Associates has business activities undertaken in more than five States in India, viz., Delhi, Karnataka, Telangana, Maharashtra, Goa, Odisha, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Andhra Pradesh, Himachal Pradesh, Gujarat, Uttarakhand, Rajasthan, Jharkhand, Punjab etc.,

10. Markets served by the Company - Local / State / National / International:

Over the past two decades, GMR Group has grown from a regional to a global infrastructure player.

The international presence of the Company's subsidiaries extends to the following geographies:

- Stakes in international coal assets in Indonesia - PTBSL (under divestment) & PT GEMS
- Hydro-power projects in Nepal - Under various stages of developing;
- Stakes In Airports - Mactan Cebu International Airport in Philippines. GMR, along with its Greek partner, was also awarded Provisional Contractor status at Heraklion Airport in Greece and now is in process of completing the documentation.

On the National level, the Company's subsidiaries have in all right to develop and operate 3 airports on Public Private Partnership (PPP). Of these, the Group is operating 2 airports at New Delhi and Hyderabad and constructing the third one- MOPA airport in Goa. The Group also has interests in 9 operating energy assets in Tamil Nadu, Andhra Pradesh, Gujarat, Maharashtra, Chhattisgarh and Odisha and 2 coal blocks (1 in Jharkhand and 1 in Odisha). The Group has 1 project under construction (Hydro based plant in Himachal Pradesh) and 2 other plants in Uttarakhand and Arunachal Pradesh under development and 7 different highways (one with minority stake) with a balanced mix of toll and annuity at various locations in India - Andhra Pradesh, Karnataka, Punjab and Tamil Nadu.

Section B: Financial Details of the Company

- | | (₹ In Crore) |
|--|---|
| 1. Paid up Capital | : 603.59 |
| 2. Total Turnover | : 1,106.01 |
| 3. Total profit / (loss) after taxes | :(1,930.75) |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): | Not applicable due to losses in the previous years. |
| 5. List of activities in which expenditure in 4 above has been incurred: | Not applicable as the Company was not required to spend any amount. |

Section C: Other Details

- 1. Does the Company have any Subsidiary Company / Companies?**
Yes, the Company has 118 subsidiary Companies as on March 31, 2018.
- 2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
The subsidiary companies participate in group wide Business

Responsibility (BR) initiatives on a wide range of topics, as part of their respective BR/ CSR initiatives. All subsidiaries are aligned to the activities under the aegis of GMR Varalakshmi Foundation (GMRVF), the Corporate Social Responsibility (CSR) arm of the Company, which develops social infrastructure and enhances the quality of life of communities around the locations, where the Company / Subsidiaries have a presence.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

Yes, more than 60% of dealing entities like Vendors, Contractors, Service Providers, accept & participate in BR initiatives and this is mandated by the process of Sign-off by vendors/suppliers when accepting the Supplier Code of Conduct and Business ethics at the time of accepting the Work Order / Purchase Order released on them.

Section D: BR Information

1. Details of Director / Directors responsible for BR

a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

- DIN : 00061669
- Name : Mr. Grandhi Kiran Kumar
- Designation : Managing Director & CEO

b) Details of the BR head:

S. No.	Particulars	Details
1.	DIN (if applicable)	NA
2.	Name	T. Venkat Ramana
3.	Designation	Company Secretary and Compliance Officer
4.	Telephone number	T: +91-11 49216751
5.	E-mail id	Gil.Cosecy@gmrgroup.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** - Businesses should promote the well-being of all employees.
- P4** - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** - Businesses should respect and promote human rights.
- P6** - Businesses should respect, protect, and make efforts to restore the environment.
- P7** - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** - Businesses should support inclusive growth and equitable development.
- P9** - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	P1	P2**	P3	P4	P5	P6	P7	P8	P9***
1.	Do you have a policy /policies for.....	Y	Y	Y	Y	Y	Y (IMS Policy - EHSQ) Energy Policy @ GWEL, GKEL; Social Accountability Policy @ GWEL;	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	#	Y (ISO 14001:EMS & OHSAS 18001 & ISO 9001:QMS) ISO 50001 (EnMS); SA 8000	#	#	#	Y MoEF, respective State Pollution Control Board, Factories Act and ISO 14001:EMS)	#	#	#
4.	§Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y*	http://investor.gmrgroup.in/investors/GIL-Policies.html	Y*	Y*	Y*	http://investor.gmrgroup.in/investors/GIL-Policies.html	Y*	Y*	Y*
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P1	P2**	P3	P4	P5	P6	P7	P8	P9***
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy /policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

#wherever the Group Policy is not compliant with local laws, they are suitably modified. There is no known non-compliance with international standards.

* The policy is available in Company's intranet.

** The Company and the Subsidiaries wherever applicable have relevant systems and practices in place to implement and adhere as per the principles.

*** The Company and the Subsidiaries have systems in place and have practices as per the Principles and formal policy based upon systems and practices will be placed before the Board for approval.

‡The policy being approved by the Board/MD/CEO/Department head and signed by MD/owner/CEO/ Department head/appropriate Board/Director wherever is applicable.

2a If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The BR performance will be assessed on an annual basis.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Annual Report containing Business Responsibility Report is available on Company's website and can be accessed at <http://investor.gmrgroup.in/Investors/annual-report.html>.

Energy Sector is publishing its Sustainability Report every year since FY 2013-14 as per GRI-G4 guidelines, which are made available to all its relevant stakeholders. Sustainability reports are also available on Company's website.

DIAL prepares sustainability report as per GRI-G4 guidelines. GHIAL has published its first/maiden Sustainability report for the FY 2015-16 as per GRI-G4 guidelines.

down guidelines for employees of the Group to follow in their day to day work life. The policy applies to all employees on regular rolls of the Company including Full Time Directors, Advisors, In-house Consultants, Expatriates and employees on contract.

As an extension of the Code of Conduct, Company has a Whistle Blower policy which also applies to third parties with concerns regarding any serious malpractice or impropriety within the Group. Third parties include Vendors, Service providers, Partners, JV employees, and customers. There is also a Suppliers' Code of Conduct and Business Ethics to ensure transparent business governance. All bidders have to sign the Supplier Code of Conduct prior to even bidding for a contract in GMR group.

Company has an Ethics and Integrity Department to expeditiously investigate and take action to protect the culture and ethical environment.

- 2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Three concerns were raised by Stakeholders during 2017-18, that too, only in respect of issues relating to GIL-SIL project (DFCC)

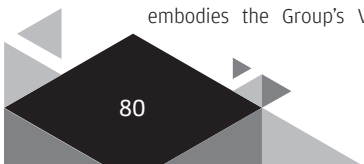
- This issue was regarding a dispute between two partners of a GMR vendor firm. Since working with such a firm would be risky- the contract was terminated.
- Another vendor complained of harassment & impropriety against a GIL-SIL staff. Immediate action was taken and the said staff was terminated.
- A vendor providing vehicles / machinery on hire complained of seeking

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- 1. **Does the policy relating to ethics, bribery and corruption cover only the company? [Yes/ No]. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes. The Code of Business Conduct and Ethics policy of the Company embodies the Group's Values and Beliefs and endeavors to lay



of favors by a member of the staff. Allegations were apparently retaliatory in nature, post de-hiring of the vehicle / machinery of the said firm. No action was warranted.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

Environmental Protection and Sustainability

Since inception, sustainability has remained at the core of our business strategy. Besides economic performance, safe operations, environment conservation and social well-being have always been at the core of our philosophy of sustainable business. In anticipation of upcoming regulations and requirements, the Company has invested substantially and allocated other resources to proactively adopt and implement manufacturing / business processes to increase its adherence to environmental standards and pollution control measures and enhance its industry safety levels. At GMR Group, the challenges due to the Company's operations related to EHS aspects of the business, employees and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures.

Our continuous endeavor to go beyond compliance and conserve natural resources helps to march towards attaining excellence in environment management and efficient and sustainable operations as well. As the Company operates in an increasingly resource-constrained world, being environmentally conscious and efficient is key to our operations. The Company has a Corporate Environment, Health, Safety and Quality (EHSQ) Policy to articulate, guide, and adopt an integrated approach towards implementing EHSQ objectives and the Company is committed to the Policy. These established systems certified by reputed certifying agencies have helped to monitor and manage our operations systematically, safely and in environmental friendly manner. When such practices become institutionalized, they protect environment and reduce operational and other costs.

The Company understands the global thrusts for minimizing the effect of developmental projects towards global warming. The Company has developed various projects voluntarily and some of the projects are under development stage, which ultimately reduces Green House Gases (GHG) emissions into the atmosphere and thus, minimizing the global warming effect. The Company has evolved as Sustainability leader by registering 7 CDM Projects with United Nations Framework Convention on Climate Change (UNFCCC).

As a responsible corporate citizen, the Company is striving to meet the expectations of neighboring communities around its plants and other locations through GMR Varalakshmi Foundation. The foundation works closely with them and strives to impact the lives of millions of farmers, senior citizens, youth, women and children through numerous programs.

Energy Sector

Energy Sector of the Group has continuously ventured to promote cleaner fuel operations and renewable energy. A super critical technology power plant was developed at Chhattisgarh. The 25 MW and 1 MW Solar Photo-Voltaic based power generation in Gujarat and Rajam respectively, 2 MW Solar Roof top power project near Delhi International Airport, Delhi, 2.1 MW and 1.25 MW wind turbine generators in the State(s) of Gujarat and Tamil Nadu respectively are fully operational, with commitment towards sustainability in terms of clean and renewable energy resource.

The Energy sector has aligned its energy business with its comprehensive "EHS Framework", adopting best generation practices, optimizing energy, natural resources and technology, best available practices, "go beyond compliance", etc.

All the operating units have all necessary statutory clearances in place and are in compliance with environmental regulations. The Group has adopted state-of-the-art systems and measures to control emissions and effluent in design stage itself. Hazardous wastes management and disposal has been in accordance with Central Pollution Control Board (CPCB) guidelines. Continuous Stack Emission Monitoring System (CEMS) and Continuous Ambient Air Quality Monitoring Systems (CAAQMS) at power plants have been set for monitoring of vital pollution parameters on real time basis. Also, each of the operating units has dedicated Effluent Treatment Plant to treat waste water from the units and utilize or discharge in accordance with Pollution Control Board Norms. All parameters like stack missions ambient air quality, water quality, noise level etc., are maintained well within the stipulated norms. The monitoring reports are submitted periodically to statutory authorities. Internal audits and surveillance audits as per the requirements of ISO certifications are conducted and any observation or non-conformance is dealt with utmost seriousness.

The system is managed by dedicated EHS team and steered frequently at Apex level for quick actions.

Various employee engagement campaigns are conducted at different plants by celebrating World Environment Day, National Safety Week, National Fire Service Week, National Cleanliness Day, Road Safety Awareness Week, Energy Conservation Week, Earth Day, etc., to create awareness and generate ideas for implementation. Regular mass plantation is organized with involvement of employees, their families and nearby villagers. Dense green belt is developed at many sites and is under progress at few project sites. Fruit bearing tree species are also being planted. Its survival is ensured with proper care.

Systems and processes as per Global Reporting Initiative (GRI-G4) are being implemented across all the power plants. Energy Sector is publishing its Sustainability Report every year since FY 2013-14 as per GRI-G4 guidelines, which are made available to all its relevant stakeholders. Sustainability reports are also available on Company website. Further, Energy Sector initiated and adopted GRI-G4 based Sustainability & EHS Management software E-tool titled 'SoFi' for

capturing online sustainability data of all operating assets and projects - first in the power sector in India.

GMR Warora Energy Limited (GWEL) is already certified for ISO9001:QMS, ISO14001: EMS, OHSAS:18001 and EnMS:50001 by M/s BVCI. GWEL has also implemented Social Accountability Management System as per SA 8000 and Information Security Management System as per ISO:27001 and obtained external certifications. The laboratory for coal quality at GWEL is certified by National Accreditation Board for Testing and Calibration Laboratories (NABL).

To manage the health and wellness at work place, series of programmes under “Nirmal Jivan” initiatives like Navchetna Shibir for employees, counseling of all employees with dietician, health awareness, Yoga Shibir and motivational programs for employees and their family members were organized during the year.

GWEL successfully conducted series of EHS awareness programs, various training programs on Permit to Work (PTW) system, emergency response plan, fire fighting, electrical safety, chemical handling, gas cylinder handling conducted to employees and contractual employees. Mock drills on scenario such as fire in warehouse, hydrogen leakage from generator, fire in coal crusher and ash leakage from ash silo were conducted. In FY 2017-18, 10,500 saplings were planted. Organic farming for vegetables is also being cultivated over half acre of land inside the plant premises.

Testimonial to all such initiatives, during FY 2017-18, GWEL received IMC Ramkrishna Bajaj National Quality Award-2017 in the service sector category, British Safety Council 3 Star Rating - 2017, National Safety Council Award 2017, National Energy Conservation Award 2017, GoI, Maharashtra State Level Award for Excellence in Energy Conservation & Management 2017, First Prize in CII's National Award for excellence in Water Management 2017 (within the fence), Greentech HR Gold Award for Innovation in Employees Retention strategies from Greentech Foundation. GWEL's Reverse Osmosis (RO) water ATM project is also recognized as a 'Noteworthy Project in Water management in Beyond the fence' at CII Water Innovation Summit 2017.

GMR Kamalanga Energy Limited (GKEL) is compliant with the statutory norms required for operation of power generation plant and certified for ISO 14001:EMS, OHSAS18001, ISO 9001:QMS and EMS 50001:2011. GKEL has deployed various environmental protection initiatives for environment conservation, conducts audio visual EHS trainings, Behavior Based Safety (BBS) trainings, SAP based Work Permit System integrated with Lock Out and Tag Out (LOTO) mechanism. Hazard Identification and Risk assessment (HIRA) exercise is regularly conducted to identify and control new or existing risk in operations. EHS initiatives like Senior Management EHS Walk-through, Medical check-up, EHS Council meeting, etc. are observed to create positive safety culture amongst workforce. Periodic Integrated Management System (IMS) audits are conducted to assess the deployment of work

procedures at plant site. In FY 2017-18, 43,600 saplings were planted within plant premises.

During FY 2017-18, GKEL received first prize in “Best Environment Management 2015, Govt. of Odisha, Third Prize in “Lowest Weighted Frequency Rate of Accidents 2017”, Govt. of Odisha, Best Safety Officer 2017, Govt. of Odisha, Safety Innovation Award-2017, Institute of Engineers, Delhi, Greentech Safety Excellence GOLD Award, Greentech Foundation. GKEL also received Best Industry Award for Blood donation 2017-18, Dhenkanal District Administration, Govt. of Odisha.

GMR Chhattisgarh Energy Limited (GCEL) has valid factory License from Inspectorate of Factories, Consent to operate, hazardous waste authorization and Bio-medical waste authorization from Chhattisgarh Environment Conservation Board. GCEL has also obtained amendment for usage of domestic coal from MoEF. GCEL received ISO 9001:QMS, ISO 14001:EMS and OHSAS 18001 certificates. For all operational activities and maintenance, SAP based PTW system and other work permits are followed. Compliance with Personal Protective equipment is ensured while working. EHS training is imparted to all new and existing employees every year. One fatality was reported at GCEL during FY 2017-18. GCEL received memento to honor the contribution and partnering in mission “Secure City”, Govt. of Chhattisgarh. To make the area green, plantations were done by employees in Plant premises as well as nearby villages.

GMR Vemagiri Power Generation Limited (GVPGL) and GMR Rajahmundry Energy Limited (GREL) units are gas based power plants in Andhra Pradesh. GVPGL is certified for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001: 2007 by M/s. GL-DNV. GREL is certified for ISO 9001:2015, ISO 14001:2015 and OHSAS 18001: 2007 by M/s. GL-DNV. EHS practices are deployed to achieve the highest level of performance. EHS trainings were imparted. Mock drills for each plant were conducted on different emergency scenarios. GVPGL and GREL achieved Zero Lost time injury frequency rate with no reportable incidents for 2017-18.

GMR Energy Limited (GEL), Kakinada has established efficient EHS procedure and practices and has achieved zero Lost Time Injury Frequency Rate (LTIFR) with nil reportable accidents in FY 2017-18. Plant is compliant with all statutory norms and procedures. Periodical surveillance audit of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 has been done by M/s GL-DNV.

GMR Bajoli Holi Hydro Power Project construction is in progress with total compliance to all applicable EHS statutory rules and regulations, procedures and best practices. Though there was no fatal incident, 2 Lost Time Injuries (LTI) from a single incident were reported at site. Surveillance audit has been conducted by M/s TUV India for Integrated Management System (IMS) as per revised ISO 9001:2015, ISO 14001:2015 and OHSAS 18001: 2007 standards and certificates were received. Periodical medical health check-ups were conducted for employees and contract workers. Regular medical camps are also

organized for workforce and community. Safety tool box talk, safety training, pre job briefing and site inspections are conducted on daily basis. 100% contract employees were covered under EHS awareness on utilization of Personal Protective Equipment (PPE) at site. All critical air quality parameters at inside tunnels are displayed near portal of adits. First aid centre has been set up at every site managed by qualified professionals and supported by 6 ambulances. 200 tree saplings were planted at project and colony sites.

Talabira-1 Mines achieved Zero Lost time injury frequency rate with no reportable incidents for 2017-18.

At GMR Energy Sector level, LTIFR of 0.16 was achieved during FY17-18. GMR Energy Sector received British Safety Council International Award - 2017.

Airport Sector

Airport Sector embraces the concept of sustainability by managing activities in environment friendly manner, minimizing natural resource utilization and maintaining collaborative relationships with the community and stakeholders. Our strategy for long-term stability and continual improvement is focused on cost-effective operation, social responsibility, environment and ecology oriented business approach and practices, which are governed and managed by latest technological processes, improved infrastructure, efficient operational measures, continuous learning and education, effective change management and communication, with all possible stakeholders' support.

Environment Sustainable Management is an integral part of our business strategy which helps in achieving social credibility and business sustainability by efficient integration of policy, system, procedures, infrastructure and community support. The Company adopted all possible proactive sustainable approach for the airport to develop an environment friendly posture that accommodates the community's concerns while still meeting all regulatory requirements. Our key environmental and social elements which have direct/indirect impact on society are aircraft noise, emission, air quality, water and wastewater, solid waste and conservation of natural resources. A dedicated team of professionals is deployed to deal with all areas of environmental and social concerns. All the impacts associated with its business aspect are being effectively resolved by working closely with the communities around the airport by proper knowledge sharing forums, media communications, communication to stakeholders and stakeholder meetings, further with the support of regulatory and government agencies.

Air and Water management is ensured by regular monitoring, analysis and following government regulations and guidance. Solid and Hazardous wastes are handled as per the applicable rules. Sewage Treatment Plant (STP) is operational to treat the waste water. Entire treated water is being reused appropriately for the flushing, HVAC and irrigation purposes.

Delhi International Airport Limited (DIAL)

Environment Sustainability is an integral part of DIAL's business

strategy. It focusses highly on natural resource conservation, pollution preventions and skill developments on the part of business sustainability at Delhi Airport by efficient integration of policy, systems, procedures, infrastructure and community support.

DIAL is committed to conduct its business in an environment and social friendly manner by adopting all possible operational and technological measures to minimize the impact of its activities on the environment and society.

Some of the recent achievements of DIAL in the sustainability segment during this FY are:

- Delhi Airport continues to remain "Carbon Neutral Airport" in Asia Pacific Region by ACI (August 2017)
- ACI Green Airports Award 2018 - Silver Level in Asia Pacific Region (March 2018)
- DIAL wins Wings India Award for 'Most Sustainable and Green Airport' (March 2018)
- CII - Green Company Best Practices Award in Climate Change Mitigation (June 2017)
- Successfully completed the recertification of Environment Management System under ISO 14001:2015, audited by M/s.DNV.
- Achieved a Carbon intensity of 1.84 kgCO₂/ Pax during the year 2017-18
- Regular Training on Environmental Management and Sustainability Management
- Environment Day celebration on every World Environment Day event on 5th June.

In addition to the above, some of the continuing best environment practices include:

- Terminal 3 of Delhi Airport is a LEED India Gold certified green building under "New Construction" category and it is the first airport in the world to achieve this. Terminal 3 is also Platinum rated Green Building under IGBC "Existing Building" category.
- Delhi Airport is first airport globally to have adopted, live building performance monitoring and scoring platform "ARC" by USGBC/GBCI.
- The energy efficiency measures implemented in DIAL has been registered in UNFCCC as Clean Development Mechanism project; it is the first airport project in the world to have achieved this credential.
- DIAL has installed 7.84 MW solar PV plant in the air side premises of Delhi Airport and is the first airport in the country to have megawatt scale solar plant within the airport.
- Delhi Airport is the first airport in India to have implemented Airport Collaborative Decision Making (A-CDM) which aims at improving Air Traffic Flow and Capacity Management and

Emission Reduction.

- 16.6 MLD state-of-the art “Zero Discharge” sewage treatment plant treats entire sewage water generated in Delhi Airport, the treated water is used for horticulture, toilet flushing and HVAC make up.
- DIAL has constructed more than 300 rain water harvesting structures to improve the ground water level within the airport and in the surrounding area.
- Delhi Airport has achieved Platinum Level under Green Company Framework by CII-GBC for its environmental excellence in the field of environmental sustainability.
- The Energy Management System of Delhi Airport is certified under ISO 50001:2011 and is the first Airport in the world to be certified for ISO 50001:2011 Energy Management system.
- DIAL has promoted Multi modal Connectivity to reduce emission. There is a dedicated metro line connecting Delhi Airport to the city, besides road connectivity.
- DIAL has installed dedicated CNG fueling station at IGIA, which helps in minimizing the GHG emission load at IGIA.
- The energy efficient and environment friendly infrastructures also include state of the art STP and WTP, Energy efficient BMEs, Advanced Fuel Hydrant Systems, FEGP and PCA supply systems.

GMR Hyderabad International Airport Limited (GHIAL)

GHIAL considers EHS as an integral part of business and is committed to conduct business in an environment friendly and sustainable manner, in line with group’s Vision, Mission, Values, Beliefs and Corporate Policies. During the year 2017-18, in spite of significant increase in Air Traffic Movement, Passenger volume and various airport expansion projects both inside and outside operational areas, the overall safety performance of the airport had been very good and there had been significant reduction in safety incidents both in number of incidents and also the severity of such incidents. This was possible through GHIAL’s multi pronged approach which includes proactive hazard identification and mitigation, stringent process of ‘Management of Change’ and collaborative implementation of safety control measures at the airport.

The safety initiatives of Rajeev Gandhi International Airport (RGIA) has been recognized well both at national level and international platforms. In November 2017, the Chief Operating Officer, GHIAL had been conferred with the ‘EHS Leadership Award’ by the National EHS Congress. Also safety representative from GHIAL has been included as a member in the regional operations safety committee of the ACI and also in the National Aviation Safety Team (NAST). Further in line with the Safety Management System framework defined by the International Civil Aviation Organisation (ICAO) and the Directorate General of Civil Aviation (DGCA) India, GHIAL has implemented a comprehensive Safety Management System (SMS) towards continued safety assurance through safety risk management and active safety promotion. The current SMS process at GHIAL has progressed to the

level of Phase-4 through proactive and predictive risk identification and mitigation measures. To further enhance these safety initiatives, GHIAL Safety Department has initiated an innovative process of engaging Aircraft Maintenance Engineers (AME) through a Safety Action Group (SAG) to address various safety concerns arising out of aircraft line maintenance activities at the airport. Critical safety concerns/issues are effectively identified and addressed jointly through high level interactive forums like Runway Safety Committee consisting of airline pilots, air traffic controllers and senior members from other agencies. The SMS at RGIA is in compliance with DGCA regulatory guidelines. Also, the Aerodrome License [AL/Public/021] has been renewed and is valid till March 03, 2020. As part of IMS re-certification process, the OHSAS 18001 has been certified and is valid till December 31, 2018.

Safety promotion is an integral part of safety management system implementation at RGIA. During National Safety Week many safety awareness programmes and initiatives have been launched with the dedicated participation of senior leaders from all stakeholders. Also the stakeholders are sensitised regularly through safety bulletins, safety alerts through various communication medium.

Further, GHIAL’s continual effort and effective stake holder engagement to develop a sustainable environment has brought global accolades and recognitions. During the year 2017-18, GHIAL added an additional 5 MW solar power plant in addition to the existing 5 MW solar power capacity. GHIAL’s environment protection initiatives have received global recognitions. On April 24, 2018, RGIA received the ‘Green Airport Award-2018 Gold’ at the ACI Regional Assembly held in Narita, Japan for its efficient waste management process and also for the second consecutive year has achieved the ‘Carbon Neutral-Level3 Plus’ status from the Airport Carbon Accreditation Programme instituted by ACI World.

Some of the other significant environmental achievements by GHIAL include:

- Successful issuance of Environmental Clearance (EC) by the MoEF&CC for the airport expansion project to the capacity of 25 million passengers per annum.
- Subsequently, the airport has obtained the Consent For Establishment (CFE) for the expansion project from the state Pollution Control Board (PCB).
- GHIAL Environment department has organized an environmental compliance awareness programme to all the stakeholders to ensure stringent compliance to applicable environmental criteria.
- During the World Environment Day campaign, GHIAL has actively engaged the passengers also through various interactive environmental awareness programmes.

In addition to the above, some of the continuing best environment practices include:

- LEED certified Terminal Building which allows maximum natural lighting, and other features that enable optimal use of energy and water.



- Effective implementation of “Reduce-Reuse-Recycle” principle in the overall water usage within the airport.
- Efficient rain water harvesting and ground water recharging processes.
- Efficient solid waste management processes and compost generation to meet 100% internal demands to develop beautiful landscaping within the airport.
- Robust process to effectively reduce aircraft noise and emission levels by collaboratively engaging airline operators and Air Traffic Service providers to bring in best practices like single engine taxi, Fixed Electrical Ground Power to reduce use of aircraft Auxiliary Power Units (APU), Continuous Descent Approach Operations etc.
- Organise extensive environment awareness programmes on a regular basis and wide publicity during World Environment Day, Earth-Hour, etc., by engaging airlines, ground handlers, passengers and all other stakeholders operating at RGIA.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): Not attempted

- Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Transportation division of the Company is certified for OHSAS 18001:2007 [Occupational Health & Safety Management system] and DFCCIL - CP 201 and CP 202 Project certified for OHSAS 18001:2007 and ISO 14001:2004 [Occupational Health & Safety Management system and Environment Management System]. As part of sourcing strategy, priority is given to sourcing of local raw materials like sand, aggregate etc., [unless specified otherwise by client] for construction of Railways, Roads, Buildings and Power Projects. Also procurement procedures form part of the standard ISO procedures. In addition, Transportation division strives to design and construct sustainable Projects which include Water and Energy conservation measures, continuous monitoring of Environmental parameters [like noise, air, water], identify & use of resources that are environment friendly, green technologies and deployment of fuel efficient equipments and machineries.

We have adopted ‘Hot in place recycling technology’ whereby we have recycled 60 - 70% of aggregates, bitumen in overlay of the pavement.

Most of our Truck Bays, Bus Bays have been illuminated using Solar technology.

The fuel in the Energy Sector subsidiary companies is sourced through pipelines, railway wagons, road transport to the plant avoiding wastages, leakages, vapourisation etc., to the extent possible. The Company and its subsidiaries have a Procurement Policy in place and vendors agree to the GMR Code of Conduct and Business Ethics.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company closely works with the CSR team to identify opportunities for getting goods and services from local community. The EMPOWER initiative for selling products made by the community women gets lot of bulk orders from Group companies on various occasions.

There have been several exclusive and niche opportunities within the Group companies which are offered to the local, small vendors. For example, in the Hyderabad Airport, the photography services were allocated to a local photographer for the last 5 years. He has now been allocated space inside the airport and provides photos to passengers who come without them for visa. Like this, the barber, tyre inflation, grocery shop, housekeeping, etc. opportunities in the airport have been provided to local entrepreneurs and all of them doing good business and expanding the same.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company’s subsidiaries operate in different business sectors like Energy, Airports, Highways, Transportation and Urban Infrastructure. The waste water at the power generation plants and Airport is recycled and used for gardening and other cleaning purposes.

Delhi Airport has 16.6 MLD state-of-the-art zero discharge Sewage Treatment Plant (STP). The entire treated water is used for horticulture, toilet flushing and HVAC make up.

The waste handling activity for wastes other than liquid waste at Delhi Airport has been outsourced to waste handling agencies accredited by Delhi Pollution Control Committee (DPCC) and MoEF and all waste is handled as per regulatory requirements and timely returns are filed with concerned Government Agencies.

Also, wastes generated during the operations of the power generation plants are sent to the authorized agencies of CPCB / SPCB for treatment. Ash generated at the power plants is being reused and disposed to cement and brick manufacturers, for road making and filling in low lying areas / abandoned quarries.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees:

SI No.	Category of Employees	No. of Employees
1	Managerial Staff (Executive Cadre)	314
2	Operations Staff (Non-Executive Cadre)	67
	Total	381

2. Please indicate the Total number of employees hired on temporary / contractual / casual basis:

SI No.	Category of Employees	No. of Employees
1	Advisors & Consultants	3
2	Sub-Contracted Employees	976
3	Casual Employees	NIL
	Total	979

3. Please indicate the Number of permanent women employees:

Number of permanent women employees : 22

4. Please indicate the Number of permanent employees with disabilities:

Number of permanent employees with disabilities : NIL

5. Do you have an employee association that is recognized by management?

There is no employee association in the Company.

6. What percentage of your permanent employees is members of this recognized employee association?

N.A.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour/forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees: 100%
- Permanent Women Employees: 100%
- Casual / Temporary / Contractual Employees: 100%
- Employees with Disabilities: N.A.

All the contractual employees of the Company receive mandatory safety training before entering their premises and receive the job training through the contractor and the Company.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged,

vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? [Yes/No].

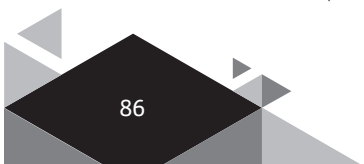
Yes. Whenever the Company sets up a business, it surveys the surrounding communities and identifies key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

There is a specific focus on identifying the vulnerable amongst the stakeholders. These include landless, tribal communities, socially and economically backward sections, people with disabilities, women-headed households, etc. The Company conducts need assessment studies in its business locations and identifies the needs of communities with special focus on disadvantaged and vulnerable communities and all the CSR activities are being planned and implemented based on the identified needs of the communities.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

For the Company, community is a major stakeholder of business. Thus, GMR Group works with the under-privileged communities around its business operations for improving their quality of life. A special focus is laid on vulnerable and marginalized sections of the community such as differently-abled persons, elders, tribals, migrant labour etc. GMR Varalakshmi Foundation (GMRVF) initiated Tent School program in Bengaluru for the children of migrant labour communities. About 700 children get benefit from this Tent School initiative that otherwise had to dropout of education due to migratory nature of their families. At Delhi, the CSR unit is running Samarth program for mainstreaming differently-abled persons through inclusive education, creation of livelihood opportunities, facilitating their rights and entitlements etc. Over 300 persons / children with disabilities benefit from this initiative. In association with National Institute of Locomotor Disability (NILD), GMRVF provided aids and appliances to over 200 people with locomotor disabilities. To address the health care needs of disadvantaged elderly people, GMRVF is running 10 Mobile Medical Units at different locations which takes quality healthcare to the door steps of about 10,000 elderly and vulnerable people. Foundation is also running 25 Nutrition Centers which provide supplementary nutrition, health check-ups and health awareness to pregnant and lactating women from under-privileged families. In the vocational training program of GMRVF also, preference is given to the candidates from disadvantaged backgrounds and special efforts are put to mainstream them through provision of required skills. Further, Foundation has set up Girijan Institute of Rural Entrepreneurship Development in the Seethampet Agency area in Srikakulam district of Andhra Pradesh which provides skill trainings to tribal youth in different vocations. GMRVF also has focused programmes to reach out to women and improve their livelihoods. In the remote, hilly areas of Uttarakhand and Himachal Pradesh where the Group has businesses, the Foundation conducts special outreach health camps to cater to the health care needs of people who otherwise have no access to any kind of health care facilities.



Principle 5: Businesses should respect and promote human rights**1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?**

The Company has a policy on Human Rights. Additionally, policies like Code of Conduct, Whistle Blower Policy, Disciplinary Policy, Policy against Sexual Harassment, and Policy on Work Environment coupled with transparent HR processes and practices adequately cover the human rights aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no reported complaints received during the financial year 2017-18.

Principle 6: Business should respect, protect, and make efforts to restore the environment**1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

The policy related to principle 6 is applicable to all the units of GMR Group, its contractors and its employees.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? [Y/N]. If yes, please give hyperlink for webpage etc..

Yes, the Company and the Group has strategies to address global environmental issues such as Climate Change and Global Warming.

GMR Group has initiated the process of Clean Development Mechanism (CDM) in 2008 and commenced assessment of Carbon Footprint of its units.

The Company has evolved as Sustainability leader by registering 7 CDM Projects with UNFCCC. Terminal 3 (T3) of Indira Gandhi International Airport (IGIA) has become the first terminal in the world to have successfully registered with UNFCCC as CDM project for its GHG emission reduction initiatives.

Delhi Airport has become the first "Carbon Neutral" airport in the Asia Pacific region by upgrading its level to "Neutrality, Level 3+" and has installed 7.84 MW solar plant at IGI Airport and is the first airport in India having mega solar power plant at airside premises. DIAL is also a founding member of "India GHG Program", an initiative by Confederation of Indian Industry (CII), The Energy Resources Institute (TERI) and World Resource Institute (WRI). Thus DIAL has created a leadership role for itself in global environmental issues such as climate change, global warming etc.

During the year, GHIAL has commissioned a 5 MW solar power plant. GHIAL has been awarded with the 'Carbon Neutral' Level 3+ certification.

GVPGL, GMR Renewable Energy Limited (GREL), Alaknanda hydro

project, Bajoli-Holi hydro project, Gujarat solar power project and Wind power projects at Gujarat and Tamil Nadu are registered as CDM Projects at UNFCCC.

3. Does the company identify and assess potential environmental risks? [Y/N]

Yes, the Company has a procedure to identify and assess potential environmental risks. All operating units have implemented Environmental Management System as ISO : 14001 international standard requirements and have been certified by external auditors.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, the Company, through its subsidiaries/associates, is actively involved in the development of CDM projects. It has taken the initiative towards developing the projects which are energy efficient, utilizes cleaner fuel, and uses renewable energy resources as fuel. In such endeavor, the Group has registered 7 CDM projects at UNFCCC till date. Also, UNFCCC has issued 3,16,124 certified emission reduction in FY 2013-14. The Group does not have the requirement to file any environmental compliance related to CDM; however, the environmental aspects related to compliance and sustainability are included in the Project design document of CDM. DIAL has successfully registered "Energy efficiency measures at Terminal T3" at UNFCCC.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc., [Y/N]. If yes, please give hyperlink for web page etc.

Yes. The Company understands the thrust of achieving energy efficiency, and effectively utilizes the available clean technology and renewable energy resources in all its business developments.

Delhi Indira Gandhi International Airport, Terminal 3 has been awarded green building "LEED GOLD" rating from Indian Green Building Council (IGBC), under "New Construction" category thereby making it one of the largest Green Buildings in the world¹. Terminal 3 is also rated as a Platinum level green building by IGBC under "Existing Building" category. Recently, DIAL has adopted a unique green building performance monitoring online platform, called "Arc". Developed by United States Green building Council and Green Business Certification Inc (GBCI), "Arc" allows live building scoring based on its performance and benchmarking against national as well as global values. DIAL has continuously adopted and upgraded to energy efficient technologies and processes. Some of the building energy efficiency measures implemented in Terminal 3 have been registered as CDM project with UNFCCC. Delhi Airport is also the first airport in India to have Airport Collaborative Decision Making (A-CDM), aimed to reduce delays and queuing time, this has led to significant reduction in fuel burning and emission reduction. More details on impact of A-CDM in emission reduction at Delhi Airport can be found in [https://www.icao.int/APAC/Meetings/2014%20ATMSG2/AI4%2IP14%20New%20Delhi%20A-CDM%20Implementation%20\(India\).pdf](https://www.icao.int/APAC/Meetings/2014%20ATMSG2/AI4%2IP14%20New%20Delhi%20A-CDM%20Implementation%20(India).pdf)

The RGIA Passenger Terminal Building, Hyderabad has LEED

¹ <http://www.newdelhiairport.in/environment.aspx>

² <http://www.hyderabad.aero/environment.aspx>

certification for its unique design, which allows maximum natural lighting, and other features that enable optimal use of energy and water. RGIA is the first airport in the world to be awarded the LEED silver rating for its eco-friendly design².

Upcoming thermal power plants projects based on Coal are planned with the latest available technology viz., Super critical Technology and wherever feasible the projects are developed to use Natural Gas, which is the Clean fuel resource. The power plants viz. GMR Power Corporation Limited (GPCL) and GVPGL are already identified as energy efficient power plants as per the Notification [S.O. 687 (E) dated March 30 2012] issued by the Ministry of Power under the Perform, Achieve and Trade (PAT) Mechanism. The Company is involved in developing the projects under renewable portfolio. The Company takes pride of commissioning 25 MW grid connected Solar Photo Voltaic based power plant at solar park developed by Gujarat Power Corporation Limited, Charanka in Gujarat. The Company has also commissioned the wind mill in Gujarat (2.1 MW Capacity) and Tamil Nadu (1.25 MW Capacity).

In addition to the above initiatives, DIAL has installed 7.84 MW solar power plants at IGI Airport and is the first airport in India having mega solar power plant at airside premises. GHIAL has commissioned 5 MW Solar Power Plant as part of green energy promotion

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, all the emissions and waste generated by the Company including its subsidiaries/associates is well within the permissible limits prescribed by CPCB / SPCB.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of:

- A. Confederation of Indian Industry (CII), Chennai
- B. The Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi
- C. Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi
- D. Bangalore Chamber of Industry & Commerce (BCIC)

- E. Indo-Japanese Chamber of Commerce & Industry (Karnataka) - (IJCCI)
- F. PHD Chamber of Commerce & Industry (PHDCCI), New Delhi
- G. Maharashtra Economic Development Council (MEDC)
- H. Thought Arbitrage Research Institute (TARI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? [Yes/No]; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

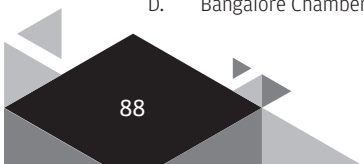
Yes, following are the broad areas:

- (i) Economic Reforms
- (ii) Airport Services
- (iii) Energy Sector

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, GMR Group works with the communities surrounding its business operations with a vision to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. The programs are designed based on the local needs identified through the baseline studies at each location. Thus, all the programs are sensitive to the needs of local communities and ensure a high level of participation from the communities. Under the area of Education, GMR Group is running Engineering, Degree, and B.Ed colleges in the State of AP apart from several schools. 20% of the seats in all the schools are provided to the children from poor communities free of cost. Group also supports the education of poor students by facilitating Scholarships and Educational loans. About 7,000 students have received such support. GMR Group also focuses on improving the infrastructure facilities and quality of education in Government schools and pre-schools, apart from running its own BalaBadis (Pre-schools for children of 3-5 year age group). About 300 Govt. schools are supported, reaching out to over 55,000 children. About 6,000 school age children in 200 Bala Badis and Anganwadis across the country benefit from the Group's initiatives. Over 225 children have been sponsored to quality English Medium Schools under the Gifted Children Scheme and their complete educational expenses are borne by GMRVF. Technology enabled learning is also facilitated with the setting up of 39 IBM Kid Smart Early Learning Centers across the locations. Tent schools are being run to educate and mainstream about 700 children of migrant labour every



year. In the area of health, GMR Group is providing health services to under-served communities by running a 165-bed hospital, 27 medical clinics, 2 ambulances and 10 Mobile Medicare Units. The medical clinics of the Foundation are serving over 5000 patients per month. 28 public toilets have been constructed in both rural and urban locations to improve sanitation facilities which are used by about 40,000 people per month. Further, over 1,000 families have been supported for the construction of Individual Sanitary Lavatories. Many awareness programs are organized on health and hygiene related issues which have shown lot of impact on the health status of the communities. Enhancing the livelihoods of the communities is another area of focus and to achieve this, as part of the CSR, 13 vocational training centers are run in different locations through which about 6000 under-privileged youth are trained every year in different market relevant skills. Over 80% of these trainees are settled in wage or self-employment. About 1,700 families are being supported with farm and non-farm based livelihoods to enhance their incomes. The Group also works towards women empowerment by promoting and strengthening Women Self Help Groups. About 250 groups have been formed so far with more than 3,000 members and are receiving credit, capacity building and market support. Further, the community development initiatives focus at establishing village libraries, promoting youth and children's clubs and also on generating awareness among communities on key social and environmental issues.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

GMR Group implements the community development programs through its own Foundation i.e. GMR Varalakshmi Foundation, a Company registered under Section 25 of the Companies Act, 1956 (Currently, under Section 8 of Companies Act, 2013). The Foundation is governed by a Board of eminent professionals chaired by the Group Chairman. It has its own professional staff drawn from top academic institutions.

3. Have you done any impact assessment of your initiative?

Yes, GMRVF conducts impact assessment studies, both external and internal, in its project locations to understand the effectiveness of the programs.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company was not required to spend towards CSR activities during FY 2017-18 due to non-availability of profits. However, through its group companies, an amount of ₹ 31.24 Crore was spent during the year

Projects undertaken:

Education:

- 1) Supporting Govt. schools with Vidya Volunteers, Teaching Learning Materials, After School Learning Centers, Small infrastructure, Teachers' training etc. to improve the quality of education;
- 2) Supporting Govt. Anganwadis and running Bala Badis to provide quality pre-school education;
- 3) Support to students with coaching for different entrance and competitive examinations, scholarships and loans for pursuing higher education etc.

Health, Hygiene and Sanitation:

- 1) Running Medical Clinics, Mobile Medical Units and Ambulances wherever there is a gap of such health facilities;
- 2) Conducting need based general and specialized health check-up camps and school health check-ups;
- 3) Conducting health awareness programs with special focus on seasonal illnesses, HIV/AIDS etc.
- 4) Construction of Public Toilets and facilitating construction of Individual Sanitary Lavatories.

Empowerment and Livelihoods:

- 1) Running 13 vocational training centers for training under-privileged dropout youth in different vocational programs;
- 2) Promoting and strengthening Self-Help Groups of women and providing training, input and marketing support to them to take up income generation programs;
- 3) Running community libraries, supporting youth clubs, conducting awareness programs on social issues etc.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

GMRVF lays great emphasis on involving community in their development process. Towards this, GMRVF conducts wide consultations with the communities before initiating any program and develops programs based on the local needs identified by the communities. Community members are engaged at every stage of the programs and all the systems and procedures have been made accountable and transparent for the communities. For example, in the education programs, GMRVF strengthens School Management Committees, Parents Associations and facilitates parent teacher meetings so that these committees monitor the programs closely and effectively. Where relevant, Self Help Group (SHG) federations have been formed and strengthened so that they would take the responsibility of facilitating and monitoring the SHGs. Child clubs, Youth clubs, SHGs and other community based institutions are involved in all the community development programs which help in building ownership of the programs.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**
 - DIAL received a total of 902 complaints and all complaints were closed within OMDA compliance. There are 12 consumer complaints pending at different forums against DIAL.
 - Three consumer cases are pending against GMR Ambala Chandigarh Expressways Private Limited:
 - (a) One case pending before District Consumer Redressal Forum at Mohali.
 - (b) Two cases pending before District Consumer Redressal Forum at Rohtak.
 - Two consumer cases are pending against GHIAL before State Consumer Redressal Commission at Hyderabad.
 - No consumer complaint was reported in Energy Business.
2. **Does the company display product information on the product label, over and above what is mandated as per local laws? [Yes/No/N.A./Remarks (additional information)]**

Not Applicable.
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No such case reported.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

As part of Customer focus initiatives, the Company at regular intervals captures the Satisfaction levels of its Clients (Internal as well as External) to capture the stated and unstated needs and expectations. The Company measures the Customer Satisfaction at four stages viz., during initiation and mobilization, execution, handing over and defect liability period. Customer Satisfaction Survey captures feedback on various criteria like Planning, Execution, Safety and Quality on the scale of 1 to 5 and also captures suggestions / comments, if any, from the Customer. This information is analyzed to arrive at actionable points to improve our service offerings. Business Balance Score Card (BBSC) and Goal Sheets (of related employees) have weightage to improve Customer feedback and Satisfaction index.

6th Road Users Satisfaction Survey [RUSS] at GMR Highways:

GMR Highways conducted its sixth successive Road User Satisfaction Survey (RUSS) at all its Assets [both Toll and Annuity] with an objective of understanding and measuring the Road Users' awareness and satisfaction with GMR Highway's facilities, services and other aspects of road users' experiences and perceptions. A cross functional team from Operation and Maintenance department at Site and HO along with Business Excellence team, GMRVF and RAXA administered the survey. The survey was carried out for 7 days from December 18 -24, 2017 at various prominent locations along the highways like truck lay bays, bus lay bays, rest areas, hotels, dhabas, bus stands etc.

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Infrastructure Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of GMR Infrastructure Limited (hereinafter referred to as 'the Holding Company' or 'GIL'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates, joint ventures and joint operations, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Statement of other comprehensive income), the consolidated Statement of Cash Flow, the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated Ind AS financial position, consolidated Ind AS financial performance (including Statement of other comprehensive income), consolidated Statement of Cash Flow and consolidated Statement of Changes in Equity of the Group including its associates, joint ventures and joint operations in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates, joint ventures and joint operations and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for qualified opinion

a) As detailed in note 9(b)(13)(v) and 9(b)(13)(ii), GMR Chhattisgarh Energy Limited ('GCEL') and certain other entities, have been incurring losses. Based on the valuation assessment carried out by an independent expert during the year ended March 31, 2018, the Group had not accounted for a further diminution in the value of the Group's investment in GCEL and certain other entities as at March 31, 2018 of ₹ 2,250 crore. In our opinion, the aforesaid accounting treatment is not in accordance with the relevant accounting standards. Had the management accounted for the aforesaid diminution, the loss after tax and minority interest for the year ended March 31, 2018 would have been higher by ₹ 2,250 crore with a consequent impact on the consolidated reserves of the Group as at March 31, 2018. Further, we are unable to comment on any consequential impact that may arise pursuant to the outcome of the resolution process being undertaken for GCEL as per the circular "Resolution of Stressed Assets - revised framework" issued by the Reserve Bank of India dated February 12, 2018 ('RBI circular').

b) As detailed in note 9(b)(13)(iv), GMR Energy Limited ('GEL') and GMR Vemagiri Power Generation Limited ('GVPG'), joint ventures of the Group and GMR Rajahmundry Energy Limited ('GREL'), associate of the Group have ceased operations and have been incurring losses with a consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas. GREL have rescheduled the repayment of project loans with the consequent implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and the lenders and the management are

exploring various options for revival of the project as per the resolution plan specified in the RBI circular as stated above. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations in these entities at varying levels of capacity in the future and the appropriateness of the going concern assumption of these entities is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet short term and long term obligations and accordingly we are unable to comment on the carrying value of the Group's assets (including advances) / obligations in these entities as at March 31, 2018.

c) As detailed in note 36(c), the tax authorities of Maldives have disputed certain transactions not considered by the management of GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, in the computation of business profit taxes and withholding tax and have issued notice of tax assessments on business profit taxes and withholding tax together with the applicable fines and penalties. The management of the Group is of the view that such disputes from the tax authorities are not tenable and have disclosed the tax exposures as a contingent liability in the accompanying consolidated Ind AS financial statements for the year ended March 31, 2018. In the absence of comprehensive analysis on the above tax exposures, we are unable to determine whether any adjustments might be necessary to the accompanying consolidated Ind AS financial statements for the year ended March 31, 2018.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates, joint ventures and joint operations, except for, the effects of the matter in paragraph (a) and possible effects of the matters in paragraph (b) and (c) described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates, joint ventures and joint operations as at March 31, 2018, its consolidated loss including other comprehensive income, its consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date.

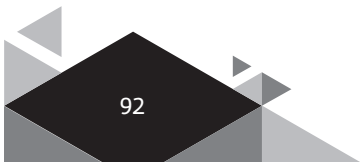
Emphasis of Matters

We draw attention to the following matters in the notes to the accompanying consolidated Ind AS financial statements for the year ended March 31, 2018:

1. Note 47(i) and 47(ii) with regard to the ongoing arbitration for compensation of losses being incurred by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') and GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), subsidiaries of the Company since the commencement of commercial operations, for reasons as detailed in the aforesaid notes. Pending outcome of the

aforesaid arbitration and based on management's internal assessment and an external legal opinion obtained by the management of GACEPL and GHVEPL, the management of the Group is of the view that the carrying value of the intangible assets of ₹ 2,529.88 crore as at March 31, 2018 in GACEPL and GHVEPL is appropriate. Further, the auditors of these subsidiaries have included an emphasis of matter in their respective audit reports issued for the year ended March 31, 2018 with regard to the aforesaid matter.

2. Note 46(iv) regarding the recovery/adjustment of costs incurred towards residential quarters for Central Industrial Security Force ('CISF') by GMR Hyderabad International Airport Limited ('GHIAL'), and certain other costs as detailed in the aforesaid note out of the Passenger Service Fee (Security Component) ['PSF SC'] by GHIAL and Delhi International Airport Limited ('DIAL'), pending the final decision from the Hon'ble High Court of respective jurisdictions, and consequential instructions from the Ministry of Civil Aviation.
3. Note 9(b)(13)(vi) with regard to the cessation of construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand being constructed by GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a joint venture of the Group. The Hon'ble Supreme Court of India ('the Supreme Court'), while hearing a civil appeal in the matters of a hydro power company, directed that no further construction work shall be undertaken by certain projects until further orders. The management of the Group is confident of obtaining the requisite clearances and based on a business plan and valuation assessment by an external expert during the year ended March 31, 2018, is of the view that the carrying value of the investments in GBHPL as at March 31, 2018 is appropriate.
4. Note 9(b)(12) and 48(i) in connection with certain claims/counter-claims receivables as detailed in the aforesaid notes from customers of GMR Warora Energy Limited ('GWEL') and GMR Kamalanga Energy Limited ('GKEL'), joint ventures of the Group and GMR Power Corporation Limited ('GPCL'), a subsidiary of the Group pending settlement/realisation as at March 31, 2018. The management of the Group based on its internal assessment, legal expert advice and certain interim favourable regulatory orders is confident of a favourable outcome and accordingly no adjustments have been made in the accompanying consolidated Ind AS financial statements for the year ended March 31, 2018. Further, the auditors of these joint ventures and subsidiary have included an emphasis of matter in their respective audit reports issued for the year ended March 31, 2018 with regard to the aforesaid matters.
5. Note 46(xi) with regard to the ongoing arbitration and the uncertainty, regarding the conversion/settlement of Class A Compulsorily Convertible Preference Shares ("CCPS A"), issued by GMR Airports Limited ('GAL') to the Private Equity Investors ('the Investors'), subject to obtaining the requisite regulatory approvals. However, the Investors have initiated arbitration proceedings against GAL and the Company,



seeking conversion of CCPS A. In view of ongoing arbitration and considering the uncertainty regarding the conversion/settlement of CCPS A, no adjustments have been made for the call option exercised by the Company to purchase CCPS A and for reasons as explained in the aforesaid note, Class B Compulsorily Convertible Preference Shares ("CCPS B") issued to the Company continue to be carried at cost of ₹ Nil.

Our opinion is not qualified in respect of these aforesaid matters.

Other Matters

1. The financial statements and other financial information of 2 subsidiaries, with total assets of ₹ 16,002.11 crore and net assets of ₹ 3,990.54 crore as at March 31, 2018 and total revenue (including other income) of ₹ 5,445.16 crore and net cash inflow amounting to ₹ 104.81 crore for the year then ended (before adjustments for consolidation) have been audited by us jointly with other auditors.
2. We did not audit the financial statements and other financial information, in respect of (i) 88 subsidiaries (including 3 subsidiaries consolidated for the year ended December 31, 2017) and 1 joint operation consolidated for the year ended December 31, 2017, with total assets of ₹ 30,131.33 crore and net assets of ₹ 6,399.39 crore as at March 31, 2018 and total revenues (including other income) of ₹ 3,934.73 crore and net cash inflow of ₹ 162.31 crore for the year ended (before adjustments for consolidation); (ii) 46 joint ventures/associates (including 20 joint ventures/associates consolidated for the year ended December 31, 2017) with Group's share of total loss of ₹ 660.73 crore for the year ended March 31, 2018 (before adjustments for consolidation). These financial statements and other financial information for these subsidiaries, associates, joint ventures and joint operations have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates, joint ventures and joint operations, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates, joint ventures and joint operations, is based solely on the reports of such other auditors.

Certain of these subsidiaries/associates/joint ventures and joint operations are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Group's management has converted the financial statements of such subsidiaries/associates/joint ventures and joint operations located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments have been made by the Group's management and have been subject to audit as per

the accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries/associates/ joint ventures and joint operations located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Group and audited by the respective auditors.

3. We did not audit the financial statements and other financial information of (i) 1 subsidiary with total assets of ₹ 732.61 crore and net assets of ₹ 732.25 crore as at March 31, 2018 and total revenue (including other income) of ₹ 0.20 crore and net cash outflow of ₹ 0.35 crore for the year ended on that date (before adjustments for consolidation) (ii) 4 joint ventures/associates with Group's share of total loss of ₹ 0.25 crore for the year ended March 31, 2018 (before adjustments for consolidation). The financial statements and other financial information for these subsidiaries, associates, joint ventures and joint operations has not been audited and whose unaudited financial statements and other unaudited financial information has been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint ventures is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information is not material to the Group.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other separate financial information of the subsidiaries, associates, joint ventures and joint operations, as noted in the 'other matter' paragraph, to the extent applicable, we report that:
 - (a) Except for the matters described in the Basis for Qualified Opinion paragraph, we/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying consolidated Ind AS financial statements.
 - (b) Except for the effects of the matters described in the Basis for Qualified

Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) The matters described in the Basis for Qualified Opinion and Emphasis of Matters paragraphs above and Qualified Opinion paragraph of 'Annexure I' to this report, in our opinion, may have an adverse effect on the functioning of the Group and its associates, joint ventures and joint operations.
- (f) We draw attention to Note 56 to the consolidated Ind AS financial statements regarding one of the directors of the Company as at March 31, 2018, Mr Srinivasan Sandilya, reported as disqualified from being appointed as a director in terms of section 164(2) of the Act pursuant to his inclusion in the list of Disqualified Directors published by Ministry of Corporate Affairs in September 2017. The defaulting company has filed an application with the Registrar of Companies under Condonation of Delay Scheme, 2018. Based on the written representations received from other directors of the Holding Company as on March 31, 2018, and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, associates, joint ventures and joint operations incorporated in India, other Directors of the Group's companies and its associates, joint ventures and joint operations incorporated in India are not disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiaries, associates, joint ventures and joint operations incorporated in India, refer to our separate report dated May 30, 2018 in "Annexure 1" to this report.

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements as also the other separate financial information of the subsidiaries, associates, joint ventures and joint operations, as noted in the 'Other Matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated Ind AS financial position of the Group, its associates, joint ventures and joint operations - Refer note 9(a), 9(b), 42, 45, 46, 47, 48 and 49 to the consolidated Ind AS financial statements.
 - ii. The Group, its associates, joint ventures and joint operations has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts during the year ended March 31, 2018.
 - iii. There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates, joint ventures and joint operations incorporated in India during the year ended March 31, 2018.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207

Place: New Delhi
Date: May 30, 2018

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF GMR INFRASTRUCTURE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated Ind AS financial statements of GMR Infrastructure Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of GMR Infrastructure Limited (hereinafter referred to as the 'Holding Company' or 'GIL'), its subsidiaries, joint ventures, associates and joint operations (together referred to as the 'Covered entities' in this report), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Covered entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note" issued by the Institute of Chartered Accountants of India ("ICAI")). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred

to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated IND AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of these consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of these consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on these consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated IND AS Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements in case of its subsidiary companies, its associate companies, joint ventures and joint operations, which are companies incorporated in India, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements as at March 31, 2018:

- (a) The Holding Company's internal financial control with regard to assessment of carrying value of investments in certain associates and joint ventures as more fully explained in note 9(b)(13)(ii), 9(b)(13)(iv) and note 9(b)(13)(v) to these consolidated Ind AS financial statements were not

operating effectively and could potentially result in the Group not providing for adjustments that may be required to be made to the carrying value of such investments.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual consolidated Ind AS financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company has, in all material respects, maintained adequate internal financial controls over financial reporting as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2018.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, in so far as it relates to these 72 subsidiaries, 3 associates and 17 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India and in so far as it relates to 2 subsidiaries, jointly audited by us with other auditors, which are companies incorporated in India, is based on the

reports of the joint auditors.

We also have audited, in accordance with the Standards on Auditing issued by the ICAI as specified under section 143(10) of the Act, the consolidated Ind AS financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The material weakness referred to in the Qualified opinion paragraph above, was considered in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2018 Consolidated Ind AS financial statements of the Company and this report affect our report dated May 30, 2018, which expressed a qualified opinion on those Consolidated Ind AS financial statements.

For For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership number: 061207

Place: New Delhi
Date: May 30, 2018

Consolidated balance sheet as at March 31, 2018

	Notes	March 31, 2018 (₹ in crore)	March 31, 2017 (₹ in crore)
Assets			
Non-current assets			
Property, plant and equipment	3	9,422.35	10,139.61
Capital work in-progress	4	587.84	239.20
Investment property under construction	5	2,804.61	2,520.68
Goodwill on consolidation	6	440.81	442.21
Other intangible assets	7	2,957.95	2,670.95
Intangible assets under development	8	1.21	-
Financial assets			
Investment in joint ventures and associates	9a,9b	8,736.14	9,364.83
Other Investments	9c	95.43	83.46
Trade receivables	10	81.63	42.23
Loans	11	145.24	452.12
Other financial assets	12	1,720.07	1,818.93
Non-current tax assets (net)		243.76	305.63
Deferred tax assets (net)	37	388.93	271.56
Other non-current assets	13	340.05	322.18
		27,966.02	28,673.59
Current assets			
Inventories	14	104.19	129.16
Financial assets			
Investments	15	4,039.31	2,973.94
Loans	11	481.88	155.53
Trade receivables	10	1,769.65	1,736.74
Cash and cash equivalents	16	1,647.16	1,458.76
Bank balances other than cash and cash equivalents	16	331.91	312.32
Other financial assets	12	750.84	627.10
Other current assets	13	253.26	205.54
		9,378.20	7,599.09
Assets classified as held for disposal	36	942.77	851.09
		10,320.97	8,450.18
Total assets		38,286.99	37,123.77
Equity and liabilities			
Equity			
Equity share capital	17	603.59	603.59
Other equity	18	3,214.75	4,738.69
Equity attributable to equity holders of the parent		3,818.34	5,342.28
Non-controlling interests		1,826.47	1,713.55
Total equity		5,644.81	7,055.83
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	20,552.95	18,959.72
Other financial liabilities	21	643.56	691.34
Provisions	22	178.12	246.34
Deferred tax liabilities (net)	37	400.06	413.81
Other non-current liabilities	23	1,824.39	2,084.41
		23,599.08	22,395.62
Current liabilities			
Financial liabilities			
Borrowings	24	542.37	617.56
Trade payables	20	1,957.24	1,410.30
Other current financial liabilities	21	4,302.98	3,594.15
Provisions	22	355.22	211.18
Other current liabilities	23	1,299.17	1,281.87
Liabilities for current tax (net)		55.32	98.70
		8,512.30	7,213.76
Liabilities directly associated with assets classified as held for disposal	36	530.80	458.56
		9,043.10	7,672.32
Total liabilities		32,642.18	30,067.94
Total equity and liabilities		38,286.99	37,123.77
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Sandeep Karnani

Partner

Membership number: 061207

Place: New Delhi

Date: May 30, 2018

For and on behalf of the Board of Directors of

GMR Infrastructure Limited

Corporate Identity Number: L45203MH 1996PLC281138

G M Rao

Chairman

DIN: 00574243

Madhva Bhimacharya Terdal

CFO

Place: New Delhi

Date: May 30, 2018

Grandhi Kiran Kumar

Managing Director & CEO

DIN: 00061669

Venkat Ramana Tangirala

Company Secretary

Consolidated statement of profit and loss for the year ended March 31, 2018

	Notes	March 31, 2018 (₹ in crore)	March 31, 2017 (₹ in crore)
Continuing Operations			
Income			
Revenue from operations:			
Sales / income from operations	25	8,341.75	9,137.83
Other operating income	26	379.46	418.99
Other income	27	553.04	482.28
Total income		9,274.25	10,039.10
Expenses			
Revenue share paid / payable to concessionaire grantors		1,911.50	2,762.93
Cost of materials consumed	28	388.33	121.00
Purchase of traded goods	29	1,530.20	1,293.55
(Increase) / decrease in stock in trade	30	(0.07)	(6.86)
Sub-contracting expenses		528.89	285.74
Employee benefit expenses	31	690.35	595.69
Other expenses	32	1,486.11	1,273.29
Depreciation and amortisation expenses	33	1,028.40	1,018.65
Finance costs	34	2,316.34	2,128.00
Total expenses		9,880.05	9,471.99
(Loss) / profit before share of (loss) / profit of associate and joint ventures, exceptional items and tax from continuing operations		(605.80)	567.11
Share of (loss) / profit of associates and joint ventures (net of Dividend Distribution Tax)	9	(431.36)	(68.40)
(Loss) / Profit before exceptional items and tax from continuing operations		(1,037.16)	498.71
Exceptional items			
Impairment of assets in subsidiaries / joint ventures and associates (net)		-	(385.70)
(Loss) / profit before tax from continuing operations		(1,037.16)	113.01
Tax expenses of continuing operations			
Current tax	37	195.35	389.90
Adjustments of tax relating to earlier periods	37	(9.15)	(3.24)
Deferred tax			
a) MAT credit entitlement	37	(110.36)	(100.12)
b) Deferred tax expense / (credit)	37	(30.35)	458.31
(Loss) / profit after tax from continuing operations		(1,082.65)	(631.84)
Discontinued operations			
(Loss) / profit from discontinued operations before tax expenses	36	(31.96)	283.25
Tax expense of discontinued operations			
Current tax	37	-	1.11
Deferred tax expense / (credit)	37	(0.02)	(2.24)
(Loss) / profit after tax from discontinued operations		(31.94)	284.38
(Loss) / profit for the year (A)		(1,114.59)	(347.46)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(134.68)	27.54
Income tax effect		-	-
Total		(134.68)	27.54
Net movement on cash flow hedges		33.62	(16.84)
Income tax effect		(6.53)	-
Total		27.09	(16.84)

Consolidated statement of profit and loss for the year ended March 31, 2018

	Notes	March 31, 2018 (₹ in crore)	March 31, 2017 (₹ in crore)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(107.59)	10.70
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on post employment defined benefit plans		(2.86)	(5.29)
Income tax effect		(0.24)	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(3.10)	(5.29)
Other comprehensive income for the year, net of tax (B)		(110.69)	5.41
(Loss) / profit for the year		(1,114.59)	(347.46)
Attributable to			
a) Equity holders of the parent		(1,363.86)	(564.38)
b) Non controlling interests		249.27	216.92
Other comprehensive income for the year		(110.69)	5.41
Attributable to			
a) Equity holders of the parent		(118.37)	12.04
b) Non controlling interests		7.68	(6.63)
Total comprehensive income for the year (A+B)		(1,225.28)	(342.05)
Attributable to			
a) Equity holders of the parent		(1,482.23)	(552.34)
b) Non controlling interests		256.95	210.29
Earnings per equity share (₹) from continuing operations Basic and diluted, computed on the basis of profit from continuing operations attributable to equity holders of the parent (per equity share of Re.1 each)	35	(2.24)	(1.24)
Earnings per equity share (₹) from discontinued operations Basic and diluted, computed on the basis of profit from discontinued operations attributable to equity holders of the parent (per equity share of Re.1 each)	35	(0.03)	0.30
Earnings per equity share (₹) from continuing and discontinued operations Basic and diluted, computed on the basis of profit attributable to equity holders of the parent (per equity share of Re.1 each)	35	(2.27)	(0.94)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements

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

Consolidated statement of changes in equity for the year ended March 31, 2018

(₹ in crore)

	Attributable to the equity holders											Total equity					
	Equity share capital (refer note 17)	Equity component of preference shares (refer note 18)	Treasury shares (refer note 18)	Securities premium (refer note 18)	Debt redemption reserve (refer note 18)	Capital reserve on consolidation (refer note 18)	Capital reserve on acquisition (refer note 18)	Capital reserve on government grant (refer note 18)	Capital redemption reserve (refer note 18)	Reserves and surplus	Items of OCI		Non-controlling interest				
For the year ended March 31, 2018																	
As at April 01, 2017	603.59	507.09	(101.54)	11,115.80	181.32	(162.07)	3.41	67.41	-	141.75	33.43	26.64	(7,125.31)	61.54	(10.78)	1,713.55	7,055.83
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,363.86)	-	-	249.27	(1,114.59)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	(3.10)	(132.46)	17.19	7.68	(110.69)
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	(8,492.27)	(70.92)	6.41	1,970.50	5,830.55
Amount transferred from the surplus balance in the consolidated statement of profit and loss	-	-	-	-	-	-	-	-	-	-	-	-	43.82	-	-	-	-
Amount transferred to the surplus in the consolidated statement of profit and loss	-	-	(133.94)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on foreign currency convertible bond FCCB recognised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FCMTR amortisation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference share dividend declared by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax on preference share dividend declared by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax on dividend declared by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(44.14)	-	-	(24.98)	(69.12)
As at March 31, 2018	603.59	373.15	(101.54)	11,115.80	181.32	(162.07)	3.41	67.41	-	141.75	40.40	70.46	(8,450.83)	(70.92)	6.41	1,826.47	5,644.81
For the year ended March 31, 2017																	
As at April 01, 2016	603.59	507.09	(101.54)	9,819.04	179.56	(71.23)	3.41	67.41	28.53	141.75	(0.88)	19.52	(6,544.04)	33.43	-	1,259.48	5,945.12
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	(564.38)	-	-	216.92	(347.46)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	(5.29)	28.11	(10.78)	(6.63)	5.41
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	(7,113.71)	61.54	(10.78)	1,469.77	5,603.07
Amount transferred from the surplus balance in the consolidated statement of profit and loss	-	-	-	-	-	-	-	-	-	-	-	-	7.12	(37.01)	-	-	-
Amount transferred to the surplus in the consolidated statement of profit and loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on foreign currency convertible bond FCCB recognised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FCMTR amortisation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for change in ownership interests/ capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference share dividend declared by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax on preference share dividend declared by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2.16)	-	-	-	(2.16)
As at March 31, 2017	603.59	507.09	(101.54)	11,115.80	181.32	(162.07)	3.41	67.41	-	141.75	33.43	26.64	(7,125.31)	61.54	(10.78)	1,713.55	7,055.83

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
 For S. R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm registration number: 101049W / E300004
 per Sandeep Karnani
 Partner
 Membership number: 061207

For and on behalf of the Board of Directors of
 GMR Infrastructure Limited
 Corporate Identity Number: L45203MH1996PLC281138

G M Rao
 Chairman
 DIN: 00574243
 Madhya Bhimacharya Terdal
 CFO
 Place: New Delhi
 Date: May 30, 2018

Grandhi Kiran Kumar
 Managing Director & CEO
 DIN: 00061669
 Venkat Ramana Tangirala
 Company Secretary

Consolidated statement of cash flows for the year ended March 31, 2018

	March 31, 2018 (₹ in crore)	March 31, 2017 (₹ in crore)
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit/ (loss) before tax from continuing operations	(1,037.16)	113.01
Profit/ (loss) before tax from discontinued operations	(31.96)	283.25
Profit / (loss) before tax expenses	(1,069.12)	396.26
Adjustments to reconcile (loss) / profit before tax to net cash flows		
Depreciation of property, plant and equipment, investment properties and amortization of intangible assets	1,049.08	1,543.43
Adjustments to the carrying amount of investments	2.42	33.57
Provisions no longer required, written back	(4.72)	(32.16)
Profit on sale / dilution of subsidiaries / joint ventures / associates	-	(2,347.05)
Income from claim receivable	-	(473.91)
Loss on account of settlement of claims	-	312.87
Loss on impairment of assets in subsidiaries / joint venture's and associates (net)	-	385.70
Unrealised exchange (gains) / losses	(71.74)	(61.14)
Fixed assets written off / loss/ (profit) on sale of fixed assets (net)	(23.38)	0.82
Provision / write off of doubtful advances and trade receivables	24.26	30.52
Net gain on sale or fair valuation of investments	(222.84)	(154.91)
Gain on fair valuation of derivative instruments	(16.81)	(71.62)
Finance costs	2,320.72	3,953.82
Finance income	(338.50)	(488.10)
Share of (loss) / profit of associates and a joint ventures	431.36	372.62
Operating profit before working capital changes	2,080.73	3,400.72
Movements in working capital :		
Increase / (decrease) in trade payables and financial/other liabilities and provisions	473.19	2,415.36
(Increase) / decrease in non-current/current financial and other assets	(43.14)	(1,061.39)
Cash generated from operations	2,510.77	4,754.69
Direct taxes paid	(163.56)	(250.38)
Net cash flow from operating activities (A)	2,347.21	4,504.31
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets, investment properties and cost incurred towards such assets under construction / development	(714.76)	(619.94)
Proceeds from sale of property, plant and equipments and intangible assets	40.64	2.22
Purchase of investments in joint ventures / associates	(108.33)	(2.40)
Sale / (purchase) of investments (net)	(845.37)	(1,405.11)
Loans given to / (repaid by) others	(25.50)	-
Proceeds from realisation of claims on investment in GMIAL	-	1,630.91
(Investments) / redemption of bank deposits (net) (having original maturity of more than three months)	74.61	1,563.15
Dividend Received from associates and Joint ventures	246.48	89.95
Finance income received	318.07	533.90
Net cash flow used in investing activities (B)	(1,014.16)	1,792.68
CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES		
Proceeds from borrowings	6,206.34	4,856.10
Repayment of borrowings	(4,472.77)	(6,960.62)
Finance costs paid	(2,732.20)	(3,621.74)
Dividend paid (including dividend distribution taxes)	(192.53)	(0.56)
Net cash flow (used in) / from financing activities (C)	(1,191.16)	(5,726.82)

Consolidated statement of cash flows for the year ended March 31, 2018 (Cont.)

	March 31, 2018 (₹ in crore)	March 31, 2017 (₹ in crore)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	141.89	570.17
Cash and cash equivalents as at April 1,	1,455.57	1,192.62
Cash and cash equivalents on account of additional stake purchase / (disposal) of entities during the year	59.76	(304.68)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(7.64)	(2.54)
Cash and cash equivalents as at March 31,	1,649.58	1,455.57

	March 31, 2018 (₹ in crore)	March 31, 2017 (₹ in crore)
COMPONENTS OF CASH AND CASH EQUIVALENTS		
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	3.39	5.89
Less: Bank overdraft	(0.97)	(9.08)
Total cash and cash equivalents	1,649.58	1,455.57

Changes in liabilities arising from financing activities :-

(₹ in crore)

Particulars	Liabilities arising from Financing Activities
	Borrowings
As at April 01, 2017	21,778.16
Cash flows	
Proceeds from borrowings	6,206.34
Repayment of borrowings	(4,472.77)
Processing Fees paid	(178.62)
Non cash changes	
Foreign exchange fluctuation	(47.17)
Changes in fair values	53.31
Others	(0.47)
As at March 31, 2018	23,338.78
Summary of significant accounting policies	2.2

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Sandeep Karnani

Partner

Membership number: 061207

For and on behalf of the Board of Directors of

GMR Infrastructure Limited

Corporate Identity Number: L45203MH 1996PLC281138

G M Rao

Chairman

DIN: 00574243

Madhva Bhimacharya Terdal

CFO

Place: New Delhi

Date: May 30, 2018

Grandhi Kiran Kumar

Managing Director & CEO

DIN: 00061669

Venkat Ramana Tangirala

Company Secretary

Place: New Delhi

Date: May 30, 2018

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

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

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:

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

- 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.

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

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,

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

- 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.

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

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.

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

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

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

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 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, 2017					
								As % of consolidated net assets	₹ in crore	As % of consolidated net assets	₹ in crore	As % of comprehensive income	₹ in crore	As % of comprehensive income	₹ in crore
Parent															
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)
Subsidiaries															
Indian															
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 ²	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 ²	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 ²	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 ²	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 ²	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 ¹	-	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.30)
11	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary ¹	-	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.06%	(4.84)
12	GMR Power Infra Limited (GPI)	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 ³	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 ³	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 ¹	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 (GFIAPL)	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 ⁴	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	-0.41%	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 ¹⁰	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 ¹⁰	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 ¹⁶	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 ¹⁶	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 ¹⁶	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 ¹⁶	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 ^{2,7}	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 ^{2,14}	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 ^{2,14}	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 ^{2,14}	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 ^{2,14}	NA	NA	NA	NA	0.00%	0.00%	NA	NA	0.00%	NA	0.00%	-
87	GMR Warora Energy Limited (GWEL)	India	Joint Venture ^{2,14}	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 ^{2,14}	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 ^{2,14}	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 ^{2,14}	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 ^{2,14}	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 ^{2,14}	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 ^{2,14}	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 ³	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 ³	NA	NA	NA	NA	0.00%	NA	0.00%	NA	0.84%	(73.52)
Foreign													
96	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Joint Venture ^{2,14}	54.14%	54.14%	54.14%	NA	0.00%	NA	0.00%	NA	0.00%	-
97	GMR Lion Energy Limited (GLEL)	Mauritius	Joint Venture ^{2,14}	54.14%	54.14%	54.14%	NA	0.00%	NA	0.00%	NA	0.00%	-
98	Himtal Hydro Power Company Private Limited (HPPPL)	Nepal	Joint Venture ^{2,14}	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 ^{2,14}	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 ^{2,14}	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 ^{2,14}	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 ²	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 ²	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 ^{2,12}	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 ^{2,12}	100.00%	100.00%	100.00%	-	0.00%	-	0.00%	-	0.00%	-
106	PT Barasentosa Lestari (PTBSL)	Indonesia	Subsidiary ^{2,12}	100.00%	100.00%	100.00%	-	0.00%	-	0.00%	-	0.00%	-
107	PT Unsooc (PT)	Indonesia	Subsidiary ²	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 ²	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 (GGL)	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)
Joint ventures (investment as per equity method)													
123	GMR Kamalanga Energy Limited (GKEL)	India	Joint Venture ⁷	45.22%	45.22%	45.22%	-	0.00%	-	0.00%	-	0.00%	(152.89)
124	GMR Energy Limited (GEL)	India	Joint Venture ^{2,7}	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 ^{2,15}	9.00%	9.00%	9.00%	NA	0.00%	NA	0.00%	NA	0.00%	-

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				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 ^{6,14}	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 ⁴	NA	25.23%	NA	40.00%	0.00%	NA	0.00%	-	0.00%	NA	0.01%	(0.92)
129	Lapshya 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 (GMEI)	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%	-
Foreign															
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 (MGCIJV)	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. (MGCIJV Inc.)	Philippines	Joint Venture ²	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ⁶	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 ^{6,9}	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 ^{6,9}	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 ⁶	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 ⁶	30.00%	30.00%	30.00%	30.00%	0.00%	NA	0.00%	NA	0.00%	NA	0.00%	NA
Associates															

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				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		
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 ³	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 ³	45.00%	45.00%	45.00%	45.00%	-1.0%	(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%	-
	Sub Total							100.00%	29,432.88	100.00%	35,937.60	100.00%	(7,297.08)	100.00%	(8,764.46)
	Add/Less: Non controlling interests in all subsidiaries								(1,826.47)		(1,713.55)		(25,695)		(210.29)
	Consolidation adjustments/eliminations**								(21,961.60)		(27,168.22)		6,071.80		8,422.41
	Total								5,644.81		7,055.83		(1,482.23)		(552.34)

****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

3. Property, plant and equipment

Particulars	(₹ in crore)														
	Freehold land	Leasehold land taxways, aprons etc.	Buildings roads etc.	Bridges, culverts, bunders etc.	Plant and machinery improvements	Leasehold improvements	Office equipments (including computers)	Furniture and fixtures (including electrical equipments)	Vehicles and aircrafts	Leased assets - plant and machinery (including computers)	Leased assets - office equipments	Total			
Gross block															
At Cost/ deemed Cost															
As at April 01, 2016	192.07	88.67	2,096.14	6,428.67	322.62	17795.88	137.92	69.43	1,036.92	226.29	159.00	18.25	58.48	0.05	28,630.39
Additions	0.18	-	12.21	50.22	-	253.64	14.91	26.87	75.72	7.64	-	-	-	-	441.39
Disposals	-	-	-	(4.88)	-	(29.13)	-	(7.89)	(3.88)	(1.12)	-	-	-	-	(46.90)
Deconsolidation of entities (refer note 3(6))	(154.19)	(88.55)	-	(885.53)	-	(15,522.00)	-	(10.56)	(6.06)	(1.72)	-	-	-	-	(16,668.61)
Adjustments against DF (refer note 3(3))	-	-	0.15	0.67	0.03	0.33	-	-	0.12	-	-	-	-	-	1.30
Exchange differences	-	-	(8.22)	(18.93)	-	(8.72)	-	(0.56)	(3.53)	-	-	-	-	-	(39.96)
Borrowing costs	-	-	-	-	-	69.78	-	-	-	-	-	-	-	-	69.78
Transferred to assets held for sale (refer note 3(5))	-	-	-	(4.56)	-	(0.95)	-	(0.38)	(0.32)	-	-	-	-	-	(5.81)
Other adjustments	-	-	-	(2.49)	-	(0.60)	-	-	(159.00)	(18.25)	(58.48)	(0.05)	-	-	(238.87)
As at March 31, 2017	38.06	0.12	2,100.28	5,563.17	322.65	2,558.63	152.83	76.91	1,098.97	231.09	-	-	-	-	12,142.71
Additions	-	-	9.30	105.33	0.32	108.71	9.57	31.12	41.76	13.59	-	-	-	-	319.70
Additions on inclusion of subsidiary companies	-	-	-	-	-	1.18	0.54	0.55	0.35	-	-	-	-	-	2.62
Disposals	-	-	-	(15.95)	-	(73.71)	(0.07)	(5.75)	(2.43)	(0.59)	-	-	-	-	(98.50)
Exchange differences	-	-	(9.21)	(19.87)	-	(9.39)	-	(0.03)	(3.65)	-	-	-	-	-	(42.15)
Reclassifications	-	-	-	6.59	-	(0.72)	-	(0.01)	(5.86)	-	-	-	-	-	(0.00)
Transferred to assets held for sale (refer note 3(5))	-	-	-	-	-	(32.92)	-	-	-	-	-	-	-	-	(32.92)
Other adjustments (refer note 3(10))	-	(0.12)	(0.77)	(12.56)	-	(3.03)	-	(0.35)	(0.69)	-	-	-	-	-	(17.52)
As at March 31, 2018	38.06	-	2,099.60	5,626.71	322.97	2,548.75	162.87	102.44	1,128.45	244.09	-	-	-	-	12,273.94
Accumulated Depreciation															
As at April 01, 2016	-	1.03	109.56	335.85	13.28	786.39	17.61	22.95	203.58	20.21	27.79	1.54	35.10	0.02	1,574.91
Charge for the year	-	0.81	111.04	356.92	13.28	684.63	7.45	16.84	212.89	19.74	-	-	-	-	1,423.60
Disposals	-	-	-	(5.23)	-	(1.19)	-	(7.13)	(2.85)	(0.57)	-	-	-	-	(16.97)
Deconsolidation of entities (refer note 3(6))	-	(1.84)	-	(103.70)	-	(802.17)	-	(4.14)	(1.34)	(0.41)	-	-	-	-	(913.60)
Transferred to assets held for sale (refer note 3(5))	-	-	-	(0.38)	-	(0.08)	-	(0.20)	0.27	-	-	-	-	-	(0.39)
Other adjustments	-	-	-	-	-	-	-	-	(27.79)	(1.54)	(35.10)	(0.02)	-	-	(64.45)
As at March 31, 2017	-	-	220.60	583.46	26.56	667.58	25.06	28.32	412.55	38.97	-	-	-	-	2,003.10

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)
As at March 31, 2018	-	-	331.40	849.49	39.87	882.03	34.66	40.16	619.41	54.57	-	-	2,851.59
Net Block													
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
	(i) 675.73	1,905.74
Less: Other income		
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
	(ii) 14.67	9.87
Total (iii) = (i) - (ii)	661.06	1,895.87
Less: Apportioned over the cost of tangible assets	73.22	253.37
Less: Deconsolidation of entities during the year ¹	-	1,403.30
	(iv) 73.22	1,656.67
Total - (v) = (iii) - (iv)	587.84	239.20

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
Total	1,403.30

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
Cost		
As at April 01, 2016	2,260.09	2,260.09
Acquisitions during the year	14.25	14.25
Expenses capitalised during the year	249.76	249.76
Disposals	(2.29)	(2.29)
As at March 31, 2017	2,521.81	2,521.81
Acquisitions during the year	1.01	1.01
Expenses capitalised during the year	284.16	284.16
Disposals	(0.37)	(0.37)
As at March 31, 2018	2,806.61	2,806.61

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

(₹ in crore)

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

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)
Profit / (loss) arising from investment properties before depreciation	0.49	(0.39)
Less: Depreciation for the year	(0.87)	(0.70)
Profit / (loss) arising from investment properties	(0.38)	(1.09)

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

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
Gross block								
At Cost/Deemed cost								
As at April 01, 2016	430.47	14.84	2,735.81	53.98	8.98	926.89	15.16	4,186.13
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)
As at March 31, 2017	430.47	19.92	2,736.72	-	8.98	14.82	18.93	3,229.84
Additions	-	0.78	1.86	-	-	-	2.95	5.59
Other adjustments (refer note 7(3))	-	-	(9.60)	-	-	-	(0.85)	(10.43)
As at March 31, 2018	430.47	20.70	2,728.98	-	8.98	14.82	21.03	3,224.98
Accumulated Amortisation								
As at April 01, 2016	20.50	7.28	55.45	2.73	6.12	72.29	1.69	166.06
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)
As at March 31, 2017	28.70	10.71	116.11	-	8.98	4.38	4.31	173.19
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)
As at March 31, 2018	36.90	13.07	196.21	-	8.98	5.30	6.57	267.03
Accumulated Impairment								
As at April 01, 2016	-	-	-	-	-	-	-	-
Charge for the year	-	-	385.70	-	-	-	-	385.70
As at March 31, 2017	-	-	385.70	-	-	-	-	385.70
Reversed during the year	-	-	(385.70)	-	-	-	-	(385.70)
As at March 31, 2018	-	-	-	-	-	-	-	-
Net Block								
As at April 01, 2016	409.97	7.56	2,680.36	51.25	2.86	854.60	13.47	4,020.07
As at March 31, 2017	401.77	9.21	2,234.91	-	-	10.44	14.62	2,670.95
As at March 31, 2018	393.57	7.63	2,532.77	-	-	9.52	14.46	2,957.95

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)
Net block as at March 31, 2017	76.51	803.57	880.08

- 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
	(i) 1.21	692.55
Less: Other income		
Miscellaneous income [net of expenses directly attributable to such income ₹ Nil (March 31, 2017: ₹ Nil)	-	9.32
	(ii) -	9.32
Total - (iii) = (i) - (ii)	1.21	683.23
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
	(iv) -	683.23
Total - (v) = (iii) - (iv)	1.21	-

- 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		
a) Material Joint Ventures : GMR Kamalanga Energy Limited (GKEL) ³	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) ⁹	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 ⁵	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 ⁹	Indonesia	30.00%	30.00%	30.00%	30.00%	Coal mining and trading operations in Indonesia .	Equity Method
b) Others : 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) ⁴	India	NA	25.23%	NA	40.00%	Provides flight training services at Hyderabad Airport.	Equity Method
GMR Bajoli Holi Hydropower Private Limited (GBHPL) ^{6, 7}	India	54.29% ⁷	NA	54.29% ⁷	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) ⁸	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
Current assets										
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
Total current assets	1,125.69	1,218.33	219.79	170.40	270.93	347.26	2,687.79	1,397.24	4,304.20	3,133.23
Non current assets										
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
Total non current assets	6,293.28	7,038.35	288.80	280.53	3,683.53	3,205.96	1,138.45	1,196.98	11,404.06	11,721.82
Current liabilities										
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
Total current liabilities	2,077.28	1,783.53	172.58	113.35	272.82	258.98	1,597.67	370.20	4,120.35	2,526.06
Non current liabilities										
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
Total non current liabilities	3,891.39	4,776.52	72.31	109.82	2,706.01	2,404.92	334.99	404.29	7,004.70	7,695.55
Less: Non controlling interest	(19.21)	(19.29)	-	-	-	-	(8.66)	-	(27.87)	(19.29)
Net assets	1,431.09	1,677.34	263.70	227.76	975.63	889.32	1,884.92	1,819.73	4,555.34	4,614.15

** 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
Closing net assets	1,431.09	1,677.34	263.70	227.76	975.63	889.32	1,884.92	1,819.73	4,555.34	2,936.81
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
Adjustments to the equity values										
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
Carrying amount of the investment	3,145.66	3,314.20	256.52	232.47	390.25	355.73	3,151.65	3,249.19	6,944.08	7,151.59

* 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	0.49	48.44	43.43	113.67	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
Contingent Liabilities		
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	-
Total	1,165.25	1,163.87

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		
a) Material associates : GMR Chhattisgarh Energy Limited (GCEL) ²	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) ²	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
Current assets						
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
Total current assets	215.97	108.00	55.04	62.33	271.01	170.33
Non current assets						
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
Total non current assets	10,080.95	10,540.70	2,271.16	3,218.64	12,352.11	13,759.34
Current liabilities						
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
Total current liabilities	2,096.30	921.86	615.99	276.42	2,712.29	1,198.28

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
Non current liabilities						
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
Total non current liabilities	5,081.66	5,465.20	2,355.19	2,409.85	7,436.85	7,875.05
Net assets	3,118.96	4,261.64	(644.98)	594.70	2,473.88	4,856.34

(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	-	*	-	*	-	*
Closing net assets	3,118.96	4,261.64	(644.98)	594.70	2,473.98	4,856.34
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
Adjustments to the equity values						
a) Additional impairment charge	-	-	(267.62)	(267.62)	(267.62)	(267.62)
b) Amount shown under Current Liabilities	-	-	557.86	-	557.86	-
Carrying amount of the investment	1,485.25	2,029.39	-	-	1,485.25	2,029.39

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

(4) Summarised Statement of Profit & 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
Total	8,831.57	9,448.29

(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
Total	(431.36)	(372.62)

(8) Share of exceptional items

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Material associates	(385.70)	-
Total	(385.70)	-

(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	-
Total	487.17	512.24

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
Investments carried at fair value through consolidated statement of profit or loss		
In equity shares of other companies	0.56	0.59
Investments at amortised cost		
Investment in Debentures ¹	93.64	81.36
In other securities	1.23	1.51
	95.43	83.46

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

- 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
Unsecured, considered good	81.63	42.23	1,769.65	1,736.74
	81.63	42.23	1,769.65	1,736.74
Unsecured, considered doubtful	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)
	-	-	-	-
Total	81.63	42.23	1,769.65	1,736.74

- 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.
- Trade receivables are non-interest bearing, except receivables of GHIAL amounting to ₹ 88.61 crore which is at 18% p.a.
- 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
Security Deposit				
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)	-	-
Total (A)	26.92	35.42	38.79	36.32
Other loans				
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
	118.32	416.70	443.09	119.21

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)	-	-
Total (B)	118.32	416.70	443.09	119.21
Total (A+B)	145.24	452.12	481.88	155.53
Security deposit includes deposits with related parties:				
GMR Family Fund Trust ('GFFT')	-	-	31.09	31.09
Others	0.11	0.11	-	-
	0.11	0.11	31.09	31.09
Loan to related parties considered good include :				
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	-	-	-
	81.52	370.72	437.61	100.12
Loan to related parties considered doubtful include :				
GKEL	212.00	212.00	-	-
WAISL	2.82	2.82	-	-
	214.82	214.82	-	-

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
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 16)	401.60	500.44	-	-
Total (A)	401.60	500.44	-	-
Derivative instruments at fair value through OCI				
Derivatives designated as hedge				
Cross currency swap (refer note 52)	71.69	-	-	-
Total (B)	71.69	-	-	-
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedge				
Call spread option (refer note 52)*	19.80	-	-	-
Interest rate swaps	-	-	-	8.64
Total (C)	19.80	-	-	8.64
Unsecured, considered good unless stated otherwise				
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
Total (D)	1,226.98	1,318.49	750.84	618.46
Total (A+B+C+D)	1,720.07	1,818.93	750.84	627.10

*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
Capital advances				
Unsecured, considered good				
Capital advances to related parties (refer note below)	72.90	72.90	-	-
Capital advances to others	160.11	134.01	-	-
Total (A)	233.01	206.91	-	-
Advances other than Capital advances				
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)	-	-
Total (B)	32.77	51.12	170.92	151.36
Other advances				
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	-
Total (C)	74.27	64.15	82.34	54.18
Total (A+B+C)	340.05	322.18	253.26	205.54

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

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

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
Total inventories (valued at lower of cost and net realisable value)	104.19	129.16

15 Financial Assets - Current investments

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

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 ^{2,3,5,7}	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
(A)	0.28	0.28	1,647.16	1,458.76
Bank balances other than cash and cash equivalents				
- Deposits with original maturity for less than 12 months	-	-	275.19	311.82
- Restricted balances with banks ^{1, 4,6}	401.32	500.16	56.72	0.50
(B)	401.32	500.16	331.91	312.32
Amount disclosed under other financial assets (refer note 12)	(401.60)	(500.44)	-	-
(C)	(401.60)	(500.44)	-	-
Total	(A+B+C)	-	1,979.07	1,771.08

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)
Cash and cash equivalents for consolidated statement of cash flow	1,649.58	1,455.57

**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)
Authorised share capital:				
At April 01, 2016	13,500,000,000	1,350.00	6,000,000	600.00
Increase / (decrease) during the year	-	-	-	-
At March 31, 2017	13,500,000,000	1,350.00	6,000,000	600.00
Increase / (decrease) during the year	-	-	-	-
At March 31, 2018	13,500,000,000	1,350.00	6,000,000	600.00

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

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

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)
GMR Infra Ventures LLP ('GIVLLP'), an associate of the Holding Company Equity shares of ₹ 1 each, fully paid up	31,321,815	3.13	31,321,815	3.13
GMR Enterprises Private Limited ('GEPL'), an associate of the Holding Company (till August 10, 2016) and holding company w.e.f August 11, 2016. Equity shares of ₹ 1 each, fully paid up	2,878,245,098	287.82	2,878,245,098	287.82
Welfare Trust of GMR Infra Employees ('GWT'), an associate of the Holding Company Equity shares of ₹ 1 each, fully paid up	17,999,800	1.80	17,999,800	1.80
GMR Business and Consulting LLP ('GBC'), an associate of the Holding Company Equity shares of ₹ 1 each, fully paid up	805,635,166	80.56	805,635,166	80.56
Cadence Retail Private Limited ('CRPL'), a subsidiary of the Holding Company 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
Equity shares of ₹ 1 each fully paid				
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)
Equity component of preference shares (refer note 46(xi))		
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)
Balance as at March 31, 2018	(A)	373.15
Treasury shares (refer note 18(h))		
Balance as at April 01, 2016		(101.54)
Balance as at March 31, 2017		(101.54)
Balance as at March 31, 2018	(B)	(101.54)
Securities premium		
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
Balance as at March 31, 2018	(C)	11,115.80
Debenture redemption reserve (refer note 18(c))		
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
Balance as at March 31, 2018	(D)	181.32
Capital reserve on consolidation		
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)
Balance as at March 31, 2018	(E)	(162.07)

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

Capital reserve on acquisition (refer note 18(a))		
Balance as at April 01, 2016		3.41
Balance as at March 31, 2017		3.41
Balance as at March 31, 2018	(F)	3.41
Capital reserve on government grant (refer note 18(d))		
Balance as at April 01, 2016		67.41
Balance as at March 31, 2017		67.41
Balance as at March 31, 2018	(G)	67.41
Capital redemption reserve		
Balance as at April 01, 2016		28.53
Less: Disposal of a subsidiary during the year		(28.53)
Balance as at March 31, 2017		-
Balance as at March 31, 2018	(H)	-
Capital reserve on forfeiture (refer note 18(e))		
Balance as at April 01, 2016		141.75
Balance as at March 31, 2017		141.75
Balance as at March 31, 2018	(I)	141.75
Foreign currency monetary translation difference account (FCMTR) (refer note 18(g))		
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)
Balance as at March 31, 2018	(J)	40.40
Special Reserve u/s 45-IC of Reserve Bank of India ('RBI') Act (refer note 18(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
Balance as at March 31, 2018	(K)	70.46
Surplus in the consolidated statement of profit and loss		
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)
Balance as at March 31, 2018	(L)	(8,450.83)

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

Components of Other Comprehensive Income ('OCI')		
Foreign currency translation reserve (FCTR)		
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
Balance as at March 31, 2018	(M)	(70.92)
Cash Flow Hedge Reserve		
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)
Balance as at March 31, 2018	(N)	6.41
Total other equity (A+B+C+D+E+F+G+H+I+J+K+L+M+N)		
Balance as at March 31, 2017		4,738.69
Balance as at March 31, 2018		3,214.75

- (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
Bonds / debentures				
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	-	-
Term loans				
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
Liability component of compound financial instrument				
Convertible preference shares (unsecured)	4.73	4.27	-	-
Other loans				
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	-	-
	20,552.95	18,959.72	1,972.10	1,906.68
The above amount includes				
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)
Net amount	20,552.95	18,959.72	-	-

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

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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

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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.

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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

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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 16th 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
Total		48.27	246.02	

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 ¹	-	-	1,957.24	1,410.30
	-	-	1,957.24	1,410.30

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
Financial liabilities at fair value through profit or loss				
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
Financial liabilities at fair value through OCI				
Derivatives designated as hedge				
Call spread option (refer note 52)	18.83	-	-	36.57
Total (A)	18.83	67.24	0.31	44.15
Other financial liabilities at amortized cost				
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) ¹	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
Total (B)	562.56	519.31	4,296.57	3,544.66
Financial guarantees	62.17	104.79	6.10	5.34
Total (C)	62.17	104.79	6.10	5.34
Total (A+B+C)	643.56	691.34	4,302.98	3,594.15

- 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
Provision for employees benefits				
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
Total (A)	12.68	11.53	90.36	85.17
Other provisions				
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
Total (B)	165.44	234.81	264.86	126.01
Total (A+B)	178.12	246.34	355.22	211.18

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
	1,824.39	2,084.41	1,299.17	1,281.87

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
Secured		
Cash credit and overdraft from banks	205.73	178.66
Indian rupee short term loans from banks	7.97	24.18
Unsecured		
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
	542.37	617.56
The above amount includes		
Secured borrowings	213.70	202.84
Unsecured borrowings	328.67	414.72
	542.37	617.56

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
Sale of products		
Power segment:		
Income from sale of electrical energy	3.56	2.23
	3.56	2.23
Traded goods		
Power segment:		
Income from sale of electrical energy	1,267.86	812.50
Income from coal trading	261.70	459.35
	1,529.56	1,271.85
Airport segment:		
Non-aeronautical		
Sale of duty free goods	118.86	106.52
	118.86	106.52
Sale of services		
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
	5,088.85	6,799.76
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
	466.07	408.49
EPC segment:		
Construction revenue	931.12	380.86
	931.12	380.86
Others segment:		
Income from hospitality services	63.00	55.30
Income from management and other services	140.73	112.82
	203.73	168.12
Sales / income from operations	8,341.75	9,137.83

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
	379.46	418.99

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

27 Other income (₹ in crore)

	March 31, 2018	March 31, 2017
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
	553.04	482.28

28 Cost of materials consumed (₹ in crore)

	March 31, 2018	March 31, 2017
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)
	388.33	121.00

29 Purchase of traded goods (₹ in crore)

	March 31, 2018	March 31, 2017
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
	1,530.20	1,293.55

30 (Increase) / decrease in stock in trade (₹ in crore)

	March 31, 2018	March 31, 2017
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)
	(0.07)	(6.86)

31 Employee benefit expenses (₹ in crore)

	March 31, 2018	March 31, 2017
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
	690.35	595.69

32 Other expenses (₹ in crore)

	March 31, 2018	March 31, 2017
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
	1,486.11	1,273.29

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
	1,028.40	1,018.65

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	-
	2,316.34	2,128.00

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
Profit attributable to equity holders of the parent for basic / diluted earnings per share (₹ in crore)	(1,363.86)	(564.38)
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
Income		
Revenue from operations:		
Sales / income from operations	-	1,240.92
Other income	33.91	156.87
Total income	33.91	1,397.79
Expenses		
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
Total expenses	65.87	3,318.41
(Loss) / profit before share of profit / (loss) of associates and joint venture, exceptional items and tax from discontinued operations	(31.96)	(1,920.62)
Share of (loss) / profit of associates / joint ventures (net)	-	(304.22)
(Loss) / profit before exceptional items and tax from discontinued operations	(31.96)	(2,224.84)
Exceptional items		
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
Profit / (loss) from discontinued operations before tax expenses	(31.96)	283.25
Tax expenses of discontinued operations		
Current tax	-	1.11
Deferred tax expense / (credit)	(0.02)	(2.24)
Profit / (loss) after tax from discontinued operations	(31.94)	284.38

(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
Group of assets classified as held for sale		
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
Total	942.77	851.09

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

Liabilities associated with group of assets classified as held for sale		
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
Total	530.80	458.56
Other Comprehensive Income		
Exchange difference on translation of Foreign Operations	0.37	0.98

(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
Deferred tax liability:					
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
Sub- total (A)		803.60	1,203.66	781.05	1,194.86
Deferred tax liability (net)			400.06		413.81
Deferred tax asset :					
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
Sub- total (B)		400.50	11.57	279.95	8.39
Deferred tax asset (net)		388.93		271.56	
Total (A+B)		1,204.10	1,215.23	1,061.00	1,203.25
(Deferred tax liability) /Deferred tax asset (net)		(11.13)		(142.25)	
Change for the year			(131.12)		340.73
Reconciliation to the consolidated statements of profit and loss from continuing and discontinued operations					
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
Tax expenses of continuing operations		
(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
Tax expenses of discontinued operations		
(a) Current tax	-	1.11
(b) Deferred tax expense / (credit)	(0.02)	(2.24)
Total taxes	45.47	743.72
OCI Section		
Deferred tax related to items recognized in OCI during the year		
Remeasurement gains / (losses) on defined benefit plans	(0.24)	-
Cashflow hedge reserve	(6.53)	-
Income tax charged to OCI	(6.77)	-
Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:		
(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
Computed tax charge based on applicable tax rates of respective countries	(153.33)	305.62
Adjustments to taxable profits for companies with taxable profits		
(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
Tax expense as reported	45.47	743.72

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
Non current assets								
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	-	-	-	-
Total	7,745.27	8,183.09	2,838.40	2,596.73	34.64	41.96	-	-
Current assets								
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	-	-
Total	3,747.14	3,783.91	1,671.30	797.24	858.28	819.85	692.07	744.45
Non current liabilities								
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	-	-	-	-
Total	7,478.26	7,747.79	2,997.15	2,436.59	-	-	-	0.12
Current liabilities								
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	-	-
Total	1,146.07	1,210.56	390.13	271.39	620.76	592.68	58.19	47.23

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
Total equity :	2,868.08	3,008.65	1,122.42	685.99	272.16	269.13	633.88	697.10
Attributable to :								
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	-	-
Profit before tax	(40.60)	1,126.46	637.49	585.75	24.04	(374.73)	(24.20)	527.04
Tax expense	(78.85)	540.50	34.79	150.96	(3.47)	(7.82)	-	-
Profit for the year	38.25	585.96	602.70	434.79	27.51	(366.91)	(24.20)	527.04
Other comprehensive income	12.85	(17.57)	14.92	(0.45)	0.03	(0.01)	(27.33)	-
Total comprehensive income	51.10	568.39	617.62	434.34	27.54	(366.92)	(51.53)	527.04
% of NCI	36.00%	36.00%	37.00%	37.00%	49.00%	49.00%	23.00%	23.00%
Attributable to the non-controlling interests	18.40	204.62	228.52	160.71	13.50	(179.79)	(11.92)	121.22
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)
Net increase/(decrease) in cash & cash equivalents	(179.15)	146.45	283.96	270.54	2.44	(0.77)	(3.70)	(30.89)

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
	40.09	35.96

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
	7.13	5.73

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	13.52	7.64

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 ^{(d)(xii)}	130.28	613.00
7 Matters relating to income tax under dispute ¹	342.82	247.75
8 Matters relating to indirect taxes duty under dispute ^{(d)(vii),(d)(viii)}	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, 2017	
			As at March 31, 2018	As at March 31, 2017
(i) Payable not later than 1 year	0.66	0.66	0.70	0.66
(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, 2017	
	As at March 31, 2018	As at March 31, 2017
(i) Receivable not later than 1 year	0.50	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
Payment		
Lease rentals under cancellable and non-cancellable leases	78.17	58.13

(₹ in crore)		
Particulars	March 31, 2018	March 31, 2017
Obligations on non-cancelable leases:*		
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
Receivables on non-cancelable leases:		
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
As at March 31, 2016	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)
As at March 31, 2017	261.24	7.14	90.53	358.91
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)
As at March 31, 2018	356.43	7.70	64.67	428.80
Balances as at March 31, 2017				
Current	33.57	-	90.53	124.10
Non-current	227.67	7.14	-	234.81
Balances as at March 31, 2018				
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
Total	115.00	115.00

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) ¹ GMR Holdings Private Limited (GHPL) (till August 10, 2016) ¹
(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) ⁶
		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) ¹
		GMR Bannerghatta Properties Private Limited (GBPPL)
		GMR Holding (Mauritius) Limited (GHML)
		GMR Airport (Global) Limited (GAGL) ⁷
		GMR Sports Private Limited (GSPL)
		Grandhi Enterprises Private Limited (GREPL) ⁵
(v)	Joint ventures / associates / joint operations	GMR Energy Limited (GEL) ²
		GMR Vemagiri Power Generation Limited (GVPGL) ²
		GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) ²
		GMR Kamalanga Energy Limited (GKEL) ²
		Himtal Hydro Power Company Private Limited (HHPPL) ²
		GMR Energy (Mauritius) Limited (GEML) ²
		GMR Lion Energy Limited (GLEL) ²

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) ²
		GMR Consulting Services Limited (GCSPL) ²
		GMR Bajoli Holi Hydropower Private Limited (GBHHPL) ²
		Rampia Coal Mine and Energy Private Limited (RCMEPL) ²
		GMR Chhattisgarh Energy Limited (GCEL) ³
		GMR Rajahmundry Energy Limited (GREL) ³
		GMR Warora Energy Limited (GWEL) (formerly known as EMCO Energy Limited) ²
		GMR Maharashtra Energy Limited (GMAEL) ²
		GMR Bundelkhand Energy Private Limited (GBEPL) ²
		GMR Rajam Solar Power Private Limited (GRSPPL) (formerly known as GMR Uttar Pradesh Energy Pvt Ltd (GUPEPL)) ²
		GMR Gujarat Solar Power Limited (GGSPPL) ²
		Karnali Transmission Company Private Limited (KTCPL) ²
		Marsyangdi Transmission Company Private Limited (MTCPL) ²
		GMR Indo-Nepal Energy Links Limited (GINELL) ²
		GMR Indo-Nepal Power Corridors Limited (GINPCL) ²
		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) ⁸ (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) ⁴ (upto February 06, 2017)
		Ulundurpet Expressways Private Limited (UEPL) ⁴ (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
Investment in equity shares		
- Joint ventures / associates		
TFS	-	2.40
APFT ₹ 66.10 (March 31, 2017: ₹ Nil)	0.00	-
GBHHPL	108.33	-
GKEL	-	40.00
Sale of investments in equity shares to		
- Fellow subsidiaries		
GHMRL	-	9.09
Loans / advances repaid by		
- Joint ventures / associates		
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
Loans / advances given to		
- Holding company		
GEPL	30.00	-
- Joint ventures / associates		
GBEPL	38.10	-
Loans / advances taken from		
- Holding company		
GEPL	283.97	310.65
- Joint ventures / associates		
GEL	77.00	95.00
GBHPL	51.00	-
GKEL	5.44	-
- Enterprises where key management personnel and their relatives exercise significant influence		
KTPL	-	142.50
KRPPL	-	4.29
Loans repaid to		
- Holding company		
GEPL	452.50	136.50
- Fellow subsidiaries		
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
- Joint ventures / associates		
GBHPL	51.00	-
GEL	27.00	18.33
GWEL	9.50	-
GKEL	1.21	-
- Enterprises where key management personnel and their relatives exercise significant influence		
KTPL	142.50	-
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
MAIPL	0.05	0.05
Sale of fixed assets		
- Joint ventures / associates		
GVPGL	0.01	-
GKEL	0.06	-
GWEL	0.04	-
Purchase of fixed assets / services		
- Holding company		
GEPL	0.71	-
- Joint ventures / associates		
GEL	0.03	-
Deposit received		
- Joint ventures / associates		
DAFF	-	10.64
Laqshya	-	0.02
TFS	4.34	-
DDFS	4.00	0.67
DASPL	0.04	-
CDCTM	7.95	-
GBHHPL	-	0.05
Deposit repaid		
- Joint ventures / associates		
DDFS	0.12	0.30
Deposits given		
- Key management personnel and their relatives		
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
Deposit refund received		
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	-	1.25
Write-off of capital advances		
- Holding company		
GEPL	-	259.00
Equity dividend paid by subsidiaries / Joint ventures / associates to		
- 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	-
Preference dividend paid by subsidiaries		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
MACHL	3.77	0.54
Sub-contracting expenses		
- Enterprises where key management personnel and their relatives exercise significant influence		
GEOKNO	-	0.47
Revenue from operations		
- 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	-
- Key Management Personnel and their relatives		
Grandhi Kiran Kumar (₹ 35,000)	0.00	-
Other Income		
- Holding company		
GEPL	19.84	-
- Joint ventures / associates		
GKEL	2.22	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GEOKNO	0.02	-
Fees received for services rendered		
- Joint ventures / associates		
GMCAC	-	3.14
GGSPPL	-	0.25
GBHHPL	-	0.08
- Enterprises where key management personnel and their relatives exercise significant influence		
JASPL	2.33	1.10
Fee paid for services received		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
AAI	0.13	0.05
GoT	3.42	3.29
- Joint ventures / associates		
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
- Enterprises where key management personnel and their relatives exercise significant influence		
JASPL	2.50	0.85
Sri Varalakshmi Jute Twine Mills Private Limited	0.18	-
GEOKNO	-	0.33
GFFT	0.31	0.10
Finance income		
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.01	0.01
- Joint ventures / associates		
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
- Holding company		
GEPL	1.35	1.00
Dividend income received from		
- Joint ventures / associates		
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
Airport service charges / operator fees		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
FAG	171.87	151.05
Revenue share paid / payable to concessionaire grantors		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
AAI	1,814.42	2,681.04
Lease income		
- Joint ventures / associates		
GREL	0.02	0.18
GKEL	0.02	-
GCSPL	0.02	-
GVPGL	0.02	-
GMAEL	0.02	-
GCEL	0.02	-
Lease expense		
- 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
Purchase of traded goods		
- Joint ventures / associates		
GWEL	506.74	245.66
GKEL	135.52	133.62
GCEL	221.15	45.74
Managerial remuneration to		
- 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
- Key management personnel and their relatives		
Directors' sitting fees		
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
Logo fees		
- Holding company		
GEPL	2.01	5.40
Legal and professional fees		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
FAG	-	0.07
AAI	-	0.12
MACS	10.64	2.27
MAPUK	8.07	7.21
- Joint operations		
MGCJV	8.10	-
Other expenses		
- Holding company		
GEPL	0.06	-
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
TPSIPL	5.61	3.45
MAPUK	0.58	0.59
- Joint ventures / associates		
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
- Joint operations		
MGCJV	8.24	-
- Fellow subsidiaries		
GSPL	0.50	0.50
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	-	2.23
GEOKNO	0.53	0.36
GVF	-	0.01
- Key management personnel and their relatives		
Mr. G B S Raju	0.01	-
Marketing fund billed		
- Joint ventures / associates		
DDFS	11.21	10.35
TFS	0.86	0.67
Marketing fund utilised		
- Joint ventures / associates		
DDFS	10.87	1.72
TIM	0.36	-
TFS	0.05	0.03
Reimbursement of expenses incurred on behalf of the Group		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
MAIPL	0.12	0.22
MAPUK	0.08	0.08
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.01	-
- Joint ventures / associates		
TFS	0.10	0.07
GKEL	-	0.87
GBHHPL	0.15	0.09
Laqshya	0.03	-
GWEL	16.10	-
- Fellow subsidiaries		
GSPL	0.58	0.01
Expenses incurred by the Group on behalf of / expenses recovered by the Group		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
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
- Joint ventures / associates		
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	-
- Fellow subsidiaries		
GBPPL (March 31, 2017 : Amounting to ₹ 24,751)	0.02	0.00
- Enterprises where key management personnel and their relatives exercise significant influence		
GEOKNO	0.34	0.54
GVF	0.08	0.07
- Holding company		
GEPL (March 31, 2017 : Amounting to ₹ 10,070)	0.35	0.00
Expenses recoverable written off		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
AAI	-	0.99
Donation		
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	11.75	15.87
Finance cost		
- Holding company		
GEPL	6.39	7.79
- Joint ventures / associates		
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
- Enterprises where key management personnel and their relatives exercise significant influence		
KRPPL	0.53	0.24
KTPL	5.95	0.05
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
AAI	5.14	9.03
MAIPL	0.05	0.05
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.01	0.01
- Fellow subsidiaries		
GAGL	0.04	-
Reversal of finance cost		
- Joint ventures / associates		
WAISL	-	7.01
Release of pledged shares against the loan taken by a subsidiary		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
MAHB	28.66	-
Corporate Guarantees/ Comfort Letters extinguished on behalf of		
- Joint ventures / associates		
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
Balance payable / (receivable)		
- Holding company		
GEPL	(435.61)	(209.57)
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or joint ventures or associates		
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
- Enterprises where key management personnel and their relatives exercise significant influence		
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)
- Fellow subsidiaries		
GPPL	-	-
GSPL	0.30	-
GREPL	-	0.34
GBPPL (March 31, 2017: ₹ 24,751)	-	0.00
GHMRL	-	(9.44)
GAGL	-	(0.71)
- Joint ventures / associates		
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)
- Key management personnel and their relatives		
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
Outstanding corporate guarantees		
- Joint ventures / associates		
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
Outstanding bank guarantees		
- Enterprises where key management personnel and their relatives exercise significant influence		
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
Revenue																
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)	-	-	-	-
Total revenue from continuing operations	1,565.36	1,275.06	589.70	565.10	5,433.83	7,118.06	931.12	392.78	581.40	883.55	(380.20)	(677.73)	-	-	8,721.21	9,556.82
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)
Unallocated income/(expense)																
Finance cost																
Finance income																
Segment profit/(loss) before tax for the year	(599.88)	(279.03)	207.59	(138.16)	1,605.26	2,611.56	15.89	(18.89)	(119.15)	(100.63)	-	-	(2,192.36)	(2,706.69)	(1,114.59)	(347.46)
Tax expenses																
Profit/(loss) after tax from discontinued operations																
Segment profit/(loss) for the year	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
Segment assets:																
Loans - current																
Loans - non current																
Interest accrued on long term investments.																
Derivative instruments at fair value through OCI																
Derivative instruments at fair value through profit and loss																
Deferred tax asset (net)																
Non current tax assets (net)																
Assets classified as held for disposal																
Total Assets	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	-	-	2,272.35	2,008.36	38,286.99	37,123.77

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

Particulars	(₹ in crore)															
	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, 2017	
Segment liabilities:	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	6,953.72
Borrowings - Non current													20,552.95	18,959.72	8,146.70	6,953.72
Current maturities of Long Term Borrowings													1,972.10	1,906.68	1,972.10	1,906.68
Borrowings - Current													542.37	617.56	542.37	617.56
Interest payable.													352.97	435.76	352.97	435.76
Liabilities for current tax (net)													55.32	98.70	55.32	98.70
Deferred tax liabilities (Net)													400.06	413.81	400.06	413.81
Provision for debenture redemption premium													1.50	1.91	1.50	1.91
Financial Guarantee contracts													68.27	110.13	68.27	110.13
Financial Liabilities at fair value through OCI													18.83	36.57	18.83	36.57
Financial Liabilities at fair value through profit and loss													0.31	74.82	0.31	74.82
Liabilities directly associated with assets classified as held for disposal.													530.80	458.56	530.80	458.56
Total Liabilities	2,642.66	1,767.59	714.60	572.25	3,749.69	3,606.04	706.69	643.64	333.06	364.20	-	-	24,495.48	23,114.22	32,642.18	30,067.94
Other Disclosures:																
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
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
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
Adjustments and eliminations																
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.																

(₹ in crore)

Particulars	Revenue from external customers		Non-current operating assets*	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Continuing Operations:				
India	8,245.48	9,097.47	16,214.77	16,012.65
Outside India	475.73	459.35	-	-
Total	8,721.21	9,556.82	16,214.77	16,012.65

*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 ¹	19.80	-	-	6.01
Total	19.80	0.31	8.64	74.82
Classified as :				
Non- current	19.80	-	-	67.24
Current	-	0.31	8.64	7.58

- 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 ¹	-	18.83	-	36.57
Cross Currency Swap ²	71.69	-	-	-
Total	71.69	18.83	-	36.57
Classified as :				
Non- current	71.69	18.83	-	-
Current	-	-	-	36.57

- 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
Financial assets						
(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
Total	3,399.12	71.69	19.80	7,573.07	11,063.68	11,063.68
Financial liabilities						
(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
Total	-	18.83	0.31	27,979.96	27,999.10	27,999.10

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
Financial assets						
(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
Total	2,788.36	-	8.64	6,864.13	9,661.13	9,661.13
Financial liabilities						
(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
Total	-	36.57	74.82	25,161.68	25,273.07	25,273.07

(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
March 31, 2018				
Financial assets				
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	-
Financial liabilities				
Principal and interest rate swap	-	-	-	-
Call spread option	18.83	-	18.83	-
Foreign exchange forward contracts	0.31	-	0.31	-
March 31, 2017				
Financial assets				
Investments (other than investments in associates and joint ventures)	2,788.36	2,788.36	-	-
Interest rate swap	-	-	8.64	-
Financial liabilities				
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:

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2018		
INR	+50	54.04
INR	-50	(54.04)
March 31, 2017		
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.

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	
USD Sensitivity		
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
March 31, 2018				
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
Total	6,923.02	9,429.31	14,356.26	30,708.59
March 31, 2017				
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
Total	5,835.49	9,659.44	12,270.25	27,765.18

- (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)
Net debt (i)	21,691.62	20,319.40
Capital components		
Equity share capital	603.59	603.59
Other equity	3,214.75	4,738.69
Non-controlling interests	1826.47	1,713.55
Total Capital (ii)	5,644.81	7,055.83
Capital and borrowings (iii = i + ii)	27,336.43	27,375.23
Gearing ratio (%) (i / iii)	79.35%	74.23%

* 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

INDEPENDENT AUDITOR'S REPORT

To the Members of GMR Infrastructure Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of GMR Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements

that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for qualified opinion

- a) As detailed in note 5(4), GMR Generation Assets Limited ('GGAL') along with its subsidiaries/ joint ventures and associates have been incurring losses for reasons as more fully discussed in the aforesaid note. Based on the valuation assessment carried out by an independent expert during the year ended March 31, 2018, the Company has not accounted for a further diminution in the value of the Company's investment in GGAL as at March 31, 2018 of ₹ 2,830 crore in the accompanying standalone Ind AS financial statements. In our opinion, the aforesaid accounting treatment is not in accordance with the relevant accounting standards. Had the management accounted for the aforesaid diminution, the loss after tax for the year ended March 31, 2018 in the accompanying standalone Ind AS financial statements would have been higher by ₹ 2,830 crore with a consequent impact on the reserves of the Company as at March 31, 2018.
- b) As detailed in note 5(7), GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GMR Rajahmundry Energy Limited ('GREL'), joint ventures of the Company have ceased operations and have been incurring losses with a consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas. Further, GREL have rescheduled the repayment of project loans with the consequent implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and to undertake flexible structuring of balance debt for improving viability and revival of the project pending linkage of natural gas supply. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations in these entities at varying levels of capacity in the future and the appropriateness of the going concern assumption of these entities is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet short term and long term obligations and accordingly we are unable to comment on the carrying value of the Company's investment (including advances) in these entities as at March 31, 2018 in the accompanying standalone Ind AS financial statements.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in point (a) and the possible effect of the matter described in point (b) in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner

so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, of its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the accompanying standalone Ind AS financial statements for the year ended March 31, 2018:

- a) Notes 5(6) and 5(9)(a) with regard to the ongoing arbitration for compensation of losses being incurred since the commencement of commercial operations by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') and GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), subsidiaries of the Company, for reasons as detailed in the aforesaid notes. Pending outcome of the aforesaid arbitrations, based on management's internal assessment and an external legal opinion obtained by the management of GACEPL and GHVEPL, the management of the Group is of the view that the carrying value of the investments (including loans and advances and other receivables) in GACEPL and GHVEPL as at March 31, 2018 is appropriate in the accompanying standalone Ind AS financial statements. Further, the auditors of these subsidiaries have included an emphasis of matter in their respective audit reports issued for the year ended March 31, 2018 with regard to the aforesaid matters.
- b) Note 5(12) with regard to the ongoing arbitration and the uncertainty regarding the conversion/settlement of Class A Compulsorily Convertible Preference Shares issued by GMR Airports Limited ('GAL') to the Private Equity Investors ('the Investors') ('CCPS A'). The Company had exercised the call option to acquire CCPS A, subject to obtaining the requisite regulatory approvals which was disputed by the Investors and they initiated arbitration proceedings against GAL and the Company seeking conversion of CCPS A. In view of ongoing arbitration as regards the aforesaid uncertainty, no adjustments have been made for the call option exercised by the Company to purchase CCPS A and for reasons as explained in the aforesaid note, the Class B Compulsorily Convertible Preference Shares ('CCPS B') issued to the Company continue to be carried at cost of ₹ Nil in the accompanying standalone Ind AS financial statements.

Our opinion is not qualified in respect of these aforesaid matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- (a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) Except for the effect of the matter described in point (a) and the possible effect of the matter described in point (b) in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) Except for the effect of the matter described in point (a) and the possible effect of the matter described in point (b) in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in the Basis for Qualified Opinion paragraph, Emphasis of Matter paragraph and Qualified Opinion paragraph of 'Annexure II' to this report, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) We draw attention to Note 46 to the standalone Ind AS financial statements regarding one of the directors of the Company as at March 31, 2018, Mr Srinivasan Sandilya, reported as disqualified from being appointed as a director in terms of section 164(2) of the Act pursuant to his inclusion in the list of Disqualified Directors published by Ministry of Corporate Affairs in September 2017. The defaulting company has filed an application with the Registrar of Companies under Condonation of Delay Scheme, 2018. Based on the written representations received from other directors of the Company as on March 31, 2018, and taken on record by the Board of Directors, other Directors of the Company are not disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report dated May 30, 2018 in "Annexure II" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 36 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership number: 061207

Place: New Delhi
Date: May 30, 2018

Annexure I referred to in clause 1 of paragraph on the report on other legal and regulatory requirements of our report of even date**Re: GMR Infrastructure Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
- (b) All property, plant and equipment have not been physically verified by the management of the Company during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us by the management of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us by the management of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us by the management of the Company, there are no loans, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us by the management of the Company, the provisions of section 186 of the Companies Act, 2013 in respect of investments made has been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the construction activities and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including employees' state insurance, income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues as applicable to the Company, have generally been regularly deposited with the appropriate authorities though there have been slight delays in remittance of provident fund in few cases.
- (b) According to the information and explanations given to us by the management of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues as applicable to the Company, were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period for which amounts relates to	Forum where dispute is pending
Finance Act, 1994	Service tax	41.53	October 2007 to March 2014	Commissioner of Service Tax, Bangalore
Finance Act, 1994	Service tax	0.80	FY 2012-13 to 2014-15	Joint Commissioner of Central Tax, Bangalore
Central Excise Act, 1944	Central excise duty (including penal charges and excluding interest)	1.03	March 2011 to December 2012	Office of the Commissioner of Customs, Central Excise and Service Tax, Hyderabad-III Commissionerate
Odisha Value Added Tax Act, 2004	Value Added Tax	2.40	November 2012 to March 2015	Additional Commissioner of Sales Tax, Bhubaneswar
Income Tax Act, 1961	Income Taxes*	148.79	FY 2007-08 to 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Taxes*	66.41	FY 2013-14 to 2014-15	Commissioner of Income Tax (Appeals)

*Net of ₹ 29.12 Crore paid by the Company.

- (viii) In our opinion and according to the information and explanations given to us by the management of the Company, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders as at March 31, 2018.

- (ix) According to the information and explanations given to us by the management of the Company, the Company has not raised any money by way of initial public offer / further public offer / debt instruments except term loans during the year. In our opinion and according to the information and explanations given to us by the management of the Company, the Company has utilized the monies raised by way of term loans during the year for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management of the Company, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us by the management of the Company, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us by the management of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence not commented upon.
- (xv) According to the information and explanations given to us by the management of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us and based on a legal opinion obtained by the management of the Company, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership number: 061207

Place: New Delhi
Date: May 30, 2018

Annexure II to the Independent auditor's report of even date on the Standalone Ind AS financial statements of GMR Infrastructure Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of GMR Infrastructure Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the

Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements as at March 31, 2018:

- (a) The Company's internal financial control with regard to assessment of carrying value of investments in certain subsidiaries/ joint ventures as more fully explained in notes 5(4) and 5(7) to the standalone Ind AS financial statements were not operating effectively and could

potentially result in the Company not providing for adjustments that may be required to be made to the carrying value of such investments.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as of March 31, 2018.

Explanatory Paragraph

We also have audited, in accordance with the Standards on Auditing issued by the ICAI, as specified under Section 143(10) of the Act, the standalone

Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss, Statement of changes in equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The material weakness referred to in the Qualified opinion paragraph above, was considered in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2018 standalone Ind AS financial statements of the Company and this report affects our report dated May 30, 2018, which expressed a qualified opinion on those standalone Ind AS financial statements.

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI firm registration number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership number: 061207

Place: New Delhi
Date: May 30, 2018

Standalone Balance Sheet as at March 31, 2018

(₹ in crore)

	Notes	March 31, 2018	March 31, 2017
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	117.21	68.36
(b) Capital work in progress		20.93	-
(c) Intangible assets	4	2.15	3.11
(d) Financial assets			
(i) Investments	5	8,292.55	9,817.44
(ii) Loans	6	2,230.71	1,825.79
(iii) Trade receivables	7	66.74	42.23
(iv) Other financial assets	8	203.01	133.17
(e) Deferred tax assets (net)	10	97.23	97.23
(f) Non-current tax assets (net)	11(a)	34.68	85.73
(g) Other non-current assets	9	40.09	45.33
		11,105.30	12,118.39
(2) Current assets			
(a) Inventories	12	38.10	65.74
(b) Financial assets			
(i) Investments	5	26.60	6.77
(ii) Loans	6	180.21	500.16
(iii) Trade receivables	7	50.34	67.88
(iv) Cash and cash equivalents	13	76.15	31.47
(v) Bank balances other than cash and cash equivalents	13	16.53	13.59
(vi) Other financial assets	8	623.29	549.48
(c) Other current assets	9	56.90	57.33
(3) Assets classified as held for disposal	5	30.15	30.15
		1,098.27	1,322.57
Total assets (1 + 2 + 3)		12,203.57	13,440.96
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	603.59	603.59
(b) Other equity	15	3,990.32	5,913.61
		4,593.91	6,517.20
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	5,184.57	5,091.51
(ii) Other financial liabilities	18	99.19	104.75
(b) Net employee defined benefit liabilities	19(a)	0.46	2.74
(c) Other non-current liabilities	20	33.61	122.96
		5,317.83	5,321.96
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	768.91	112.88
(ii) Trade payables	17	333.48	219.55
(iii) Other financial liabilities	18	910.75	925.12
(b) Other current liabilities	20	233.51	296.33
(c) Net employee defined benefit liabilities	19(a)	13.27	15.60
(d) Provisions	19(b)	1.50	1.91
(e) Liabilities for current tax (net)	11(b)	5.18	5.18
(4) Liabilities directly associated with the assets classified as held for disposal	21	25.23	25.23
		2,291.83	1,601.80
Total equity and liabilities (1 + 2 + 3 + 4)		12,203.57	13,440.96
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

ICAI firm registration number: 101049W / E300004

Chartered Accountants

per Sandeep Karnani

Partner

Membership number: 061207

Place: New Delhi

Date: May 30, 2018

For and on behalf of the Board of Directors of

GMR Infrastructure Limited

G M Rao

Chairman

DIN: 00574243

Madhva Bhimacharya Terdal

CFO

Place: New Delhi

Date: May 30, 2018

Grandhi Kiran Kumar

Managing Director & CEO

DIN: 00061669

Venkat Ramana Tangirala

Company Secretary

Standalone statement of Profit and Loss for the year ended March 31, 2018

(₹ in crore)

	Notes	March 31, 2018	March 31, 2017
I Revenue			
Revenue from operations	22	1,106.01	1,179.77
Other income	23	52.35	2.65
Total income		1,158.36	1,182.42
II Expenses			
Cost of material consumed	24	376.53	113.07
Subcontracting expenses		238.48	172.12
Employee benefit expenses	25	51.68	52.11
Depreciation and amortisation expenses	26	19.06	16.13
Finance costs	27	821.61	744.74
Other expenses	28	144.37	114.11
Total expenses		1,651.73	1,212.28
III Profit/(loss) before exceptional items and tax (I - II)		(493.37)	(29.86)
IV Exceptional items- provision for impairment of investments / doubtful advances	29	(1,437.29)	(3,654.16)
V Profit/(loss) before tax (III - IV)		(1,930.66)	(3,684.02)
VI Tax expense:			
(a) Current tax - minimum alternate tax	30	0.09	10.20
(b) Deferred tax		-	-
Minimum alternate tax credit entitlement		-	(10.11)
Total tax expenses		0.09	0.09
VII Profit/(loss) for the year (V - VI)		(1,930.75)	(3,684.11)
VIII Other comprehensive income/ (loss) (net of tax)			
(A) (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		0.49	(0.83)
(ii) Income tax effect		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax effect		-	-
Total other comprehensive income/(loss) for the year		0.49	(0.83)
IX Total comprehensive income for the year (VII + VIII)		(1,930.26)	(3,684.94)
X Earnings per equity share (nominal value of share ₹ 1 each):	31		
Basic and diluted		(3.21)	(6.12)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership number: 061207

Place: New Delhi
Date: May 30, 2018

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

G M Rao
Chairman
DIN: 00574243

Madhva Bhimacharya Terdal
CFO

Place: New Delhi
Date: May 30, 2018

Grandhi Kiran Kumar
Managing Director & CEO
DIN: 00061669

Venkat Ramana Tangirala
Company Secretary

Standalone statement of changes in equity for the year ended March 31, 2018

a. Equity share capital:		
Equity shares of ₹ 1 each issued, subscribed and fully paid		
	No.	₹ in crore
As at April 1, 2016	6,035,945,275	603.59
Add: Issued during the year	-	-
As at March 31, 2017	6,035,945,275	603.59
Add: Issued during the year	-	-
As at March 31, 2018	6,035,945,275	603.59

b. Other equity	Attributable to the equity holders						Total equity
	Equity component of preference shares (refer note 15)	Treasury shares (refer note 15)	General reserve (refer note 15)	Securities premium (refer note 15)	Debt redemption reserve (refer note 15)	Capital reserve (refer note 15)	
For the year ended March 31, 2018							
As at April 1, 2017	133.94	(101.54)	40.62	10,010.98	127.20	141.75	5,913.61
Profit/ (loss) for the year	-	-	-	-	-	(1,930.75)	(1,930.75)
Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	0.49	0.49
Total comprehensive income	-	-	-	-	-	(1,930.26)	(1,930.26)
Exchange difference on foreign currency convertible bond (FCCB) recognised during the year	-	-	-	-	-	-	7.80
FCMTR amortisation during the year	-	-	-	-	-	-	(0.83)
Transfer from equity component of preference shares	-	-	133.94	-	-	-	133.94
Transfer to general reserve	(133.94)	-	-	-	-	-	(133.94)
As at March 31, 2018	-	(101.54)	174.56	10,010.98	127.20	141.75	3,990.32
For the year ended March 31, 2017							
As at April 1, 2016	133.94	(101.54)	40.62	10,010.98	125.44	141.75	9,564.24
Profit/ (loss) for the year	-	-	-	-	-	(3,684.11)	(3,684.11)
Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	(0.83)	(0.83)
Total comprehensive income	-	-	-	-	-	(3,684.94)	(3,684.94)
Exchange difference on foreign currency convertible bond (FCCB) recognised during the year	-	-	-	-	-	-	35.07
FCMTR amortisation during the year	-	-	-	-	-	-	(0.76)
Transfer to debenture redemption reserve	-	-	-	-	29.89	(29.89)	-
Transfer from debenture redemption reserve	-	-	-	-	(28.13)	28.13	-
As at March 31, 2017	133.94	(101.54)	40.62	10,010.98	127.20	141.75	5,913.61

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the standalone financial statements.

AS per our report of even date
For S. R. Batliboi & Associates LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

per Sandeep Kamani
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

Standalone statement of Cash Flows for the year ended March 31, 2018

(₹ in crore)

	March 31, 2018	March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(1,930.66)	(3,684.02)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	19.06	16.13
Fair value (gain)/loss on financial instruments at fair value through profit or loss	(1.26)	1.36
Provision for impairment of investments / doubtful advances	1,437.29	3,654.16
Bad debts written off [includes provision for doubtful debts: (₹ 5.38 crore) (March 31, 2017: ₹ 8.98 crore)]	18.78	16.13
Net foreign exchange differences (unrealised)	(3.12)	0.70
Provision no longer required, written back	(2.81)	-
Profit on sale of current investments (others)	(6.34)	(4.73)
Dividend income on current investments (other than trade) (gross) ₹ 14,797 (March 31, 2017: ₹ 10,732)	(0.00)	(0.00)
Finance income	(363.54)	(782.27)
Finance costs	821.61	744.74
Operating (loss)/profit before working capital changes	(10.99)	(37.80)
Working capital adjustments:		
(Increase)/ decrease in inventories	27.64	(57.01)
(Increase)/ decrease in trade receivables	(28.94)	26.04
(Increase)/ decrease in other financial assets	(178.95)	(171.32)
(Increase)/ decrease in other assets	17.39	111.25
Increase/ (decrease) in trade payables	120.02	126.12
Increase/ (decrease) in other financial liabilities	(10.27)	(43.19)
Increase/ (decrease) in provisions	(4.61)	2.43
Increase/ (decrease) in other liabilities	(152.17)	103.07
Cash generated from/ (used in) operations	(220.88)	59.59
Direct taxes paid (net of refunds)	50.96	(13.07)
Net cash from/ (used in) operating activities	(169.92)	46.52
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including capital work in progress, capital advances and intangible assets	(77.36)	(30.51)
Proceeds from sale of property, plant and equipment	-	0.04
Purchase of non-current investments	(148.05)	(6.55)
Proceeds from sale of non-current investments	336.55	-
Sale / (purchase) of current investments (net)	(14.62)	8.97
Investment in bank deposit (having original maturity of more than three months)	(47.41)	165.42
Loans given to subsidiary companies	(2,916.06)	(2,503.57)
Loans/ advances repaid by subsidiary companies	2,456.03	1,909.58
Interest received	385.44	429.28
Advances towards sale consideration for assets classified as held for disposal	-	18.06
Dividend received [(₹ 14,797 (March 31, 2017: ₹ 10,732)]	0.00	0.00
Net cash from/ (used in) investing activities	(25.48)	(9.28)

Standalone statement of Cash Flows for the year ended March 31, 2018 (Contd.)

	(₹ in crore)	
	March 31, 2018	March 31, 2017
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,583.26	857.00
Repayment of long term borrowings	(1,124.37)	(499.81)
Proceeds/ repayment of short term borrowings (net) (refer note 13)	664.14	(23.65)
Finance costs paid	(874.84)	(668.34)
Net cash (used in)/ from financing activities	248.19	(334.80)
Net (decrease)/increase in cash and cash equivalents	52.79	(297.56)
Cash and cash equivalents at the beginning of the year	22.39	319.95
Cash and cash equivalents at the end of the year	75.18	22.39
Total cash and cash equivalents (Note 13)	75.18	22.39
Summary of significant accounting policies	2.2	

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financing activities:-

Particulars	Liabilities arising from financing activities	
	Long term borrowings (refer note 16)	Short term borrowings (refer note 16 and 13)
As at April 01, 2017	5,854.88	112.88
Cash flow changes:		
Proceeds from borrowings	1,583.26	656.03
Repayment of borrowings	(1,124.37)	-
Processing fee paid	(45.17)	-
Non-cash changes		
Loan from Dhruvi Securities Private Limited ('DSPL') adjusted with loan given to GMR Aerostructure Service Limited ('GASL')	(300.20)	-
Foreign exchange fluctuations	(9.52)	-
Change in fair values	46.80	-
As at March 31, 2018	6,005.68	768.91

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
ICAI firm registration number: I01049W / E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership number: 061207

Place: New Delhi
Date: May 30, 2018

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

G.M Rao
Chairman
DIN: 00574243

Madhva Bhimacharya Terdal
CFO

Place: New Delhi
Date: May 30, 2018

Grandhi Kiran Kumar
Managing Director & CEO
DIN: 00061669

Venkat Ramana Tangirala
Company Secretary

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

1 CORPORATE INFORMATION

GMR Infrastructure Limited ('GIL' or 'the Company') is a public limited Company domiciled in India. The registered office of the Company is located at Naman Centre, Bandra Kurla Complex, Mumbai, India. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company carries its business in the following business segments:

a. Engineering Procurement Construction (EPC)

The Company is engaged in handling EPC solutions in the infrastructure sector.

b. Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV). Information on other related party relationships of the Company is provided in Note 33.

The standalone 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.

The standalone financial statements comprise the financial statements of the Company and its controlled staff welfare trust. The Company is the sponsoring entity of staff welfare trust. Based on the internal assessment by the management, it believes that the staff welfare trust is an extension arm of the Company.

2 SIGNIFICANT ACCOUNTING POLICIES

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

The Company applied for the first time amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of such amendment is described below:

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 Company has provided the information for the current period under the standalone statement of cash flows.

2.1. BASIS OF PREPARATION

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

The standalone 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 Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates and all values are rounded to nearest crore except when otherwise indicated.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

Advance tax paid is classified as non-current assets.

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

b Fair value measurement of financial instruments

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

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

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

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

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

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

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

c Revenue recognition

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

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

Revenue from construction activity

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 Company,
- 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

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

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.

Income from management/ technical services

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

Interest income

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

Dividends

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

d Taxes on income

Current income tax

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

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred 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 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 tax asset to be utilized.

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

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

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 Company 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 Company 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.

e Non-current assets held for sale

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

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

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

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

f Property, plant and equipment

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

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

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

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

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

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

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

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

Further, the management has estimated the useful lives of asset individually costing ₹5,000 or less to be less than one year, whichever is lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

g Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

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

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

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

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

h Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

i Leases

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

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

Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company 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 Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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

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

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

j Inventories

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

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

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

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

k. Impairment of non-financial assets, investment in subsidiary, associate and joint venture companies

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

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

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

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

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

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

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

l. Provisions and contingent liabilities

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

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

reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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

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

Provisions and contingent liability are reviewed at each balance sheet.

m. Retirement and other employee benefits

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

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

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

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

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

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

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

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

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

n. Financial instruments

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

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

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

Effective interest method

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

(a) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 subsidiary, associate and joint venture companies

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

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

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

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

De-recognition of financial assets

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

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

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

(b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

a. Financial guarantee contracts

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

b. De-recognition

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

Off-setting of financial instruments

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

o. Derivative financial instruments

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

p. Convertible preference shares/debentures

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

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

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.

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.

q. **Cash and cash equivalents**

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

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

r. **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.

s. **Foreign currencies**

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

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

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

t. **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.

u. **Corporate social responsibility ('CSR') expenditure**

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

v. **Interest in Joint Operations**

In respect of its interests in joint operations, the Company recognises its share in assets, liabilities, income and expense line by line in the standalone Ind AS financial statements of the entity which is party to such joint arrangement. Interests in joint operations are included in the segments to which they relate.

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

3. Property, plant and equipment

(₹ in crore)

Particulars	Freehold land	Leasehold improvements	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Total
Gross Block (at cost)								
As at April 01, 2016	0.08	0.34	74.21	2.40	4.01	4.78	1.89	87.71
Additions	-	-	7.23	0.97	1.17	0.32	0.59	10.28
Disposals	-	-	-	-	-	0.15	0.01	0.16
As at March 31, 2017	0.08	0.34	81.44	3.37	5.18	4.95	2.47	97.83
Additions	-	-	65.78	0.09	0.65	-	0.31	66.83
Disposals	-	-	-	-	0.38	-	1.22	1.60
As at March 31, 2018	0.08	0.34	147.22	3.46	5.45	4.95	1.56	163.06
Depreciation								
As at April 01, 2016	-	0.11	11.03	0.49	1.80	0.98	0.29	14.70
Charge for the year	-	0.12	10.93	0.46	1.66	1.02	0.70	14.89
Disposals	-	-	-	-	-	0.11	0.01	0.12
As at March 31, 2017	-	0.23	21.96	0.95	3.46	1.89	0.98	29.47
Charge for the year	-	0.11	14.45	0.47	1.07	1.01	0.87	17.98
Disposals	-	-	-	-	0.38	-	1.22	1.60
As at March 31, 2018	-	0.34	36.41	1.42	4.15	2.90	0.63	45.85
Net block								
As at March 31, 2018	0.08	-	110.81	2.04	1.30	2.05	0.93	117.21
As at March 31, 2017	0.08	0.11	59.48	2.42	1.72	3.06	1.49	68.36

4. Intangible assets

(₹ in crore)

Particulars	Computer Software	Total
Gross Block (at cost)		
As at April 01, 2016	3.74	3.74
Additions	1.58	1.58
As at March 31, 2017	5.32	5.32
Additions	0.12	0.12
As at March 31, 2018	5.44	5.44
Amortisation		
As at April 01, 2016	0.97	0.97
Charge for the year	1.24	1.24
As at March 31, 2017	2.21	2.21
Charge for the year	1.08	1.08
As at March 31, 2018	3.29	3.29
Net block		
As at March 31, 2018	2.15	2.15
As at March 31, 2017	3.11	3.11

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

5. Financial assets - Investments

(₹ in crore)

Particulars	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
A. Investments carried at cost				
Unquoted equity shares				
i. Subsidiary companies				
- Domestic Companies				
GMR Hyderabad International Airport Limited ('GHIAL')	0.00	0.00	-	-
[1,000 (March 31, 2017: 1,000) equity shares of ₹ 10 each] [₹ 10,000 (March 31, 2017: ₹ 10,000)]				
GMR Pochanpalli Expressways Limited ('GPEL') ⁹	2.07	2.07	-	-
[2,070,000 (March 31, 2017: 2,070,000) equity shares of ₹ 10 each]				
GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') ^{1,6,9}	47.49	47.49	-	-
[47,495,280 (March 31, 2017: 47,495,280) equity shares of ₹ 10 each]				
Delhi International Airport Private Limited ('DIAL')	0.00	0.00	-	-
[200 (March 31, 2017: 200) equity shares of ₹ 10 each] [₹ 2,000 (March 31, 2017: ₹ 2,000)]				
GMR Airports Limited ('GAL') ^{1,3,12} [also refer 15(3)]	691.11	691.11	-	-
[350,869,304 (March 31, 2017: 350,869,304) equity shares ₹ 10 each]				
GMR Aviation Private Limited ('GAPL') ¹⁴	244.08	244.08	-	-
[244,080,868 (March 31, 2017: 244,080,868) equity shares of ₹ 10 each]				
Gateways for India Airports Private Limited ('GFIAL')	0.01	0.01	-	-
[8,649 (March 31, 2017: 8,649) equity shares of ₹ 10 each]				
GMR Krishnagiri SEZ Limited ('GKSEZ')	117.50	117.50	-	-
[117,500,000 (March 31, 2017: 117,500,000) equity shares of ₹ 10 each]				
GMR Highways Limited ('GMRHL') ^{1,6,9,13}	1,852.93	1,852.93	-	-
[1,852,929,746 (March 31, 2017: 1,852,929,746) equity shares of ₹ 10 each]				

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

5. Financial assets - Investments (Contd.)

(₹ in crore)

Particulars	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') ⁹ [2,050,000 (March 31, 2017: 2,050,000) equity shares of ₹ 10 each]	2.05	2.05	-	-
GMR Corporate Affairs Private Limited ('GCAPL') [4,999,900 (March 31, 2017: 4,999,900) equity shares of ₹ 10 each]	5.00	5.00	-	-
GMR Chennai Outer Ring Road Private Limited ('GCRORPL') ^{1,9} [12,300,000 (March 31, 2017: 12,300,000) equity shares of ₹ 10 each]	12.30	12.30	-	-
GMR Energy Trading Limited ('GETL') [50,219,897 (March 31, 2017: 50,219,897) equity shares of ₹ 10 each]	50.22	50.22	-	-
Dhruvi Securities Private Limited ('DSPL') [168,059,694 (March 31, 2017: 168,059,694) equity shares of ₹ 10 each]	199.70	199.70	-	-
GMR Generation Assets Limited ('GGAL') (formerly known as GMR Renewable Energy Limited ('GREEL')) ^{1,2,4,7,8} [6,322,750,426 (March 31, 2017: 6,172,750,426) equity shares of ₹ 10 each]	6,320.80	6,172.75	-	-
GMR Power Infra Limited ('GPIL') [849,490 (March 31, 2017: 849,490) equity shares of ₹ 10 each]	0.85	0.85	-	-
GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAE') ⁹ [5,050,000 (March 31, 2017: 5,050,000) equity shares of ₹ 10 each]	5.05	5.05	-	-
GMR Infra Developers Limited ('GIDL') [49,994 (March 31, 2017: 49,994) equity shares of ₹10 each fully paid-up]	0.05	0.05	-	-
GMR Aerostructure Service Limited ('GASL') (formerly known as GMR Hyderabad Airport Resource Management Limited ('GHARML')) [50,000 (March 31, 2017: 50,000) equity shares of ₹10 each fully paid-up]	0.05	0.05	-	-
	9,551.26	9,403.21	-	-
- Body Corporates				
GMR Infrastructure (Mauritius) Limited ('GIML') ^{5,11,16} [320,550,001 (March 31, 2017: 320,550,001) equity share of USD 1 each]	1,477.99	1,477.99	-	-

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

5. Financial assets - Investments (Contd.)

(₹ in crore)

Particulars	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
GMR Coal Resources Pte Limited ('GCRPL') ¹¹ [30,000 (March 31, 2017: 30,000) equity share of SGD 1 each]	0.11	0.11	-	-
GMR Male International Airport Private Limited ('GMIAL') ⁵ [154 (March 31, 2017: 154) equity share of Mrf 10 each] [₹ 4,917 (March 31, 2017: ₹ 4,917)]	0.00	0.00	-	-
GMR Infrastructure (Overseas) Limited ('GIOL') ¹¹ [100 (March 31, 2017: 100) equity shares of USD 1 each] [₹ 4,903 (March 31, 2017: ₹ 4,903)]	0.00	0.00	-	-
	1,478.10	1,478.10	-	-
ii. Joint ventures/ associates				
GMR Megawide CEBU Airport Corporation ('GMCAC') ¹ [88,405,234 (March 31, 2017: 88,405,234) equity shares of PHP 1 each]	12.03	12.03	-	-
GMR Energy Limited ('GEL') ^{1,2,4,7,10,17,18} [536,894,545 (March 31, 2017: 536,894,545) equity shares of ₹ 10 each]	1,476.46	1,476.46	-	-
GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL') ^{2,10} [4,900 (March 31, 2017: 4,900) equity shares of ₹ 10 each] [₹ 49,000 (March 31, 2017: ₹ 49,000)]	0.00	0.00	-	-
GMR OSE Hungund Hospet Highways Private Limited ('GOSEHHPL') ^{1,13} [59,801,692 (March 31, 2017: 59,801,692) equity shares of ₹ 10 each]	-	-	59.80	59.80
Less: provision for diminution in value of investments	-	-	(29.65)	(29.65)
			30.15	30.15
Less: Investments classified as held for sale	-	-	(30.15)	(30.15)
- Body Corporates				
GMR Energy (Mauritius) Limited ('GEML') ² [5 (March 31, 2017: 5) equity share of USD 1 each] [₹ 202 (March 31, 2017: ₹ 202)]	0.00	0.00	-	-
B. Investments carried at deemed cost				
Unquoted equity shares				
i. Subsidiary companies				
GMR SEZ & Port Holdings Private Limited ('GSPHPL') ¹⁵ [47,989,999 (March 31, 2017: 47,989,999) equity shares of ₹ 10 each]	782.69	782.69	-	-
	2,271.18	2,271.18	-	-
<i>Investment in additional equity of subsidiaries</i>				
GMRHL ^{6,9,13}	413.50	401.32	-	-
GCAPL	16.25	16.25	-	-
GSPHPL ¹⁵	64.00	62.39	-	-

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

5. Financial assets - Investments (Contd.)

(₹ in crore)

Particulars	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
GACEPL ⁶	4.73	4.73	-	-
GCORRPL ⁹	21.25	33.85	-	-
GHVEPL ⁹	61.32	61.32	-	-
GKUAEL ⁹	1.69	1.69	-	-
GPEL ⁹	9.93	36.21	-	-
GGAL ^{2,4,7,8}	312.17	304.64	-	-
DSPL	147.62	147.62	-	-
Deepesh Properties Private Limited ('DPPL') ¹⁵	1.13	1.13	-	-
DIAL	5.72	5.72	-	-
GMR Energy (Netherlands) BV (GENBV)	2.65	2.65	-	-
GMR Airport Developers Limited (GADL)	1.07	1.07	-	-
GAPL ¹⁴	4.45	4.16	-	-
GCRPL ¹¹	40.63	40.63	-	-
GETL	3.99	0.44	-	-
GHIAL	19.55	19.55	-	-
GIML ^{5,11,16}	13.18	13.18	-	-
GMR Infrastructure (Singapore) Pte Limited (GISPL) ¹¹	5.66	5.66	-	-
GMR Power Corporation Limited (GPCL) ⁴	1.34	1.34	-	-
GMIAL ⁵	13.02	13.02	-	-
PT Barasentosa Lestari (PTBSL)	3.37	3.37	-	-
GMR Tambaram Tindivanam Expressways Limited (GTTEPL)	16.22	16.22	-	-
GMR Tuni Anakapalli Expressways Limited (GTAEPL)	12.20	12.20	-	-
GAL ^{3,12}	6.92	6.92	-	-
Prakalpa Properties Private Limited (PPPL) ¹⁵	0.03	0.03	-	-
Raxa Security Services Limited (RSSL)	2.83	0.92	-	-
Kakinada SEZ Private Limited (KSPL) ¹⁵	3.22	3.22	-	-
GPIL	2.11	2.11	-	-
	1,211.75	1,223.56	-	-
<i>Investment in additional equity of associates and joint ventures</i>				
GMR Warora Energy Limited (GWEL) ^{2,4,17}	9.29	9.29	-	-
GMR Bajoli Holi Hydropower Private Limited (GBHHPL) ^{2,4}	9.10	9.10	-	-
GEL ^{2,4,7,10,17,18}	217.04	217.04	-	-
GMR Gujarat Solar Power Private Limited (GGSPPL) ^{2,4}	0.61	0.61	-	-
GMR Chhattisgarh Energy Limited (GCEL) ^{4,8}	14.26	14.26	-	-
GMR Rajahmundry Energy Limited (GREL) ^{4,7}	44.46	44.46	-	-
GMCAC	2.87	2.87	-	-
GMR Kamalanga Energy Limited (GKEL) ^{2,4,18}	5.01	5.01	-	-
	302.64	302.64	-	-
Less: provision for diminution in value of investments	(7,509.85)	(6,183.27)	-	-
Total investment in equity	7,305.08	8,495.42	-	-

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

5. Financial assets - Investments (Contd.)

(₹ in crore)

Particulars	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
C. Investment in preference shares of subsidiary companies				
i. Investment in preference shares (in the nature of equity) of subsidiary companies at cost				
GGAL ^{2,4,7,8}	492.10	492.10	-	-
[492,102,500 (March 31, 2017: 492,105,500) 0.01% compulsorily convertible cumulative preference shares of ₹ 10 each]				
GPEL ⁹	44.50	-	-	-
[4,450,000 (March 31, 2017: Nil) 0.01% compulsorily convertible non-cumulative preference shares of ₹ 100 each] (refer note 33)				
GCORRPL ⁹	21.93	-	-	-
[2,192,500 (March 31, 2017: Nil) 0.01% compulsorily convertible non-cumulative preference shares of ₹ 100 each] (refer note 33)				
ii. Investment in preference shares of subsidiary companies at amortised cost				
GPEL ⁹	-	16.89	-	-
[Nil (March 31, 2017: 4,450,000) 8% non-cumulative redeemable preference shares of ₹ 100 each] (refer note 33)				
GACEPL ⁶	0.44	0.39	-	-
[66,000 (March 31, 2017: 66,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]				
GCORRPL ⁹	5.23	13.37	-	-
[1,200,000 (March 31, 2017: 3,392,500) 6% non-cumulative redeemable convertible preference shares of ₹ 100 each] (refer note 33)				
GCAPL	11.31	9.88	-	-
[15,000,000 (March 31, 2017: 15,000,000) 8% non-cumulative redeemable preference shares of ₹ 10 each]				
DSPL	160.16	139.97	-	-
[42,000,000 (March 31, 2017: 42,000,000) 8% compulsorily convertible preference shares of ₹ 10 each]				
GHVEPL ⁹	42.11	38.04	-	-
[8,152,740 (March 31, 2017: 8,152,740) 6% non-cumulative redeemable convertible preference shares of ₹ 100 each]				
GKUAEL ⁹	0.47	0.42	-	-
[195,000 (March 31, 2017: 195,000) 0.1% non-cumulative compulsorily convertible preference shares of ₹ 100 each]				
	778.25	711.06	-	-
Less: provision for diminution in value of investments	(65.30)	-	-	-
Total investment in preference shares	712.95	711.06	-	-

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

5. Financial assets - Investments (Contd.)

(₹ in crore)

Particulars	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
D. Investment in debentures of subsidiary companies				
i. Investment in debentures (in the nature of equity) of subsidiary companies at cost				
GSPHPL ¹⁵	100.00	100.00	-	-
[100 (March 31, 2017: 100) 0% unsecured compulsorily convertible cumulative debentures of ₹ 10,000,000 each]				
GSPHPL ¹⁵	21.20	270.20	-	-
[21,200,000 (March 31, 2017: 270,200,000) 0% unsecured compulsorily convertible debentures of ₹ 10 each] (refer note 33)				
GSPHPL ¹⁵	138.26	-	-	-
[13,826 (March 31, 2017: Nil) 0% unsecured compulsorily convertible cumulative debentures of ₹ 100,000 each] (refer note 33)				
ii. Investment in debentures of subsidiary companies at amortised cost				
GKSEZ	14.20	22.85	-	-
[14.20 (March 31, 2017: 22.85) 12% unsecured optionally convertible cumulative debentures of ₹ 10,000,000 each]				
GKSEZ	-	73.40	-	-
[Nil (March 31, 2017: 734) 12% unsecured optionally convertible cumulative debentures of ₹ 1,000,000 each]				
GSPHPL ¹⁵	-	129.00	-	-
[Nil (March 31, 2017: 12,900) 12.25% unsecured optionally convertible cumulative debentures of ₹ 100,000 each] (refer note 33)				
GSPHPL ¹⁵	-	14.76	-	-
[Nil (March 31, 2017: 1,476) 12% unsecured optionally convertible cumulative debentures of ₹ 100,000 each] (refer note 33)				
DPPL ¹⁵	0.86	0.75	-	-
[150 (March 31, 2017: 150) 0.1% unsecured optionally convertible cumulative debentures of ₹ 100,000 each]				
	274.52	610.96	-	-
E. Investments at fair value through profit and loss account				
Investment in mutual funds				
ICICI Prudential Liquid Growth Plan 756,442.23 (March 31, 2017: Nil) units of ₹ 256.39 (March 31, 2017: Nil)	-	-	19.39	-
L&T Liquid Fund- Regular Growth 30,358.34 (March 31, 2017: 30,358.34) units of ₹ 2,375.82 each (March 31, 2017: ₹ 2,225.52)	-	-	7.21	6.77
	-	-	26.60	6.77
Total investments (A+B+C+D+E)	8,292.55	9,817.44	26.60	6.77

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

5. Financial assets - Investments (Contd.)

(₹ in crore)

Particulars	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Aggregate book and market value of quoted investments	-	-	26.60	6.77
Aggregate gross value of unquoted investments	15,867.70	16,000.71	-	-
Aggregate amount of impairment in value of investments	(7,575.15)	(6,183.27)	-	-

1. Details of investments pledged at face value as security in respect of the loans availed by the Company and the investee Companies. The following unquoted investments included above have been pledged as security in respect of the borrowings of the Company or the investee Companies:

(₹ in crore)

Description	March 31, 2018	March 31, 2017
GMRHL	1,303.05	20.00
[1,303,050,820 (March 31, 2017: 19,999,994 equity share of ₹ 10 each)]		
GACEPL	23.27	23.27
[23,272,687 (March 31, 2017: 23,272,687) equity shares of ₹ 10 each]		
GMCAC	12.03	12.03
[88,405,234 (March 31, 2017: 88,405,234) equity shares of PHP 1 each]		
GCORRPL	3.49	2.42
[3,487,500 (March 31, 2017: 2,418,000) equity shares of ₹ 10 each]		
GOSEHHHPL	59.80	59.80
[59,801,692 (March 31, 2017: 59,801,692) equity shares of ₹ 10 each]		
GAL	82.45	91.23
[82,454,330 (March 31, 2017: 91,226,067) equity shares of ₹ 10 each]		
GEL	422.67	314.47
422,673,547 (March 31, 2017: 314,466,466) equity share of ₹ 10 each]		
GGAL	3,793.95	3,793.95
[3,793,950,136 (March 31, 2017: 3,793,950,136) equity shares of ₹ 10 each]		

2. The Company along with its subsidiaries 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 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 GGAL towards discharge of the purchase consideration. Pursuant to the above transaction, compulsory convertible preference shares of GGAL issued to various preference shareholders were converted into equity shares of GGAL.

Pursuant to the aforesaid transaction, GEL and its underlying entities ceased to be subsidiaries of the Company and were considered as joint ventures as per the requirements of Ind AS -111.

3. GAL has allotted 11,046,532 class B Compulsorily Convertible Preference Shares ("CCPS B") as bonus shares in their allotment and transfer committee meeting held on August 04, 2011 which is being carried at ₹ Nil. Also refer note 5(12).

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

4. The Company has investments in GGAL and GEL. GGAL and GEL have certain underlying subsidiaries/ joint ventures/ associates which are engaged in energy sector including mining operations. GEL, GGAL and some of the underlying subsidiaries/ joint ventures/ associates as further detailed in Notes 5(7), 5(8), 5(17) and 5(18) below have been incurring losses. As a result, based on its internal assessment with regard to future operations and valuation assessment by an external expert, the management of the Company has made a provision for diminution in the value of its investments in GGAL and GEL amounting to ₹ 5,11,741 crore till March 31, 2018. (including ₹ 671.21 crore during the year ended March 31, 2018 respectively) and has disclosed the same as an 'exceptional item' in the accompanying standalone Ind AS financial statements of the Company. Based on the valuation assessment by the external expert 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 a further diminution of ₹ 2,830.00 crore in the value of Company's investment in GGAL as at March 31, 2018. However, for reasons as detailed in notes 5(7), 5(8), 5(17) and 5(18) below, the management is of the view that the carrying value of the Company's investment in GGAL is appropriate.

5. The Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') made investments of ₹ 151.54 crore (USD 2.31 crore) towards 77% holding in GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company. GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company 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 favour of GMIAL.

During the current year, 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, additional withholding tax amounting to USD 0.28 crore and further fines amounting to USD ₹ 0.33 Crore. However, management of the Group is of the view that the notice issued by MIRA is not tenable.

6. The Company along with its subsidiaries has investments (including loans and advances and other receivables) of ₹ 477.39 crore in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') a subsidiary of the Company. GACEPL 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 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 GACEPL 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 GACEPL believes that the carrying value of investments in GACEPL as at March 31, 2018, is appropriate.

7. 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 for a consideration of USD 6.30 crore, 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 Company and GGAL 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

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

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 as stated above, GREL ceased to be a subsidiary of the Company and has been considered as a joint venture as per the requirement of Ind AS -111.

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'). Subsequently, 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 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 has also 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 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 investments of ₹ 898.38 crore in these aforesaid entities (net of provision for diminution in the value of investments) as at March 31, 2018 is appropriate. Further, the Company 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.

- 8 (a) The Company through its subsidiary, GGAL has investments (including loans and advances and other receivables) of ₹ 2,260.45 crore in GCEL after providing for diminution in the value of investment in GGAL. GMR Chhattisgarh Energy Limited ('GCEL') 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 GoI 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 is taking steps to tie up the power supply through power supply agreements on a long/medium term basis with various customers including State Electricity Boards and is hopeful of tying up significant part of generation capacity in the ensuing financial year.

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, 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 ₹ 957.36 crore and pledge of deposits of ₹ 54.01 crore. The grant of final mega power status of GCEL is 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 carrying value of investments in connection with the surrender of mines.

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

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 has 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 has 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 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 Company 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 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 has also 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%. The valuation expert based on these assumptions, has determined the range of value in use of GCEL's assets as at December 31, 2017 (i.e., valuation date). Based on the 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 of ₹ 2,260.45 crore in GCEL 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. The management is confident that it will succeed in completing the change of control and subsequently the Company 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 ₹ 2,260.45 crore (net of provision for diminution in the value of investments) as at March 31, 2018 is appropriate. Also refer note 5(4).

9. Based on internal assessment of its investments in GMRHL, a subsidiary of the Company and other road entities, the Company made a provision for diminution in the value of investments / advances of ₹ 2,260.36 crore as at March 31, 2018 (including ₹ 633.68 crore impairment during the year ended March 31, 2018) which has been disclosed as an 'exceptional item' in the accompanying standalone Ind AS financial statements of the Company for the year ended March 31, 2018. As detailed below, the diminution in value has primarily arisen on account of the diminution in the value of investments / advances in GHVEPL and GKUAEI.
 - (a) The Company along with its subsidiaries has investments (including loans and advances and other receivables) of ₹ 897.39 crore in GHVEPL. GHVEPL 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 GHVEPL 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

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

proceed with arbitration and accordingly Arbitral Tribunal has been constituted. GHVEPL has filed a claim of ₹ 752.32 crore calculated up to March 2017 before the Arbitral Tribunal. 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 GHVEPL 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 GHVEPL believes that the carrying value of its investments in GHVEPL as at March 31, 2018 is appropriate.

- (b) GKUAEL, a subsidiary of the Company, had entered into a Concession Agreement with NHAI for six laning of Kishangarh-Udaipur-Ahmedabad section of NH 79A, 79, 76 and 8. Pursuant to non-fulfillment 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 and the matter was under arbitration.

During the year ended March 31, 2017, GKUAEL has settled their disputes with NHAI 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'), the Holding Company 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 had settled the termination claims of the EPC contractors for ₹ 259.00 crore and the balance of ₹ 331.00 crore was to be recovered from GEPL. 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.

10. GMR Badrinath Hydro Power Generation Private Limited ('GBHPL') is in the process of setting up 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand and has incurred ₹ 467.29 crore towards the development of the project as at March 31, 2018. 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 current year, 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 GBHPL 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 Company is of the view that the carrying value of the investments in GBHPL as at March 31, 2018 is appropriate.
11. The Company through its subsidiary GMR Coal Resources Pte. Limited ('GCRPL') has investments of ₹ 3,312.22 crore in PTGEMS, a joint venture 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 Company 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 GCRPL is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount. GCRPL has not significantly commenced the offtake of the coal under the CSA, however an amended CSA has been executed during the period ended September 30, 2017, pursuant to which the supplies are expected to commence in the next financial year. Further, during the year ended March 31, 2017, GCRPL 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. Based on these factors and valuation assessment carried out by an external expert during the year ended March 31, 2018, the management believes that the carrying value of investments in PTGEMS as at March 31, 2018 is appropriate.
12. 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"), GMR Airports Limited, ('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

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

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 1, 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, the accompanying standalone Ind AS financial statements of the Company do not include any adjustments that might result from the outcome of the aforesaid uncertainty.

13. During the year ended March 31, 2016, the Company along with its subsidiary GMRHL, entered into a shares purchase agreement ('SPA') with Oriental Tollways Private Limited and Orbit Infraventures LLP for the divestment of 117,300,000 equity shares of ₹ 10 each, held by both the Company and GMRHL, representing their 51.00% stake in GOSHHEPL, a joint venture of the Company for a sale consideration of ₹ 59.14 Crore. As at March 31, 2018, the transfer of 59,801,692 equity shares held by the Company is not completed, pending approval of regulatory authorities. However, based on the SPA, the Company had made a provision for impairment of ₹ 29.65 Crore towards the diminution in the value of investments, which had been disclosed as an 'exceptional item' in the financial statements of the Company for the year ended March 31, 2016.
14. Based on an internal assessment of its investments in GAPL, a subsidiary of the Company, the Company has made a provision for diminution in the value of its investments of ₹ 110.39 crore as at March 31, 2018 (including ₹ 108.35 crore provided during the year ended March 31, 2017 which was disclosed as an 'exceptional item' in the standalone Ind AS financial statements of the Company for the year ended March 31, 2017).
15. GSPHPL, a subsidiary of the Company has investment in certain step down subsidiaries which holds investment properties. The Company has considered fair value of its investments in GSPHPL as deemed cost under Ind AS 101 'First-time Adoption of Indian Accounting Standards' and accordingly, based on the valuation assessment done by an external expert as per the requirements of Ind AS, the Company has adjusted ₹ 734.70 crore to the carrying value of its investments in GSPHPL reported under the previous GAAP in its opening balance sheet as at April 1, 2015 prepared under Ind AS with a consequent increase in Other Equity. During the year ended March 31, 2018, based on the valuation assessment of GSPHPL including its subsidiaries carried out by an external expert, the Company has made a provision for diminution in the value of investments of ₹ 86.99 crore as at March 31, 2018 which has been included as an 'exceptional item' in the accompanying standalone Ind AS financial statements of the Company for the year ended March 31, 2018.
16. The Company through GIML has an investment in GMR Infrastructure (Cyprus) Limited, a subsidiary of GIML. GICL has fixed deposits of ₹ 184.59 Crore (USD 2.83 crore) as at March 31, 2018 with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. During the year ended March 31, 2018, the bank has released USD 0.67 crore and the management of the Group is of the view that despite such economic difficulties, the amount held as fixed deposit with Eurobank 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.
17. The Company along with its subsidiaries/ joint ventures has investments (including loans and advances and other receivables) of ₹ 1,218.24 crore in GMR Warora Energy Limited ('GWEL'), a joint venture of the Company. 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 ₹ 718.27 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 its investments in GWEL as at March 31, 2018 is appropriate.
18. The Company along with its subsidiaries/ joint ventures has investments (including loans and advances and other receivables) of ₹ 2,633.87 crore in GMR Kamalanga Energy Limited ('GKEL'), a joint venture of the Company. 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 of the Group is of the view that the carrying value of its investments in GKEL as at March 31, 2018 is appropriate.

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

6. Loans

(₹ in crore)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loans to related parties				
Unsecured, considered good (refer note 33)	2,230.22	1,825.55	180.21	499.99
Unsecured considered, doubtful ² (refer note 33)	45.41	-	-	-
	2,275.63	1,825.55	180.21	499.99
Less: Provision for doubtful loans [refer note 5(9), 29]	(45.41)	-	-	-
(A)	2,230.22	1,825.55	180.21	499.99
Loans to employees (unsecured, considered good)	0.49	0.24	-	0.17
(B)	0.49	0.24	-	0.17
Total	(A+B) 2,230.71	1,825.79	180.21	500.16

- Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties.
- The Company made a provision for diminution in the value of loan of ₹ 45.41 crore as at and for the year ended March 31, 2018 which has been disclosed as 'exceptional item' in the accompanying standalone Ind AS financial statements of the Company for the year ended March 31, 2018. As detailed below, the diminution in value has primarily arisen on account of the diminution in the value of investments / advances in DSPL.
- Refer note 5(2), 5(4), 5(5), 5(6), 5(7), 5(8), 5(9), 5(10), 5(11), 5(12), 5(14), 5(15), 5(16), 5(17), 5(18).

7. Trade receivables

(₹ in crore)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unsecured, considered good ¹				
Receivable from related parties (refer note 33)	2.26	1.17	9.19	17.29
Other trade receivables	64.48	41.06	41.15	50.59
(A)	66.74	42.23	50.34	67.88
Unsecured, considered doubtful				
Receivable from related parties (refer note 33)	0.64	-	0.47	5.00
Other trade receivables	9.71	9.04	11.72	10.69
(B)	10.35	9.04	12.19	15.69
Less: Provision for doubtful receivables	(10.35)	(9.04)	(12.19)	(15.69)
Total trade receivables	(A + B) 66.74	42.23	50.34	67.88

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

- Trade receivables are non-interest bearing.

- Refer note 37(c) for details pertaining to ECL.

1. Includes retention money (net of provision for doubtful debts) of ₹ 68.18 crore (March 31, 2017 ₹ 46.15 crore). These payments are deducted by customer to ensure performance of the Company'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.

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

8. Other financial assets

(₹ in crore)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unbilled revenue :				
Considered good				
Unbilled revenue from related parties (refer note 33)	-	-	4.34	12.60
Other unbilled revenue	53.63	26.65	452.24	284.26
	53.63	26.65	456.58	296.86
Considered doubtful				
Unbilled revenue from related parties (refer note 33)	-	-	1.09	4.28
	-	-	1.09	4.28
Less: Provision for doubtful debts (refer note 33)	-	-	(1.09)	(4.28)
Total unbilled revenue (A)	53.63	26.65	456.58	296.86
Non-current bank balance (refer note 13)	147.76	103.29	-	-
Security deposit (refer note 33)	1.62	3.23	1.68	4.63
Interest accrued on fixed deposits	-	-	3.31	3.10
Interest accrued on loans and debentures to related parties (refer note 33)	-	-	161.72	244.89
	(B)	106.52	166.71	252.62
Total other financial assets (A+B)	203.01	133.17	623.29	549.48

- Refer note 37(c) for details pertaining to ECL.

9. Other assets

(₹ in crore)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Capital advances				
Unsecured, considered good (refer note 33)	12.59	18.94	-	-
	(A)	18.94	-	-
Advances other than capital advances				
Receivable from related parties (refer note 33)	-	-	0.36	2.68
Other advances	-	-	44.89	48.57
	(B)	-	45.25	51.25
Ancillary cost of arranging the borrowings	0.24	0.23	6.16	0.86
Prepaid expenses	1.09	2.80	5.49	5.22
Balance with statutory / government authorities	26.17	23.36	-	-
	(C)	26.39	11.65	6.08
Total other assets (A+B+C)	40.09	45.33	56.90	57.33

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

10. Deferred tax

(₹ in crore)

	March 31, 2018	March 31, 2017
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	3.76	3.73
Deferred tax asset*		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	(3.76)	(3.73)
MAT Credit Entitlement	97.23	97.23
Total	97.23	97.23

* In the absence of reasonable uncertainty that sufficient future taxable income would be available against which such deferred tax assets can be realised, the Company has recognised deferred tax assets, other than MAT receivables, only to the extent of deferred tax liabilities as at the end of financial reporting period.

11(a). Non-current tax assets (net)

(₹ in crore)

	March 31, 2018	March 31, 2017
Advance income tax (net of provision for current tax and including tax paid under protest)	34.68	85.73
Total	34.68	85.73

11(b). Liabilities for current tax (net)

(₹ in crore)

	March 31, 2018	March 31, 2017
Provision for current tax (net of advance income tax)	5.18	5.18
Total	5.18	5.18

12. Inventories

(₹ in crore)

	March 31, 2018	March 31, 2017
Raw materials (valued at lower of cost and net realizable value)	38.10	65.74
Total inventories	38.10	65.74

13. Cash and cash equivalents

(₹ in crore)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Balances with banks				
- On current accounts ^{4,5}	0.28	0.28	73.75	16.95
Deposits with original maturity of less than three months	-	-	2.24	14.25
Cash on hand	-	-	0.16	0.27
(A)	0.28	0.28	76.15	31.47
Other bank balances				
- Deposits with original maturity for less than 12 months ^{1,2,3,6,7}	131.05	75.64	16.53	13.59
- Deposits with remaining maturity for more than 12 months ^{1,2,3,6,7}	16.43	27.37	-	-
(B)	147.48	103.01	16.53	13.59
Amount disclosed under other financial assets (refer note 8)	(147.76)	(103.29)	-	-
(C)	(147.76)	(103.29)	-	-
Total (A+B-C)	-	-	92.68	45.06

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

1. A charge has been created over the deposits of ₹ 82.10 crore (March 31, 2017: ₹ 28.70 crore) towards Debt Service Reserve Account ('DSRA') maintained by the Company for loans availed by the Company from banks and financial institutions (refer note 16).
2. A charge has been created over the deposits of ₹ 11.85 crore (March 31, 2017: ₹ 25.55 crore) for working capital facility availed by the Company (refer note 16).
3. A charge has been created over the deposits of ₹ 0.06 crore (March 31, 2017: ₹ 0.06 crore) for loan availed by the Company from a bank (refer note 16).
4. Includes unclaimed dividend of ₹ 0.27 crore (March 31, 2017: ₹ 0.27 crore).
5. Includes ₹ 0.01 crore (March 31, 2017: ₹ 0.01 crore) towards DSRA maintained by the Company with ICICI bank (refer note 16).
6. A charge has been created over the deposits of ₹ 6.50 crore (March 31, 2017: ₹ 6.50 crore) towards margin money for hedging of FCCB interest (refer note 16)
7. A charge has been created over the deposits of ₹ 59.47 crore (March 31, 2017: ₹ 42.20 crore) towards bank guarantee and letter of credit facilities availed by the Company.
8. 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 Company, and earn interest at the respective short-term deposit rates).
9. For the purpose of the standalone statement of cash flows, cash and cash equivalents comprise the following: (₹ in crore)

	March 31, 2018	March 31, 2017
Balances with banks:		
- On current accounts	73.75	16.95
Deposits with original maturity of less than three months	2.24	14.25
Cash on hand	0.16	0.27
	76.15	31.47
Less: Bank overdraft** (refer note 16)	(0.97)	(9.08)
Cash and cash equivalents for cash flow statement	75.18	22.39

** 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 Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn often.

14. Equity Share Capital

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

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

a. Issued equity capital

Equity shares of ₹ 1 each issued, subscribed and fully paid

	In Numbers	(₹ in crore)
At April 1, 2016	6,035,945,275	603.59
Changes during the year	-	-
At March 31, 2017	6,035,945,275	603.59
Changes during the year	-	-
At March 31, 2018	6,035,945,275	603.59

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having 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 ₹ 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 /ultimate holding Company and/ or their subsidiaries/ associates.

Out of the equity share issued by the Company, share held by its holding company, ultimate holding company and their subsidiaries/ associates are as below

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

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

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

Name of Shareholder	March 31, 2018		March 31, 2017	
	No. of shares held	% holding in class	No. of shares held	% holding in class
Equity shares of ₹ 1 each fully paid				
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 14(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 16(2) related to terms of conversion/ redemption of FCCB.

15. Other Equity

Equity component of preference shares	(₹ in crore)
Balance as at April 01, 2016	133.94
Balance as at March 31, 2017	133.94
Less: Transfer to general reserve	(133.94)
Balance as at March 31, 2018	(A) -

Issued preference share capital

	In Numbers
At April 01, 2016	
a) Series A CCPS of ₹ 1,000 each	5,683,351
b) Series B CCPS of ₹ 1,000 each	5,683,353
Less: Converted into equity shares during the year	
a) Series A CCPS of ₹ 1,000 each (Refer note 14(c))	(5,683,351)
b) Series B CCPS of ₹ 1,000 each (Refer note 14(c))	(5,683,353)
At March 31, 2017	
a) Series A CCPS of ₹ 1,000 each	-
b) Series B CCPS of ₹ 1,000 each	-
At March 31, 2018	
a) Series A CCPS of ₹ 1,000 each	-
b) Series B CCPS of ₹ 1,000 each	-

Treasury shares ³	(₹ in crore)
Balance as at April 01, 2016	(101.54)
Balance as at March 31, 2017	(101.54)
Balance as at March 31, 2018	(B) (101.54)

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

Securities premium	(₹ in crore)
Balance as at April 01, 2016	10,010.98
Balance as at March 31, 2017	10,010.98
Balance as at March 31, 2018	(C) 10,010.98
Debenture redemption reserve ('DRR')¹	(₹ in crore)
Balance as at April 01, 2016	125.44
Add: amount transferred from the surplus balance in the standalone statement of profit and loss	29.89
Less: amount transferred to the surplus balance in the standalone statement of profit and loss	(28.13)
Balance as at March 31, 2017	127.20
Balance as at March 31, 2018	(D) 127.20
General reserve	(₹ in crore)
Balance as at April 01, 2016	40.62
Balance as at March 31, 2017	40.62
Add: Transferred from equity component of preference shares	133.94
Balance as at March 31, 2018	(E) 174.56
Capital reserve²	(₹ in crore)
Balance as at April 01, 2016	141.75
Balance as at March 31, 2017	141.75
Balance as at March 31, 2018	(F) 141.75
FCMTR (refer note 16(2))	(₹ in crore)
Balance as at April 01, 2016	(0.88)
Add: Exchange difference 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 difference on FCCB recognised during the year	7.80
Less: FCMTR amortisation during the year	(0.83)
Balance as at March 31, 2018	(G) 40.40
Retained earnings	(₹ in crore)
Balance as at April 01, 2016	(786.07)
Profit/ (loss) for the year	(3,684.11)
Add: Amount transferred from debenture redemption reserve	28.13
Less: Transfer to debenture redemption reserve	(29.89)
Less: Re-measurement gains / (losses) on defined benefit plans	(0.83)
Balance as at March 31, 2017	(4,472.77)
Profit/ (loss) for the year	(1,930.75)
Add: Re-measurement gains / (losses) on defined benefit plans	0.49
Balance as at March 31, 2018	(H) (6,403.03)
Total other equity	(A+B+C+D+E+F+G+H)
Balance as at March 31, 2017	5,913.61
Balance as at March 31, 2018	3,990.32

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

- The Company had issued redeemable non-convertible debentures. 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. The Company has made loss during the year.
- 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 were forfeited in accordance with the SEBI ICDR Regulations during the year ended March 31, 2016. The said amount was credited to Capital Reserve account during the year ended March 31, 2016.
- 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:

	March 31, 2018	March 31, 2017
Investment in equity shares of the Company	101.55	101.55
Investment in equity shares of GAL (refer note 5)	11.28	11.28
Others	2.17	2.17
	115.00	115.00

(₹ in crore)

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 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 Company has consolidated the financial statements of GWT in its standalone financial statements and accordingly the loans has become NIL.

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

16. Financial liabilities - Borrowings

(₹ in crore)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Long term borrowings:				
Debentures / Bonds				
10,000 (March 31, 2017: 10,000) 0% redeemable and non-convertible debentures of ₹ 567,500 each (March 31, 2017: ₹ 717,500; (secured) ¹	386.81	565.66	179.26	148.67
6 (March 31, 2017: 6) 7.5% Foreign Currency Convertible Bonds ('FCCBs') of USD 50,000,000 (March 31, 2017: USD 50,000,000) each (unsecured) ²	1,920.62	1,930.14	-	-
Term Loans				
From banks				
Indian rupee term loans (secured) ^{3,4,5,6,7,8,9,10,11,12,13,14}	1,201.28	992.98	352.40	355.44
Indian rupee term loans (unsecured) ^{15,16,17}	484.63	556.83	37.41	59.60
From financial institutions				
Indian rupee term loans (secured) ^{18,19,20,21,22}	264.80	137.69	102.02	53.95
Indian rupee term loans (unsecured) ^{23,24,25}	666.69	787.71	121.35	120.46
Others				
Loans from others (secured) ²⁶	-	0.06	0.06	0.06
Loans from related parties (unsecured) ^{27,28,29,30} (Refer note 33)	259.74	120.44	28.61	25.19
Short term borrowings:				
Bank Overdraft (secured) ³¹	-	-	125.73	76.31
Inter-corporate deposits from related parties (unsecured) ^{32,33,34,35,36,37} (Refer note 33)	-	-	458.18	36.57
Loan from a financial institution (unsecured) ³⁸	-	-	185.00	-
	5,184.57	5,091.51	1,590.02	876.25
The above amount includes				
Secured borrowings	1,852.89	1,696.39	759.47	634.43
Unsecured borrowings	3,331.68	3,395.12	830.55	241.82
Less: amount clubbed under "Other financial liabilities" (refer note 18)	-	-	(821.11)	(763.37)
Total financial liabilities - borrowings	5,184.57	5,091.51	768.91	112.88

- During the year ended March 31, 2012, the Company had entered into an agreement to issue 7,000 secured, redeemable, non convertible debentures of ₹ 1,000,000 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 ₹ 1,000,000 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.
- Pursuant to the approval of the Management Committee of the Board of Directors dated December 10, 2015, the Company has issued 7.50% Unlisted

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

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 upto 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.

3. Indian rupee term loan from a bank of ₹ 145.25 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 183.25 crore) carries interest @ 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.
4. Indian rupee term loan from a bank of ₹ Nil is outstanding as on March 31, 2018 (March 31, 2017: ₹ 79.59 crore) carried interest @ 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 16(39). 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.
5. Indian rupee term loan from a bank of ₹ 61.29 crore (March 31, 2017: ₹ 193.76 crore) carries interest @ 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 16(39). 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.
6. Indian rupee term loan from a bank of ₹ 41.03 crore (March 31, 2017: ₹ 60.35 crore) carries interest @ 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 16(39). 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.
7. Indian rupee term loan from a bank of ₹ 103.59 crore (March 31, 2017: ₹ 117.07 crore) carries interest @ 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 16(39). 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.
8. Indian rupee term loan from a bank of ₹ 76.42 crore (March 31, 2017: ₹ 82.44 crore) carries interest @ 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 16(39).

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.

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

9. Vehicle loan from a bank of ₹ 0.08 crore (March 31, 2017: ₹ 0.23 crore) 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.
10. Indian rupee term loan from a bank of ₹ 500.70 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ Nil) carries interest @ 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 along 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 GMR Airports Limited 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.
11. Indian rupee term loan from a bank of ₹ 211.34 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 253.73 crore) carries interest @ 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 16(39). 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.
12. Indian rupee term loan from a bank of ₹ 370.44 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 378.00 crore) carries interest @ 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 16(39). 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.
13. Indian rupee term loan from a bank of ₹ 14.89 crore (March 31, 2017: ₹ Nil) carries interest @ 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 equipments/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 GIL-SIL JV. The loan is repayable in nineteen structured monthly instalments commencing after 2 months from the date of first disbursement.
14. Indian rupee term loan from a bank of ₹ 28.65 crore (March 31, 2017: ₹ Nil) carries interest @ 11.50% p.a. linked to MCLR and is payable on a monthly basis. The loan is secured by i) exclusive charge on the equipments 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.
15. Indian rupee term loan from a bank of ₹ 484.63 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 482.43 crore) carries interest @ base rate of 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.
16. Indian rupee term loan from a bank of ₹ 7.51 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 44.75 crore) 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, Executive 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.

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

17. Indian rupee term loan from a bank of ₹ 29.90 crore (March 31, 2017: ₹ 89.25 crore) carries interest @ 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 11796 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.
18. Indian rupee term loan from a financial institution of ₹ 8.27 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 19.26 crore) 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.
19. Indian rupee term loan from a financial institution of ₹ 129.42 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 172.38 crore) 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 20,000,000 equity shares of ₹ 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.
20. Indian rupee term loan from a financial institution of ₹ 137.61 crore (March 31, 2017: ₹ Nil) carries interest @ 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) 13.225 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 period of 12 months from the date of first disbursement. Further the lender has certain mandatory prepayment rights as per the terms of the agreements.
21. Vehicle loan taken from a financial institution of ₹ 17.56 crore (March 31, 2017: ₹ Nil) 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.
22. Indian rupee term loan from a financial institution of ₹ 73.96 crore (March 31, 2017: ₹ Nil) carries interest @ 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.
23. Indian rupee term loan from a financial institution of ₹ 128.52 crore (March 31, 2017: ₹ 149.82 crore) 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.
24. Indian rupee term loan from a financial institution of ₹ 399.62 crore (March 31, 2017: ₹ 498.61 crore) 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.
25. Indian rupee term loan from a financial institution of ₹ 259.90 crore (March 31, 2017: ₹ 259.74 crore) 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, Varalakshmi Jute & Twine Mills Private Limited, Vijay Niwas Real Estates Private Limited and Smt. G. Varalakshmi.
26. 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.

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

27. Loan of ₹ 61.77 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 78.13 crore) from its subsidiary, GADL carries interest @ 12.70% p.a. (March 31, 2017: 12.70% p.a.) and is payable on a monthly basis. The loan is to be prepaid on the occurrence of any liquidity event as per the terms of the agreement or repayable in twenty eight structured quarterly instalments commencing from December 23, 2013.
28. Loan of ₹ 66.00 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ 67.50 crore) from its subsidiary, RSSL carries interest @ 11.35% p.a. (March 31, 2017: 11.35% p.a.) payable on a monthly basis. The deposit is repayable on discharge of all performance obligations of Raxa under the long term service agreements entered into with the Company and other group companies.
29. During the year ended March 31, 2018, the Company has taken long term loans of ₹ 138.18 crore from its subsidiary, GETL carrying interest @ 14.00% p.a payable along with the principal. The loan is repayable after 3 years from the date of first disbursement. Entire loan of ₹ 138.18 crore is outstanding as on March 31, 2018.
30. During the year ended March 31, 2018, the Company has taken long term loans from its subsidiary, GPCL of ₹ 50.00 crore carrying interest @12.50% p.a. payable along with the principal. The loan is repayable after 3 years from the date of first disbursement. Out of the above, ₹ 22.40 crore is outstanding as on March 31, 2018.
31. Bank overdrafts from banks amounting to ₹ 125.73 crore (March 31, 2017: ₹ 76.31 crore) 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.).
32. During the year ended March 31, 2017, the Company had obtained a loan of ₹ 60.00 crore from its subsidiary, GAL carrying an interest @ 10.00% p.a. payable on a monthly basis. The outstanding loan of ₹ 36.50 crore as at April 1, 2017 had been repaid in full on May 15, 2017. During the year ended March 31, 2018, the Company has taken a short term loan of ₹ 100.00 crore from GAL carrying interest @ 10.10 % p.a. (March 31, 2017: Nil) payable on a monthly basis. Entire loan of ₹ 100.00 crore is outstanding as on March 31, 2018 (March 31, 2017: ₹ Nil).
33. The Company had taken a short term loan from GEPL which is interest free and is repayable on demand. Out of the above, ₹ Nil is outstanding as on March 31, 2018 (March 31, 2017: ₹ 0.07 crore).
34. During the year ended March 31, 2018, the Company has taken short term loans from its subsidiary, GPEL of ₹ 24.32 crore and ₹ 13.00 crore carrying interest @ 10% p.a and 11% p.a respectively, payable along with repayment of principal or on such intervals as may otherwise be agreed upon by the parties. Entire loan of ₹ 37.32 crore is outstanding as on March 31, 2018.
35. During the year ended March 31, 2018, the Company has taken short term loans from its subsidiary, GPCL of ₹ 314.72 crore carrying interest @ 7% p.a. payable along with the principal. Out of the above, ₹ 313.22 crore is outstanding as on March 31, 2018.
36. During the year ended March 31, 2018, the Company has taken a short term loan of ₹ 7.00 crore from its subsidiary, GTTEPL carrying interest @ 10% p.a. payable along with repayment of principal or on such intervals as may otherwise be agreed upon by the parties. Out of the above, ₹ 5.53 crore. is outstanding as on March 31, 2018."
37. During the year ended March 31, 2018, the Company has taken a short term loan of ₹ 3.50 crore from its subsidiary, GTAEPL carrying interest @ 10% p.a. payable along with repayment of principal or on such intervals as may otherwise be agreed upon by the parties. Out of the above, ₹ 2.11 crore is outstanding as on March 31, 2018.
38. During the year ended March 31, 2018, the Company has taken short term loan from a financial institution of ₹ 185.00 crore carrying interest @ 9.75% p.a. payable on quarterly basis. The loan is repayable in September' 2018.
39. Securities for the facilities mentioned in note nos. 4, 5, 6, 7, 8, 11 & 12
 - a. First charge over 30% pledge of shares of Raxa Security Services Limited and 70% shares under NDU arrangement to be kept in lender's demat account
 - b. Charge over 30% pledge of shares of GGAL.
 - c. Mortgage on Andhra Pradesh land (piece and parcel of the property admeasuring 557.76 acres in aggregate of land situated at Kothavalasa, Vizianagaram District of Andhra Pradesh).
 - d. Pledge over 30% shares of GMRHL held by the Company.
 - e. Undertaking from the Company to hold majority stake in GMRHL.
 - f. Pledge/charge on the advances/CCPS invested by GISPL in GCRPL in favour of lender/ lender approved correspondent bank.

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

- g. Pledge of 12% of Delhi Duty Free Services Private Limited (DDFS) free shares held by GAL.
- h. Mortgage on office space at Bandra Kurla Complex, Mumbai.
- i. Pledge of 30% shares of GPCL.
- j. NDU of 21% shareholding of GPCL.
- k. First charge over properties located at Rajam Mandal, Srikakulam District, Andhra Pradesh or equivalent cash margin.

40. 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)	Period of Default (No. of Days)	March 31, 2017 (₹ in crore)	Period of Default (No. of Days)
Indian Rupee term loans from financial institutions	Payment of Interest	-	-	44.56	0-60
Indian Rupee term loans from banks	Payment of Interest	-	-	24.82	0-60
Loan from a Group Company	Payment of Interest	-	-	5.92	0-210
Bank overdraft	Payment of Interest	-	-	0.73	0-30
Total		-		76.03	

17. Financial liabilities - Trade payables

(₹ in crore)

	Current	
	March 31, 2018	March 31, 2017
Trade payables ¹	313.94	205.19
Trade payables to related parties (refer note 33) ¹	19.54	14.36
Total trade payables	333.48	219.55

1. Includes retention money of ₹ 64.27 crore (March 31, 2017: ₹ 57.07 crore). 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.
2. Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006' as at March 31, 2018 and March 31, 2017.
3. Terms and conditions of the above financial liabilities:
 - Trade payables are non-interest bearing
 - For explanations on the Company's credit risk management processes, refer note 37 (c)
 - The dues to related parties are unsecured.

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

18. Other financial liabilities

(₹ in crore)

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial liabilities through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward contracts ²	-	-	0.31	1.57
	-	-	0.31	1.57
Other financial liabilities at amortised cost				
Current maturities of long term borrowings (refer note 16)	-	-	821.11	763.37
Interest accrued but not due on borrowings (refer note 33)	-	-	68.40	57.10
Interest accrued and due on borrowings (refer note 33)	-	-	-	76.03
Capital creditors	-	-	4.17	-
Share application money refund (₹ 22,563 (March 31, 2017: ₹ 22,563) ¹	-	-	0.00	0.00
Non trade payable (refer note 33)	-	-	3.39	13.65
	-	-	897.07	910.15
Financial guarantee contracts	99.19	104.75	13.37	13.40
Total other financial liabilities	99.19	104.75	910.75	925.12

1. During the year ended March 31, 2016, ₹ 22,563 was received as excess share application money received against rights issue which is pending to be refunded during year ended March 31, 2018.
2. While the Company entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected repayment of interest, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

19(a) Net employee defined benefit liabilities

(₹ in crore)

	Long-term		Short-term	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for employee benefits				
Provision for compensated absences	-	-	3.88	6.76
Provision for gratuity (refer note 34)	0.46	2.74	0.57	0.63
Provision for other employee benefits	-	-	8.82	8.21
	0.46	2.74	13.27	15.60

19(b) Other provisions

(₹ in crore)

	Long-term		Short-term	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for debenture redemption premium	-	-	1.50	1.91
	-	-	1.50	1.91

20. Other liabilities

(₹ in crore)

	Non-Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Advance from customers (refer note 33)	33.61	122.96	224.27	288.01
Unclaimed dividend	-	-	0.27	0.27
TDS payable	-	-	8.43	6.35
Other statutory dues	-	-	0.54	1.70
Total other liabilities	33.61	122.96	233.51	296.33

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

21. Liabilities directly associated with the asset classified as held for disposal

(₹ in crore)

	Current	
	March 31, 2018	March 31, 2017
Advance sale consideration towards assets held for disposal	25.23	25.23
Total	25.23	25.23

22. Revenue from operations

(₹ in crore)

	March 31, 2018	March 31, 2017
a) Sale of services:		
Engineering, Procurement and Construction ("EPC"):		
Construction revenue (refer note 33)	736.13	392.77
	736.13	392.77
b) Other operating revenue:		
Income from management and other services (refer note 33)	-	4.60
Dividend income on current investments (gross) ₹ 14,482 (March 31, 2017: ₹ 10,732)	0.00	0.00
Profit on sale of current investments (others)	6.34	4.73
Interest Income:		
Bank deposits	7.39	22.74
Long term loans and investments (refer note 33)	356.15	754.93
	369.88	787.00
	1,106.01	1,179.77

23. Other income

(₹ in crore)

	March 31, 2018	March 31, 2017
Gain on account of foreign exchange fluctuations (net)	5.92	-
Fair value gain on financial instrument at fair value through profit or loss	1.26	-
Gain on final settlement of claims (refer note 33)	19.84	-
Provisions no longer required, written back (refer note 33)	2.81	-
Interest income on income tax refund	19.91	-
Other non-operating income	2.61	2.65
	52.35	2.65

24. Cost of materials consumed

(₹ in crore)

	March 31, 2018	March 31, 2017
Inventory at the beginning of the year	65.74	8.73
Add: Purchases	348.89	170.08
	414.63	178.81
Less: Inventory at the end of the year	38.10	65.74
	376.53	113.07

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

25. Employee benefits expenses*

(₹ in crore)

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	43.26	43.80
Contribution to provident and other funds (refer note 34(a))	2.69	3.01
Gratuity expenses (refer note 34(b))	0.92	0.26
Staff welfare expenses (refer note 33)	4.81	5.04
	51.68	52.11

*Employee benefit expenses are net of ₹ 24.88 crore (March 31, 2017: ₹ 39.07 crore) cross charged to certain subsidiaries, associates and joint ventures

26. Depreciation and amortization expenses

(₹ in crore)

	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment (refer note 3)	17.98	14.89
Amortisation of intangible assets (refer note 4)	1.08	1.24
	19.06	16.13

27. Finance costs*

(₹ in crore)

	March 31, 2018	March 31, 2017
Interest on debt and borrowings	805.15	722.43
Bank and other charges	16.46	22.31
	821.61	744.74

* Finance costs are net of ₹ 0.08 crore (March 31, 2017: ₹ 0.40 crore) cross charged to certain subsidiaries, associates and joint ventures.

28. Other expenses*

(₹ in crore)

	March 31, 2018	March 31, 2017
Bad debts written off [includes provision for doubtful debts: (₹ 5.38 crore) (March 31, 2017: ₹ 8.98 crore)]	18.78	16.13
Lease rental and equipment hire charges	40.44	19.96
Rates and taxes	20.41	14.97
Repairs and maintenance	11.11	5.34
Freight	6.41	4.64
Travelling and conveyance	5.98	5.49
Printing and stationery	1.23	1.24
Logo fees (March 31, 2018: ₹ 1,000 and March 31, 2017: ₹ 1,000)	0.00	0.00
Legal and professional fees	26.53	21.91
Payment to auditors (refer details below)	2.89	2.67
Directors' sitting fees	0.23	0.28
Security expenses	7.71	7.97
Donation	0.03	0.02
Corporate social responsibility expenditure**	-	0.07
Loss on account of foreign exchange fluctuations (net)	-	9.10
Fair value loss on financial instruments at fair value through profit or loss	-	1.36
Miscellaneous expenses	2.62	2.96
Total other expenses	144.37	114.11

*Other expenses are net of ₹ 44.01 crore (March 31, 2017: ₹ 64.16 crore) cross charged to certain subsidiaries, associates and joint ventures. Also refer note 33.

** CSR expenditure:

- Gross amount required to be spent by the Company during the year: ₹ Nil (March 31, 2017: ₹ Nil)
- The Company has incurred ₹ Nil (March 31, 2017: ₹ 0.07 crore) on CSR activities during the year 2017-18.

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

a) Payment to auditors (exclusive of service tax/ goods and service tax and swachh bharat cess)

(₹ in crore)

	March 31, 2018	March 31, 2017
As auditor:		
Audit fee (including fees for internal controls over financial reporting, consolidated financial statements of the Company and quarterly limited reviews)	1.87	1.87
Tax audit fees	0.04	0.04
In other capacity		
Other Services (including certification fees)	0.74	0.52
Reimbursement of expenses	0.24	0.24
	2.89	2.67

29. Exceptional items (net)

(₹ in crore)

	March 31, 2018	March 31, 2017
Provision for diminution in the value of investments / advances in subsidiaries/ associates/ joint ventures (refer note below) (also refer note 33)	(1,437.29)	(3,654.16)
	(1,437.29)	(3,654.16)

Note: Refer note 5(4), 5(7), 5(8), 5(9), 5(14) and 5(15) with regard to provision for diminution in the value of investments/ advances made in GSPHPL, GGAL, GMRHL and their subsidiaries/ associates/ joint ventures.

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

30. Income Tax

The Company is subject to income tax in India on the basis of standalone financial statements. As per the Income Tax Act, the Company is 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.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

	(₹ in crore)	
	March 31, 2018	March 31, 2017
(a) Current tax	0.09	10.20
(b) Deferred tax	-	-
(c) Minimum alternate tax credit entitlement	-	(10.11)
Total taxes	0.09	0.09

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	(₹ in crore)	
	March 31, 2018	March 31, 2017
(Loss)/Profit before taxes	(1,930.66)	(3,684.02)
Computed tax charge on applicable tax rates in India	(502.36)	(853.42)
Tax effect on exempted income	(21.12)	(166.06)
Tax effect on permanent non deductible expenses :		
Disallowance on account of Sec 14 A of Income Tax Act	41.17	23.99
Others	(1.01)	8.78
Tax effect of expenses on which deferred taxes has not been accounted		
Taxable losses	154.77	140.52
Long term capital losses	331.61	843.09
Others	(2.97)	3.19
Total tax expenses	0.09	0.09

31. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the Company 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:

	(₹ in crore)	
Particulars	March 31, 2018	March 31, 2017
Face value of equity shares (₹ per share)	1	1
Profit/ (loss) attributable to equity shareholders	(1,930.75)	(3,684.11)
Weighted average number of equity shares used for computing earning per share (basic and diluted)	6,017,945,475	6,017,945,475
EPS- basic and diluted (₹)	(3.21)	(6.12)

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

Notes:

- (i) 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 has 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.
- (ii) 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 15.

32. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone 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.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 in subsidiaries, joint ventures and associates, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies and fair value measurements of investments.

i) Estimates and assumptions

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

a. Taxes

Deferred tax assets are recognised for MAT Credit Entitlement 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 10 and 30 for further disclosures.

b. 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 37 for further disclosures.

c. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, 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 Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer note 36 for further disclosure.

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

d. Revenue recognition

The Company 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.

e. Defined benefit plans (gratuity benefits)

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

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

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 34.

f. Impairment of non current asset

Determining whether investment are impaired requires an estimation of the recoverable amount, which is the higher of fair value less costs of disposal and value in use of the individual investment or the relevant cash generating units. The fair value less costs of disposal calculation is based on available data for similar immovable property/ investments or observable market prices less incremental costs for disposing of the immovable property/ investments. The value in use calculation is based on 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 and vehicle traffic and rates and favourable outcomes of litigations etc. in the airport and expressway business which are considered as reasonable by the management (refer note 5).

- i) Refer 5(4), 5(5), 5(7), 5(8), 5(10), 5(11), 5(14), 5(15), 5(17), 5(18) towards impairment of assets for investment in certain entities.
- ii) Refer 5(6) and 5(9) as regard the recovery of claims in GACEPL, GCORRPL and GHVEPL.

ii) Significant judgements

- i) Refer note 5(12) as regards the accounting of CCPS issued by GAL.

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

33. Related parties

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Holding Company	GMR Enterprises Private Limited (GEPL) [w.e.f August 11, 2016] ¹
	GMR Holdings Private Limited (GHPL) [till August 10, 2016] ¹
Subsidiary Companies	GMR Generation Assets Limited (GGAL) [formerly known as GMR Renewable Energy Limited (GREEL)]
	GMR Energy Limited (GEL) ⁴
	GMR Power Corporation Limited (GPCL)
	GMR Vemagiri Power Generation Limited (GVPGL) ⁴
	GMR Energy Trading Limited (GETL)
	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) ⁴
	GMR Mining and Energy Private Limited (GMEL) ⁴
	GMR Consulting Services Private Limited (GCSPL) ⁴
	GMR Rajahmundry Energy Limited (GREL) [ceased to be Subsidiary Company w.e.f. May 13, 2016] ⁵
	SJK Powergen Limited (SJK)
	GMR Coastal Energy Private Limited (GCEPL)
	GMR Bajoli Holi Hydropower Private Limited (GBHHPL) ⁴
	GMR Chhattisgarh Energy Limited (GCEL) [ceased to be Subsidiary Company w.e.f. February 23, 2017] ⁵
	GMR Londa Hydropower Private Limited (GLHPPL)
	GMR Kakinada Energy Private Limited (GKEPL)
	GMR Warora Energy Limited (GWEL) [formerly known as EMCO Energy Limited (EMCO)] ⁴
	Delhi International Airport Limited (DIAL) [formerly known as Delhi International Airport Private Limited]
	Delhi Aerotropolis Private Limited (DAPL)
	GMR Hyderabad International Airport Limited (GHIAL)
	Hyderabad Menzies Air Cargo Private Limited (HMACPL)
	Hyderabad Airport Security Services Limited (HASSL)
	GMR Aerostructure Service Limited (GASL) [formerly known as GMR Hyderabad Airport Resource Management Limited (GHARML)]
	GMR Hyderabad Aerotropolis Limited (HAPL)
	GMR Hyderabad Aviation SEZ Limited (GHASL)
	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)
	GMR Hotels and Resorts Limited (GHRL)
	Gateways for India Airports Private Limited (GFIAL)
	GMR Highways Limited (GMRHL)
	GMR Tuni Anakapalli Expressways Limited (GTAEPL)
	GMR Highways Projects Private Limited (GHPPL)
	GMR Tambaram Tindivanam Expressways Limited (GTTEPL)
	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
GMR Pochanpalli Expressways Limited (GPEL)	
GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	
GMR Chennai Outer Ring Road Private Limited (GCCRPL)	
GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	
GMR Krishnagiri SEZ Limited (GKSEZ)	
Advika Properties Private Limited (APPL)	

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

Description of relationship	Name of the related parties
	Aklima Properties Private Limited (AKPPL)
	Amartya Properties Private Limited (AMPPL)
	Baruni Properties Private Limited (BPPL)
	Camelia Properties Private Limited (CPPL)
	Eila Properties Private Limited (EPPL)
	Gerbera Properties Private Limited (GPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)
	Krishnapriya Properties Private Limited (KPPL)
	Nadira Properties Private Limited (NPPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Properties Private Limited (PUPPL)
	Shreyadita Properties Private Limited (SPPL)
	Sreepa Properties Private Limited (SRPPL)
	Bougainvillea Properties Private Limited (BOPPL)
	Honeyflower Estates Private Limited (HFEPL)
	Namitha Real Estate Private Limited (NREPL)
	GMR Gujarat Solar Power Private Limited (GGSPPL) ⁴
	GMR Airports Limited (GAL)
	Asia Pacific Flight Training Academy Limited (APFT) [w.e.f. October 09, 2017] ¹⁰
	GMR Corporate Affairs Private Limited (GCAPL)
	GMR SEZ & Port Holdings Private Limited (GSPHPL)
	GMR Aviation Private Limited (GAPL)
	GMR Business Process and Services Private Limited (GBPSPL)
	Dhruvi Securities Private Limited (DSPL)
	Himtal Hydro Power Company Private Limited (HHPPL) ⁴
	GMR Upper Karnali Hydro Power Limited (GUKPL) ⁴
	GMR Energy (Mauritius) Limited (GEML) ⁴
	GMR Lion Energy Limited (GLEL) ⁴
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) BV (GENBV)
	PT Unsoco (PT)
	PT Dwikarya Sejati Utma (PTDSU)
	PT Duta Sarana Internusa (PTDSI)
	PT Barasentosa Lestari (PTBSL)
	GMR Infrastructure (Mauritius) Limited (GIML)
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas (Malta) Limited (GIOSL) (Formerly known as GMR Infrastructure Overseas Sociedad Limitada)
	GMR Infrastructure (UK) Limited (GIUL)
	GMR Infrastructure (Global) Limited (GIGL)
	GMR Infrastructure (Singapore) Pte Limited (GISPL)

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

Description of relationship	Name of the related parties
	GMR Energy (Global) Limited (G EGL)
	GMR Maharashtra Energy Limited (GMAEL) ⁴
	GMR Bundelkhand Energy Private Limited (GBEPL) ⁴
	GMR Rajam Solar Power Private Limited (GRSPPL) (Formerly known as GMR Uttar Pradesh Energy Private Limited (GUPEPL)) ⁴
	GMR Genco Assets Limited (GENCO) [formerly known as GMR Hosur Energy Limited (GHOEL)]
	Karnali Transmission Company Private Limited (KTCPL) ⁴
	Marsyangdi Transmission Company Private Limited (MTCPL) ⁴
	GMR Indo-Nepal Energy Links Limited (GINELL) ⁴
	GMR Indo-Nepal Power Corridors Limited (GINPCL) ⁴
	Aravali Transmission Service Company Limited (ATSCL) ⁶
	Maru Transmission Service Company Limited (MTSCL) ⁶
	GMR Energy Projects (Mauritius) Limited (GEPML)
	Hyderabad Duty Free Retail Limited (HDFRL) [merged with GHRL w.e.f. April 1, 2016]
	GMR Airport Developers Limited (GADL)
	GADL International Limited (GADLIL)
	GADL (Mauritius) Limited (GADLML)
	Deepesh Properties Private Limited (DPPL)
	Larkspur Properties Private Limited (LAPPL)
	Padmapriya Properties Private Limited (PAPPL)
	Radha Priya Properties Private Limited (RPPL)
	Pranesh Properties Private Limited (PRPPL)
	Kakinada SEZ Private Limited (KSPL)
	GMR Power Infra Limited (GPIL)
	GMR Male International Airport Private Limited (GMIAL)
	GMR Coal Resources Pte Limited (GCRPL)
	GMR Airport Handling Services Company Limited (GAHSCL)
	GMR Airport Global Limited (GAGL) ⁹
	GMR Hosur Industrial City Private Limited (GHICL) (Formerly known as Lantana Properties Private Limited (LPPL))
	Asteria Real Estate Private Limited (AREPL)
	GMR Infrastructure Overseas Limited (GIOL)
	GMR Hosur EMC Private Limited (GHEMCPL)
	GMR Airports (Mauritius) Limited (GAML)
	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)
	GMR Aerospace Engineering Limited (GAEL) (formerly known as MAS GMR Aerospace Engineering Company Limited (MGAECL))
	Delhi Airport Parking Services Private Limited (DAPSL)
	GMR Aero Technic Limited (GATL) (formerly known as MAS GMR Aero Technic Limited (MGATL))
	East Godavari Power Distribution Company Private Limited (EGPDCPL)
	Suzone Properties Private Limited (SUPPL)
	Lilliam Properties Private Limited (LIPPL)
	GMR Utilities Private Limited (GUPL)
	Raxa Security Services Limited (RSSL)

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

Description of relationship	Name of the related parties
	Indo Tausch Trading DMCC (Indo Tausch)
	Kakinada Gateway Port Limited (KGPL) ²
	GMR Goa International Airport Limited (GIAL) ²
	GMR SEZ Infra Services Limited (GSISL) ²
	GMR Infra Developers Limited (GIDL) ²
	GMR Infrastructure Airport Mauritius Limited (GIAML) ¹¹
Associates / Joint Venture Companies	Rampia Coal Mine and Energy Private Limited (RCMEPL)
	Limak GMR Construction JV (CJV)
	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)
	Delhi Cargo Service Centre Private Limited (DCSCPL)
	Delhi Aviation Services Private Limited (DASPL)
	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)
	Devyani Food Street Private Limited (DFSPL)
	Delhi Select Services Hospitality Private Limited (DSSHPL)
	Wipro Airport IT Services Limited (WAISL)
	TIM Delhi Airport Advertisement Private Limited (TIM)
	PT Golden Energy Mines Tbk (PTGEMS)
	PT Tanjung Belit Bara Utama (TBBU)
	PT Roundhill Capital Indonesia (RCI)
	PT Kuansing Inti Makmur (KIM)
	PT Trisula Kencana Sakti (TKS)
	PT Borneo Indobara (BIB)
	PT Karya Cemerlang Persada (KCP)
	PT Bungo Bara Utama (BBU)
	PT Bara Harmonis Batang Asam (BHBA)
	PT Berkat Nusantara Permai (BNP)
	PT Bumi Anugerah Semesta (BAS)
	Shanghai Jingguang Energy Co. Ltd (SJECL)
	PT Gems Energy Indonesia (PTGEI)
	Delhi Aviation Fuel Facility Private Limited (DAFF)
	Laqshya Hyderabad Airport Media Private Limited (Laqshya)
	Jadcherla Expressways Private Limited (JEPL) (formerly known as GMR Jadcherla Expressways Limited (GJEPL)) ³
	Ulundurpet Expressways Private Limited (UEPL) (formerly GMR Ulundurpet Expressways Private Limited (GUEPL)) ³
	GEMS Trading Resources Pte. Limited (GEMSCR) (formerly known as GEMS Coal Resources Pte Ltd.)
	Megawide - GISPL Construction JV(MGCJV)
	Asia Pacific Flight Training Academy Limited (APFT)[till October 09, 2017] ¹⁰
	East Delhi Waste Processing Company Private Limited (EDWPCPL)
	GMR Megawide Cebu Airport Corporation (GMCAC)
	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL) ¹²
	GMR Kamalanga Energy Limited (GKEL)

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

Description of relationship	Name of the related parties
	Delhi Duty Free Services Private Limited (DDFS)
	GMR Energy Limited (GEL) ⁴
	GMR Vemagiri Power Generation Limited (GVPGL) ⁴
	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) ⁴
	GMR Mining and Energy Private Limited (GMEL) ⁴
	GMR Consulting Services Private Limited (GCSPL) ⁴
	GMR Bajoli Holi Hydropower Private Limited (GBHHPL) ⁴
	GMR Warora Energy Limited (GWEL) (Formerly EMCO Energy Limited (EMCO)) ⁴
	GMR Gujarat Solar Power Private Limited (GGSPPL) ⁴
	Himtal Hydro Power Company Private Limited (HHPPL) ⁴
	GMR Upper Karnali Hydro Power Limited (GUKPL) ⁴
	GMR Energy (Mauritius) Limited (GEML) ⁴
	GMR Lion Energy Limited (GLEL) ⁴
	GMR Maharashtra Energy Limited (GMAEL) ⁴
	GMR Bundelkhand Energy Private Limited (GBEPL) ⁴
	GMR Rajam Solar Power Private Limited (GRSPPL) (Formerly known as GMR Uttar Pradesh Energy Private Limited (GUPEPL)) ⁴
	Karnali Transmission Company Private Limited (KTCPL) ⁴
	Marsyangdi Transmission Company Private Limited (MTCPL) ⁴
	GMR Indo-Nepal Energy Links Limited (GINELL) ⁴
	GMR Indo-Nepal Power Corridors Limited (GINPCL) ⁴
	GMR Rajahmundry Energy Limited (GREL) [w.e.f. May 13, 2016] ⁵
	GMR Chhattisgarh Energy Limited (GCEL) [w.e.f. February 23, 2017] ⁵
Enterprises where key managerial personnel or their relatives exercise significant influence (Where transactions have taken place)	Welfare Trust of GMR Infra Employees (GWT)
	GMR Varalakshmi Foundation (GVF)
	GMR Family Fund Trust (GFFT)
	GMR Enterprises Private Limited (GEPL) [till August 10, 2016] ¹
	Grandhi Enterprises Private Limited (GREPL) ⁷
	GEOKNO India Private Limited (GEOKNO) ⁸
Fellow Subsidiaries (Where transactions have taken place)	GMR Projects Private Limited (GPPL) [till August 10, 2016] ¹
	Grandhi Enterprises Private Limited (GREPL) ⁷
	GEOKNO India Private Limited (GEOKNO) ⁸
	GMR Airport Global Limited (GAGL) ⁹
Key management personnel and their relatives (Where transactions have taken place)	Mr. G.M. Rao (Chairman)
	Mrs. G Varalakshmi (Relative)
	Mr. G.B.S. Raju (Director)
	Mr. Grandhi Kiran Kumar (Managing Director & CEO)
	Mr. Srinivas Bommidala (Director)
	Mr. B.V. Nageswara Rao (Director)
	Mr. Adishesavataram Cherukupalli (Company Secretary) (Resigned w.e.f. November 14, 2017)
	Mr. Venkat Ramana Tangirala (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)

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

Description of relationship	Name of the related parties
	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

1. During the year ended March 31, 2017, GHPL and GPPL were amalgamated with GEPL pursuant to completion of necessary legal procedures.
2. Subsidiaries incorporated during the year ended March 31, 2017.
3. Ceased to be an associate during the year ended March 31, 2017.
4. Ceased to be a subsidiary and became a joint venture w.e.f. November 4, 2016.
5. Ceased to be a subsidiary on account of Strategic Debt Restructuring (SDR) and became a joint venture on the date of SDR.
6. Ceased to be a subsidiary during the year ended March 31, 2017.
7. 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.
8. 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.
9. Ceased to be a subsidiary and became a fellow subsidiary during the year ended March 31, 2017.
10. Cease to be a joint venture and became a subsidiary during the year ended March 31, 2018.
11. Incorporated and amalgamated with GIML during the year ended March 31, 2018.
12. Ceased to be a subsidiary and became an associate during the year ended March 31, 2017.

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

b) Summary of transactions and outstanding balances with above related parties are as follows: (₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
i) Interest Income - Gross		
Subsidiary Companies		
- GEL	-	296.78
- GIOL	0.05	-
- GASL	39.33	-
- SJK	20.12	-
- GMRHL	9.21	106.96
- DSPL	20.72	26.04
- GBPSPL	2.32	2.32
- GKSEZ	7.35	20.47
- GAPL	0.21	2.37
- GSPHPL	16.58	34.53
- KSPL	134.18	153.67
- DPPL	0.11	0.10
- GCAPL	1.77	6.07
- GIML	21.50	16.31
- GGAL	17.82	53.83
- NREPL	1.53	0.94
- SUPPL	0.74	0.49
- LIPPL	0.47	0.34
- GPEL	1.34	1.63
- GACEPL	0.04	0.04
- GCORRPL	1.66	1.84
- GKUAEL	0.05	0.04
- GHVEPL	4.44	4.05
- ATSCl	-	0.08
- DIAL	-	4.45
- GWEL	-	0.48
- GADL	0.15	0.15
- GAL	24.58	1.00
- GBHHPL	-	0.44
- GCEL	-	3.97
- GETL	0.33	0.04
- GGSPPPL	-	0.37
- GHIAL	15.81	1.31
- GMIAL	-	1.61
- GREL	-	0.08
- GTAEPL	-	0.09
- GTTEPL	0.24	0.26
- MTSCl	-	0.50
- PAPPL [₹ 36,332 (March 31, 2017 : ₹ 36,332)]	0.00	0.00
- PTBSL	0.40	0.44
- GCRPL	2.23	4.33
- GISPL	0.92	1.63
- RSSL	4.49	1.24

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

Nature of Transaction	₹ in Crore	
	March 31, 2018	March 31, 2017
Associates / Joint venture Companies		
- GOSEHHHPL	0.48	0.48
- GKEL	0.27	0.27
- GEL	1.09	1.24
- GWEL	0.82	0.34
- GBHHPL	0.50	-
- GGSPPL	-	0.01
- GCEL	-	0.36
- GREL	2.28	0.92
ii) Construction revenue		
Subsidiary Companies		
- GCORRPL	10.97	13.33
- GHVEPL	-	0.21
iii) Income from management and other services		
Subsidiary Companies		
- GIML	-	2.72
- GCRPL	-	1.88
iv) Dividend income on current investments		
Subsidiary Company		
- GAL [₹ 14,482 (March 31, 2017: ₹ 10,732)]	0.00	0.00
v) Other income		
Holding company		
- GEPL ^f	19.84	-
Subsidiary Companies		
- GHVEPL [₹ 20,293 (March 31, 2017 : ₹ Nil)]	0.00	-
- GACEPL [₹ 9,493 (March 31, 2017 : ₹ Nil)]	0.00	-
- GKSEZ	0.14	-
- GGAL [₹ Nil (March 31, 2017: ₹ 37,822)]	-	0.00
Associates / Joint venture Companies		
- GKEL	2.22	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GEOKNO	0.02	-
vi) Subcontracting expenses		
Holding company		
- GEPL ^f	0.06	-
Subsidiary Companies		
- GHIAL	0.01	0.02
- GADL	-	0.13
- RSSL	-	0.01
Fellow subsidiary		
- GEOKNO	-	0.47
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GEOKNO	0.53	-

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
vii) Finance cost		
Subsidiary Companies		
- GAL	3.24	4.86
- DSPL	19.83	3.72
- RSSL	7.63	3.27
- GETL	6.92	-
- GPCL	14.35	-
- GPEL	2.03	-
- GTTEPL	0.49	-
- GTAEPL	0.20	-
- GADL	10.75	12.45
viii) Legal and professional fees		
Subsidiary Companies		
- GKSEZ	-	0.01
- GADL	-	0.05
- GCAPL	13.51	26.58
- GAL	5.98	-
- GBPSPL	1.58	1.09
- GISPL	1.51	-
Associates / Joint venture Companies		
- DAFF	-	0.03
Fellow subsidiary		
- GEOKNO	-	0.36
ix) Lease rental and equipment hire charges		
Subsidiary Companies		
- DIAL	2.17	2.11
- GHIAL	0.01	0.10
Fellow subsidiary		
- GREPL	1.23	0.81
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	-	0.43
- GREPL	-	0.48
x) Security expenses		
Subsidiary Company		
- RSSL	6.95	8.12
xi) Travelling and conveyance		
Subsidiary Companies		
- GTTEPL	-	0.02
- GTAEPL	-	0.04
- GCORRPL	-	0.08
- GMRHL	-	0.05
- GHIAL [₹ 25,791 (March 31, 2017: ₹ 29,929)]	0.00	0.00
- DIAL	0.01	-
- GHRL [₹ 75,514 (March 31, 2017: ₹ 5,958)]	0.00	0.00
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GVF [₹ Nil (March 31, 2017 : ₹ 68,745)]	-	0.01

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

Nature of Transaction	(₹ in Crore)	
	March 31, 2018	March 31, 2017
Key management personnel and their relatives		
- Mr. G.M.Rao	0.12	-
- Mr. Grandhi Kiran Kumar	0.21	-
xii) Repairs and maintenance		
Subsidiary Companies		
- GCAPL	0.62	0.71
- DIAL	0.49	0.43
- GHIAL [₹ Nil (March 31, 2017 : ₹ 45,731)]	-	0.00
- GADL	0.52	-
- RSSL	-	0.04
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	-	0.42
xiii) Rates & Taxes		
Subsidiary Company		
- PAPPL	-	0.12
xiv) Miscellaneous Expenses		
Subsidiary Companies		
- GKSEZ	-	0.01
- KSPL	0.01	-
- GHIAL [₹ Nil (March 31, 2017: ₹ 15,429)]	-	0.00
xv) Staff welfare expense		
Subsidiary Company		
- DIAL	-	0.01
Associates / Joint venture Companies		
- GOSEHHPL [₹ Nil (March 31, 2017: ₹ 5,900)]	-	0.00
xvi) Expenses incurred by GIL on behalf of others- Cross charges		
a) Cross charges during the year		
Subsidiary Companies		
- ATSCL	-	0.03
- MTSCL	-	0.06
- GCEL	-	7.12
- GGSPPL	-	0.16
- DIAL	20.85	37.70
- GCORRPL	0.35	0.58
- GEL	-	1.33
- GHIAL	12.62	12.68
- GKSEZ	0.52	0.72
- KSPL	2.10	2.85
- GPCL	0.04	0.22
- GSPHPL	0.23	0.33
- GTTEPL	1.30	1.16
- GAPL	0.20	0.36
- GMRHL	0.12	0.29
- GTAEPL	0.98	0.98
- GVPGL	-	0.58
- DSPL	-	0.10
- GWEL	-	4.76

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
- GCSPL	-	0.02
- GBHHPL	-	1.15
- GACEPL	0.23	0.39
- GPEL	0.42	0.57
- GETL	8.96	4.07
- GHVEPL	1.07	1.37
- GREL	-	0.35
- GAL	3.78	4.19
- GGAL	0.01	0.01
- GPIL (₹ 31,626) (March 31, 2017: ₹ 39,078)	0.00	0.00
- RSSL	0.70	0.55
Associates / Joint venture Companies		
- GEL	0.52	0.95
- GVPGL	0.35	0.42
- GWEL	5.61	3.40
- GCSPL	0.02	0.01
- GBHHPL	2.19	0.82
- GGSPPL	0.11	0.11
- GCEL	0.03	0.65
- GREL	-	3.81
- GKEL	5.66	8.58
b) Reimbursement of expenses		
Subsidiary Company		
- GAL	-	1.02
Fellow subsidiary		
- GEOKNO	-	0.23
xvii) Logo Fees		
Holding company		
- GEPL ^f [₹ 1,000 (March 31, 2017: ₹ 1,000)]	0.00	0.00
xviii) Provision for doubtful debts		
Subsidiary Companies		
- GCORRPL	0.11	1.22
- GHVEPL	0.27	0.61
- GTTEPL	0.01	-
- GPEL	0.72	-
Associates / Joint venture Companies		
- JEPL	0.47	-
- GKEL	0.18	-
- GWEL	1.26	1.59
xix) Provision for doubtful debts, (written back)		
Subsidiary Company		
- GCORRPL	3.89	-
xx) Provision for diminution in value of investments		
Subsidiary Companies		
- GSPHPL	86.99	-
- GMRHL	633.68	736.07
- GGAL	671.21	2,715.39
- GAPL	-	108.35

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

Nature of Transaction	(₹ in Crore)	
	March 31, 2018	March 31, 2017
Associates / Joint venture Companies		
- GEL	-	94.35
xxi) Provision for doubtful loans		
Subsidiary Company		
- GASL	45.41	-
xxii) Security deposit refunded / adjusted		
Subsidiary Company		
- HFEPL	1.25	1.26
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	-	0.82
xxiii) Purchase of property, plant and equipment		
Holding company		
- GEPL ^f	0.71	-
Subsidiary Company		
- GKUAEL	-	0.19
xxiv) Investment in equity shares of		
Subsidiary Companies		
- GIDL	-	0.05
- GGAL	148.05	-
- GASL [₹ Nil (March 31, 2017: ₹ 1)]	-	0.00
xxv) Investment in debentures of		
Subsidiary Company		
- GSPHPL	-	6.50
xxvi) Redemption of debentures of		
Subsidiary Companies		
- GKSEZ	82.05	-
- GSPHPL	254.50	-

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
xxvii) Loans given to		
Subsidiary Companies		
- GASL	424.82	-
- GAL	430.00	-
- GEL	-	1,038.72
- GGAL	350.45	235.14
- NREPL	-	12.46
- SUPPL	-	6.50
- LIPPL	-	5.04
- GMRHL	553.44	345.07
- GIOL	31.21	-
- SJK	391.87	-
- DSPL	274.85	189.68
- KSPL	92.94	481.89
- GKSEZ	63.50	8.05
- GSPHPL	2.89	-
- GETL	58.00	-
- GIML	177.78	181.03
- RSSL	64.31	-
xxviii) Loans repaid by		
Subsidiary Companies		
- GIML	140.27	134.76
- GAL	99.57	-
- GMRHL	799.78	230.53
- DSPL	274.85	254.24
- GEL	-	732.65
- GKSEZ	81.08	-
- LIPPL	0.69	1.00
- GGAL	330.35	288.48
- SJK	3.35	-
- KSPL	454.54	285.97
- RSSL	-	24.00
- GETL	58.00	-
- SPPL	1.26	-
- GCAPL	39.35	-
- GASL	21.80	-
- RSSL	18.84	-
- GSPHPL	132.31	-
xxix) Debentures converted into equity		
Subsidiary Company		
- GAPL	-	98.65
xxx) Loans converted into equity		
Subsidiary Companies		
- GMRHL	-	989.39
- GGAL	-	4,051.35

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

Nature of Transaction	₹ in Crore	
	March 31, 2018	March 31, 2017
- GAPL	-	32.50
xxxii) Accrued interest on loans and debentures converted into equity		
Subsidiary Company		
- GAPL	-	26.49
xxxiii) Loans received from		
Subsidiary Companies		
- GAL	100.00	60.00
- DSPL	573.18	214.00
- GPCL	364.72	-
- GETL	138.18	-
- GTTEPL	7.00	-
- GPEL	37.32	-
- GTAEPL	3.50	-
- RSSL	-	75.00
xxxiiii) Loans repaid to		
Holding Company		
- GEPL ^f	0.07	-
Subsidiary Companies		
- GTTEPL	1.47	-
- GTAEPL	1.39	-
- GAL	36.50	83.50
- GADL	18.28	-
- DSPL	272.98	214.00
- GPCL	29.11	-
- RSSL	1.50	7.50
xxxv) Loans (receivable) novated to		
Subsidiary Companies		
- DSPL from GASL	317.86	-
- GGAL from GEL	-	3,321.07
xxxvi) Loans and interest (payable) adjusted against		
Subsidiary Company		
- GASL from DSPL	317.86	-
xxxvii) Debentures novated to GGAL		
Subsidiary Company		
- GEL	-	867.50
xxxviii) Equity recouped on account of early conversion/ modification of preference shares/ debentures/ loans		
Subsidiary Companies		
- GMRHL	-	512.76
- GGAL	-	1,504.47
- GSPHPL	-	65.10
- GTTEPL	-	12.32
- GTAEPL	-	9.64
- GACEPL	-	15.70
- GCORRPL	12.60	-

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
- GPEL	26.28	-
Associates / Joint venture Companies		
- GEL	-	74.89
xxxviii) Additional equity on account of financial guarantees		
Subsidiary Companies		
- GGAL	7.53	0.88
- GCRPL	-	11.54
- GISPL	-	0.21
- GTTEPL	-	0.28
- GETL	3.55	0.06
- GREL	-	44.46
- GMRHL	12.18	-
- GAPL	0.29	-
- RSSL	1.91	0.86
- GSPHPL	1.60	-
Associates / Joint venture Companies		
- GBHHPL	-	2.58
xxxix) Additional Equity on account of loans at concessional rate of interest		
Subsidiary Companies		
- GMRHL	-	32.91
- GGAL	-	3.01
- GEL	-	206.40
xl) Additional equity on account of preference shares and debentures at concessional rate of interest		
Subsidiary Companies		
- GAPL	-	2.12
- GEL	-	58.43
xli) Preference Shares converted to equity		
Subsidiary Companies		
- GGAL	-	2,120.90
- GMRHL	-	843.54
xlii) Conversion of 4,450,000 8% non-cumulative redeemable preference shares of ₹ 100 each to 4,450,000 0.01% compulsorily convertible non-cumulative preference shares of ₹ 100 each		
Subsidiary Company		
- GPEL	44.50	-
xliii) Conversion of 2,192,500 6% non-cumulative redeemable preference shares of ₹ 100 each to 2,192,500 0.01% compulsorily convertible non-cumulative preference shares of ₹ 100 each		
Subsidiary Company		
- GCORRPL	21.93	-
xliv) Conversion of 249,000,000 0% unsecured compulsorily convertible debentures of ₹ 10 each to 249,000,000 0% unsecured optionally convertible debentures of ₹ 10 each		
Subsidiary Company		
- GSPHPL	249.00	-

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

Nature of Transaction	(₹ in Crore)	
	March 31, 2018	March 31, 2017
xliv) Conversion of 12,900 12.25% unsecured optionally convertible cumulative debentures of ₹ 100,000 each to 12,900 0% unsecured compulsorily convertible cumulative debentures of ₹ 100,000 each		
Subsidiary Company		
- GSPHPL	129.00	-
xlvi) Conversion of 926 12% unsecured optionally convertible cumulative debentures of ₹ 100,000 each to 926 0% unsecured compulsorily convertible cumulative debentures of ₹ 100,000 each		
Subsidiary Company		
- GSPHPL	9.26	-
xlvii) Advance received from customers		
Subsidiary Companies		
- GCORRPL	5.65	-
- GPEL	-	7.75
- GKSEZ	0.02	-
Associates / Joint venture Companies		
- GKEL	5.44	-
xlviii) Advance repaid/ adjusted to customers		
Subsidiary Companies		
- GMRHL	1.29	-
- GPEL	7.75	-
Associates / Joint venture Companies		
- GKEL	1.21	-
xliv) Non-trade payables repaid/ adjusted to customers		
Holding Company		
- GEPL ^f	10.26	-
l) Corporate Guarantees/ Comfort Letters given on behalf of		
Subsidiary Companies		
- GISPL	-	321.44
- GMRHL	885.00	-
- GSPHPL	150.00	-
- GCORRPL	55.50	-
- GAPL	55.00	10.00
- GADL	-	18.00
- RSSL	150.00	100.00
- GETL	285.00	25.00
- GGAL	600.00	149.00
- GTTEPL	-	105.00
- GCRPL	-	2,860.16
- GBPSPL	1.10	-
Associates / Joint venture Companies		
- GREL	-	2,571.71
- GBHHPL	-	200.00

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
li) Corporate Guarantees/ Comfort Letters extinguished on behalf of		
Subsidiary Companies		
- GAPL	221.44	-
- GAL	500.00	-
- KSPL	250.00	-
- GIML	-	968.17
- GHIAL	-	1,480.00
- GISPL	-	469.04
- DIAL	-	377.11
- ATSCl	-	13.20
- GCRPL	-	3,391.52
- GMRHL	-	450.00
- GTTEPL	-	105.00
- GMIAL	-	2,620.72
- MTSCl	-	18.70
- RSSL	30.00	-
Associates / Joint venture Companies		
- GEL	150.00	1,641.00
- GGSPL	-	35.00
lii) Bank Guarantees extinguished on behalf of		
Subsidiary Company		
- GMRHL	-	2.13
Fellow subsidiary		
- GEOKNO	-	1.18
liii) Managerial remuneration to		
(a) Key management personnel and their relatives		
- Mr. G.M. Rao	0.78	0.71
- Mr. Grandhi Kiran Kumar	-	1.27
- Mr. Adishesavaram Cherukupalli	0.64	0.84
- Mr. Venkat Ramana Tangirala	0.23	-
- Mr. Madhva Bhimacharya Terdal	2.17	1.96
(b) Sitting fees paid to independent directors		
- Dr. Prakash G. Apte	-	0.01
- Mr. R S S L N Bhaskarudu	0.06	0.06
- Mr. N C Sarabeswaran	0.05	0.05
- Mr. S. Sandilya	0.02	0.02
- Mr. S. Rajagopal	0.04	0.04
- Mr. V. Santhanaraman	-	0.02
- Mr. C.R. Muralidharan	0.02	0.02
- Mrs. V. Siva Kameswari	0.04	0.05
(c) Expenses include the following remuneration to the Key Management Personnel		
- Short-term employee benefits	3.82	4.78
- Sitting fees paid to independent directors	0.23	0.27
- Other benefits ^e	-	-

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
liv) Purchase of Equity Shares		
Subsidiary Company		
- GHIAL [₹ Nil (March 31, 2017: ₹ 1)]	-	0.00
lv) Outstanding balances as at the year ended		
a) Loans receivable - Non-Current		
Subsidiary Companies		
- GIML	267.29	229.05
- KSPL	921.68	1,303.75
- GBPSPL	18.95	18.95
- GSPHPL	2.89	90.50
- GKSEZ	58.83	76.41
- RSSL	45.47	-
- GGAL	103.99	83.88
- NREPL	12.46	12.46
- SUPPL	5.24	6.50
- SJK	388.53	-
- GASL (net of impairment of ₹ 45.41 crore as at March 31, 2018)	39.75	-
- GIOL	31.36	-
- GAL	330.43	-
- LIPPL	3.35	4.04
b) Loans receivable - Current		
Subsidiary Companies		
- GCAPL	-	39.35
- GMRHL	58.21	304.55
- KSPL	58.00	37.53
- GSPHPL	-	41.81
c) Cross Charge Receivable		
Holding Company		
- GEPL ^f	0.13	0.13
Subsidiary Companies		
- GETL	0.62	3.28
- GKSEZ	-	0.07
- GPIL	-	0.01
- GADL [₹ Nil (March 31, 2017 : ₹ 43,332)]	-	0.00
- GHVEPL	10.11	8.85
- DIAL	1.92	12.23
- GHIAL	2.73	4.14
- KSPL	-	5.30
- GAPL	0.98	1.26
- GTTEPL	1.01	0.78
- GTAEPL	0.61	0.50
- GPCL	0.30	0.22
- GMRHL	0.01	0.34
- GCORRPL	3.00	2.86
- GSPHPL	0.24	0.19
- GAL	2.41	2.10

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
- DSPL	0.12	0.12
- GPEL	0.09	0.65
- GGAL	0.01	-
- GCSPL	0.01	-
- GACEPL	1.15	0.88
- RSSL	0.38	0.63
- GGIAL	0.12	-
- GCCL	0.00	-
- GCAPL	4.36	-
- GBPSPL	-	0.15
Associates / Joint venture Companies		
- GEL	1.34	0.82
- GVPGL	0.01	-
- GBHHPL	2.55	1.26
- GWEL	14.54	8.25
- GGSPPL	0.18	0.05
- GCEL	2.45	2.45
- GKEL	14.33	19.25
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	0.05	-
d) Advances other than capital advances		
Subsidiary Companies		
- GAPL	-	2.00
- GAL [₹ 45,450]	0.00	0.24
- GKSEZ	0.05	-
- RSSL	0.02	-
- KSPL [₹ 34,800 (March 31, 2017: ₹ Nil)]	0.00	-
- GCSPL [₹ 7,244 (March 31, 2017: ₹ Nil)]	0.00	-
Fellow subsidiaries		
- GEOKNO	-	0.44
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GEOKNO	0.28	-
e) Security deposits receivable - Non current		
Holding Company		
- GEPL ^f	-	0.02
Subsidiary Companies		
- GHIAL	0.04	0.04
- RSSL	0.28	0.28
f) Security deposits receivable - Current		
Subsidiary Company		
- HFEPL	-	1.25
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	0.53	0.53

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
g) Trade receivables- Non Current		
Subsidiary Company		
- GCORRPL	2.90	1.17
Provision for doubtful receivables:		
- GCORRPL	0.64	-
h) Trade receivables- Current		
Holding Company		
- GEPL ^f	6.52	-
Subsidiary Companies		
- GMRHL	-	1.30
- GHEMCPL	0.02	-
- GCORRPL	-	7.82
- GIML	1.31	1.31
- GHVEPL	0.41	3.57
- GACEPL [₹ 10,870 (March 31, 2017 : ₹ Nil)]	0.00	-
- GTTEPL [₹ 24,000 (March 31, 2017 : ₹ Nil)]	0.00	-
Associates / Joint venture Companies		
- JEPL	-	0.47
- GWEL	1.40	6.61
- GKEL	-	1.21
Provision for doubtful receivables:		
Subsidiary Company		
- GHVEPL	0.05	0.22
Associates / Joint venture Companies		
- GWEL	0.42	4.78
i) Unbilled revenue - Current		
Subsidiary Companies		
- GCORRPL	-	5.59
- GHVEPL	5.43	5.69
- GMRHL	-	0.72
- GTTEPL	-	0.01
Associates / Joint venture Companies		
- GWEL (net of advance)	-	0.40
- GKEL	-	0.18
Provision for doubtful receivables:		
Subsidiary Companies		
- GCORRPL	-	3.89
- GHVEPL	1.09	0.39
j) Accrued interest on loans given		
Subsidiary Companies		
- GASL	37.77	-
- GMRHL	3.38	24.97
- DSPL	-	3.43
- GCAPL	0.05	4.35
- GETL	0.11	-

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
- GIML	14.87	15.00
- GIOL	0.05	-
- KSPL	67.31	152.90
- GKSEZ	2.96	8.95
- GBPSPL	5.26	2.94
- GSPHPL	1.47	16.21
- GGAL	3.19	1.50
- NREPL	2.37	0.85
- SUPPL	0.74	0.44
- SJK	4.01	-
- LIPPL	0.47	0.31
- RSSL	4.12	-
k) Accrued interest on investment in debentures		
Subsidiary Companies		
- GKSEZ	0.80	11.55
- GSPHPL	12.79	1.47
- DPPL ₹ 31,859 (March 31, 2017: ₹ 18,373)	0.00	0.00
Associates / Joint venture Companies		
- GEL	-	0.02
l) Loans payables - Non Current		
Subsidiary Companies		
- RSSL	66.00	67.50
- GPCL	22.40	-
- GETL	138.18	-
- GADL	33.16	52.94
m) Loans payables - Current		
Holding Company		
- GEPL ^f	-	0.07
Subsidiary Companies		
- GTTEPL	5.53	-
- GPCL	313.22	-
- GPEL	37.32	-
- GTAPEL	2.11	-
- GAL	100.00	36.50
- GADL	28.61	25.19
n) Trade payables - Current		
Holding Company		
- GEPL ^f	-	0.97
Subsidiary Companies		
- GMRHL	0.21	0.21
- GHIAL	0.13	0.11
- GHVEPL	0.04	0.04
- GACEPL [₹ 28,423 (March 31, 2017 : ₹ Nil)]	0.00	-
- GHRL [₹ 12,878 (March 31, 2017 : ₹ 6,443)]	0.00	0.00
- GAL	6.09	0.54

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
- GISPL	1.52	-
- GCAPL	-	3.12
- GBPSPL	1.21	1.08
- DIAL	0.02	0.01
- GKSEZ	0.16	0.02
- KSPL	0.21	-
- GPEL (March 31, 2017 : ₹ 3,588)	0.02	0.00
- GTTEPL	0.02	0.02
- RSSL	8.38	4.86
- GGAL (₹ Nil (March 31, 2017 : ₹ 24,228))	-	0.00
- GKUAEL	0.26	0.26
- GCORRPL	0.08	0.08
- GTAEPL	0.05	0.04
- GADL	0.66	0.34
Fellow Subsidiaries		
- GREPL	-	0.34
Associates / Joint venture Companies		
- GVPGL	-	0.40
- GCSPL	-	0.01
- GWEL (₹ Nil (March 31, 2017 : ₹ 24,232))	-	0.00
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	0.15	0.15
- GEOKNO	0.10	-
Key management personnel and their relatives		
- Mr. G.M.Rao	0.01	0.41
- Mr. Grandhi Kiran Kumar	0.21	1.27
- Mr. G.B.S. Raju	-	0.01
- Mr. R.S.S.L.N. Bhaskarudu	-	0.01
- Mr. N.C. Sarabeswaran (₹ 23,547)	0.00	0.01
- Mr. S. Rajagopal	-	0.01
- Mr. C.R. Muralidharan	-	0.01
- Mrs. V. Siva Kameswari	-	0.01
o) Accrued interest but not due on borrowings		
Subsidiary Companies		
- GTTEPL	0.44	-
- GPEL	1.83	-
- GTAEPL	0.18	-
- DSPL	0.18	-
- GETL	1.07	-
- GPCL	8.67	-
- RSSL	-	0.01
p) Accrued interest and due on borrowings		
Subsidiary Company		
- GADL	-	5.97

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

(₹ in Crore)

Nature of Transaction	March 31, 2018	March 31, 2017
q) Non Trade payables - Current		
Holding Company		
- GEPL ^f	-	10.26
Associates / Joint venture Companies		
- GREL	3.39	3.39
r) Advance from customers - Current		
Subsidiary Companies		
- GMRHL	0.01	1.30
- GPEL	-	7.75
- GKSEZ	0.02	-
- GCORRPL	5.65	-
Associates / Joint venture Companies		
- GKEL	9.78	5.55
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GEOKNO [₹ 8,183 (March 31, 2017 : ₹ Nil)	0.00	-
s) Corporate Guarantees/ Comfort Letters sanctioned on behalf of		
Subsidiary Companies		
- GADL	118.00	118.00
- GAPL	55.00	221.44
- GCORRPL	842.28	786.78
- GCRPL	2,848.82	2,860.16
- PAPPL	3.60	3.60
- GHVEPL	1,690.00	1,690.00
- GISPL	2,465.07	2,337.58
- GMRHL	885.00	-
- KSPL	150.00	400.00
- GSPHPL	150.00	-
- PTBSL	373.74	375.23
- GETL	370.00	85.00
- GAL	-	500.00
- GTTEPL	105.00	105.00
- GTAEPL	45.00	45.00
- GGAL	749.00	149.00
- RSSL	250.00	130.00
- GBPSPL	1.10	-
Associates / Joint venture Companies		
- 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
- GOSEHHPL	1,080.00	1,080.00

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

(₹ in crore)

Nature of Transaction	March 31, 2018	March 31, 2017
t) Bank Guarantee outstanding on behalf of		
Subsidiary Company		
- GKSEZ	45.66	45.66
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GEOKNO	1.30	1.30

Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain Companies (refer note 5).
- The Holding Company has pledged certain shares held in the Company as security towards the borrowings of the Company.
- Also refer note 5 on non-current investments and current investments.
- Also refer note 16 for long term borrowings and short term borrowings as regards security given by related parties for loans availed by the Company.
- As the liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors are not included.
- Refer note 33(a)(1).
- The Company has entered into sub-contract agreements with unincorporated joint ventures formed by the Company 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.

34. Gratuity and other post-employment benefit plans**a) Defined contribution plan**

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Provident and pension fund	3.14	3.66
Superannuation fund	1.10	1.52
Total*	4.24	5.18

* Gross of ₹ 0.97 crore (March 31, 2017 : ₹ 1.34 crore) towards contribution to provident fund and ₹ 0.58 crore (March 31, 2017 ₹ 0.83 crore) towards contribution to superannuation fund cross charged to certain subsidiaries.

b) Defined benefit plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the standalone statement of profit and loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit.

i. Net benefit expenses (recognized in the standalone statement of profit and loss)

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Current service cost	0.98	0.86
Past service cost - plan amendments	0.41	-
Net interest cost on defined benefit obligations/ (assets)	0.18	0.21
Net benefit expenses*	1.57	1.07

* Gross of ₹ 0.65 crore (March 31, 2017: ₹ 0.81 crore) cross charged to certain subsidiaries.

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

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

Particulars	March 31, 2018	March 31, 2017
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(0.39)	0.61
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(0.09)	0.21
Actuarial (gain) / loss arising during the year	(0.48)	0.82
Return on plan assets (greater)/ less than discount rate	(0.01)	0.01
Actuarial (gain)/ loss recognised in OCI	(0.49)	0.83

iii. Net defined benefit asset/ (liability) (₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Defined benefit obligation	(2.58)	(4.12)
Fair value of plan assets	1.55	0.75
Plan (liability)/asset	(1.03)	(3.37)

iv. 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	4.12	3.98
Current service cost	0.98	0.86
Interest cost on the defined benefit obligation	0.26	0.26
Past service cost- plan amendments	0.41	-
Benefits paid	(0.95)	(1.25)
Acquisition adjustment	(1.76)	(0.55)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(0.39)	0.61
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(0.09)	0.21
Closing defined benefit obligation	2.58	4.12

v. 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	0.75	0.59
Interest income on plan assets	0.08	0.05
Contributions by employer	3.41	1.16
Benefits paid	(0.95)	(1.25)
Return on plan assets (lesser)/ greater than discount rate	0.01	(0.01)
Acquisition adjustment	(1.75)	0.21
Closing fair value of plan assets	1.55	0.75

The Company expects to contribute ₹ 3.41 crore (March 31, 2017: ₹ 1.16 crore) towards gratuity fund in 2018-19.

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

vi. The following pay-outs are expected in future years:

(₹ in crore)

Particulars	March 31, 2018
March 31, 2019	0.57
March 31, 2020	0.29
March 31, 2021	0.30
March 31, 2022	0.22
March 31, 2023	0.37
March 31, 2024 to March 31, 2028	3.09

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2017: 10 years).

vii. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2018	March 31, 2017
Investments with insurer	100%	100%

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

Particulars	March 31, 2018	March 31, 2017
Discount rate (in %)	7.60%	7.10%
Salary escalation (in %)	6.00%	6.00%
Employee turnover	5.00%	5.00%
Mortality rate	Refer Note 4 below	Refer Note 4 below

Notes:

- Plan assets are fully represented by balance with the Life Insurance Corporation of India.
- The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- As per Indian Assured Lives Mortality (2006-08) (modified) Ultimate.

ix. A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Particulars	March 31, 2018	March 31, 2017
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(0.16)	(0.29)
Impact on defined benefit obligation due to 1% decrease in discount rate	0.19	0.34
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	0.18	0.27
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(0.16)	(0.25)
Attrition Rate		
Impact on defined benefit obligation due to 1% increase in attrition rate [₹ (47,919)]	(0.00)	0.01
Impact on defined benefit obligation due to 1% decrease in attrition rate [₹ 24,696]	0.00	(0.02)

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.

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

35. Segment information- Disclosure pursuant to Ind AS 108 “Operating Segment”

(a) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment and segment composition:

(i) **Basis of identifying operating segments:**

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company’s other components); (b) whose operating results are regularly reviewed by the Company’s Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as ‘unallocated’.

(ii) **Reportable segments:**

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

(iii) **Segment profit:**

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company’s Chief Executive Officer.

(iv) **Segment composition:**

- a) EPC- Handling of engineering, procurement and construction solutions in infrastructure sector
- b) Others - Investment activity and corporate support to various infrastructure SPVs.

(b) **Information about reportable segment**

(₹ in crore)

Particulars	EPC		Others		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
Revenue								
External revenue*	736.13	392.77	369.88	787.00	-	-	1,106.01	1,179.77
Inter segment revenue	-	-	-	-	-	-	-	-
Total segment revenue	736.13	392.77	369.88	787.00	-	-	1,106.01	1,179.77
Segment results	(27.14)	(34.09)	355.38	748.97	-	-	328.24	714.88
Less:								
a. Finance costs	-	-	-	-	(821.61)	(744.74)	(821.61)	(744.74)
b. Exceptional items (refer note 29)	-	-	(1,437.29)	(3,654.16)	-	-	(1,437.29)	(3,654.16)
(Loss)/Profit before tax	(27.14)	(34.09)	(1,081.91)	(2,905.19)	(821.61)	(744.74)	(1,930.66)	(3,684.02)
Tax expenses	-	-	-	-	0.09	0.09	0.09	0.09
(Loss)/Profit after tax	(27.14)	(34.09)	(1,081.91)	(2,905.19)	(821.70)	(744.83)	(1,930.75)	(3,684.11)

*Revenue from one external customer in EPC segment amounting to ₹ 651.42 crore (March 31, 2017: ₹ 285.70 crore), and from related parties under common control in Others segment amounting to ₹ 356.15 crore (March 31, 2017: ₹ 759.53 crore) contributed to more than 10% of the entity’s total revenue.

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

(₹ in crore)

Other Information	EPC		Others		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
Segment assets	885.63	666.61	11,179.61	12,589.89	138.33	184.46	12,203.57	13,440.96
Segment liabilities	568.36	618.56	187.67	186.46	6,853.63	6,118.74	7,609.66	6,923.76
Capital employed	317.27	48.05	10,991.94	12,403.43	(6,715.30)	(5,934.28)	4,593.91	6,517.20

(₹ in crore)

Particulars	Depreciation, amortization and impairment include in segment expense		Other non-cash expenses included in segment expense	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
EPC	17.27	14.01	18.78	16.13
Others	1,439.08	3,656.28	-	-
Segment total	1,456.35	3,670.29	18.78	16.13
Unallocated	-	-	-	0.70
Total	1,456.35	3,670.29	18.78	16.83

Reconciliation to amounts reflected in the financial statements.

Reconciliation of assets

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Segment assets	12,065.24	13,256.50
Deferred tax assets (net)	97.23	97.23
Non-current tax assets (net)	34.68	85.73
Ancillary cost of arranging the borrowings	6.42	1.09
Others	-	0.41
Total assets	12,203.57	13,440.96

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

Reconciliation of liabilities			(₹ in crore)
Particulars	March 31, 2018	March 31, 2017	
Segment liabilities	756.03	805.02	
Non-current and current borrowings	5,953.48	5,204.39	
Current maturities of long-term borrowings	821.11	763.37	
Interest accrued but not due on borrowings	68.40	57.10	
Interest accrued and due on borrowings	-	76.03	
Foreign exchange forward contracts	0.31	1.57	
Trade payable	3.65	9.19	
Provision for debenture redemption premium	1.50	1.91	
Liabilities for current tax (net)	5.18	5.18	
Total liabilities	7,609.66	6,923.76	

(c) Geographic information

(₹ in crore)

Particulars	Segment revenue**		Non-current assets***	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
India	1,084.46	1,160.38	140.29	71.47
Outside India	21.55	19.39	-	-
Total	1,106.01	1,179.77	140.29	71.47

**Revenues by geographical area are based on the geographical location of the client.

***Non-current assets for this purpose consist of property, plant and equipment, intangible assets and capital work in progress.

36 Commitments and contingencies

I Leases

Operating lease: Company as lessee

Office premises and equipments taken by the Company are obtained on operating leases. The Company entered into certain cancellable operating lease arrangements towards office premises. The equipments are taken on hire on need basis. There are no restrictions imposed by lease arrangements. There are no subleases. The lease rentals charged during the year as per the lease agreement are as follows:

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Lease rentals under cancellable leases [net of ₹ 5.27 crore (March 31, 2017 ₹ 5.42 crore) cross charged to certain subsidiaries, associates and joint ventures]	40.44	19.96

II Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

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

(₹ in crore)

Particulars of guarantees	As at	
	March 31, 2018	March 31, 2017
Corporate guarantees availed by the group Companies		
(a) sanctioned	19,421.07	18,275.51
(b) outstanding	13,508.06	11,995.72
Bank guarantees		
(a) sanctioned	912.61	910.21
(b) outstanding	854.04	882.23
Letter of comfort provided on behalf of group Companies to banks		
(a) sanctioned	1,629.00	1,629.00
(b) outstanding	1,018.10	686.19

Litigations

The Company is involved in legal proceedings, both as plaintiff and as defendant. The Company believes the following claims to be of material nature.

(₹ in crore)

Other disputes	As at	
	March 31, 2018	March 31, 2017
Matters relating to indirect taxes under dispute	47.85	47.05
Matters relating to direct taxes under dispute ^{1,2}	244.32	154.55
Claims against the company not acknowledged as debts	8.37	9.40

Income Tax

- The Company has ongoing disputes with Income Tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deductions and the computation of, or eligibility of the Company's use of certain tax incentives or allowances, transfer pricing adjustments for related parties transactions etc. Most of these disputes and/or dis-allowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.
- Further, a search under Section 132 of the Income Tax Act, 1961 ('IT Act') was carried out at the premises of the Company by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates thereafter 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 and block assessment had been completed for certain years and the Company had received orders/ demand under Section 143(3) r.w.s.153A of the IT Act from the Income Tax Authorities in respect to Assessment Years ('AY') 2007-08 to 2013-14. Further, during the current year, the Company has received orders/ demand amounting to ₹ 75.54 crore under Section 143(3) r.w.s.144C of IT Act from the Income Tax Authorities in respect to Assessment year 2014-15 and 2015-16. The management of the Company has filed the appeals against the above orders and believes that these demands are not tenable and it has complied with all the applicable provisions of the IT Act with respect to its operations. The above amount has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.
- Also refer note 5(12).

III Commitments**a. Capital commitments**

(₹ in crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	59.28	111.92

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

b. Other commitments

1 The Company has committed to provide financial assistance as tabulated below: (₹ in crore)

Nature of relationship	Outstanding commitment for financial assistance	
	March 31, 2018	March 31, 2017
Subsidiaries	1,096.31	782.08
Joint Ventures / Associates	375.36	375.36
Total	1,471.67	1,157.44

2 The Company has extended comfort letters to provide continued financial support to certain subsidiaries/ joint ventures/ associates to ensure that these subsidiaries are able to meet their debts, commitments (including commitments towards investee entities) and liabilities as they fall due and they continue as going concerns.

3 The Company has entered into agreements with the lenders of certain group companies wherein it has committed to hold directly or indirectly at all times at least 51% of the equity share capital of the group companies 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.

4 The Company has certain long term unquoted investments which have been pledged as security towards loan facilities sanctioned to the Company and the investee Companies [refer note 5].

5 During the year ended March 31, 2014, the Company along with its subsidiaries entered into a definitive agreement ('SPA') with Malaysia Airports MSC Sdn Bhd ('Buyer') for sale of 40% equity stake in their joint ventures, ISG , LGM. Pursuant to the SPA entered with the buyer, the Company along with its subsidiaries had provided a guarantee of Euro 4.50 Crore towards tax claims, as specified in the SPA for a period till May 2019.

6 For commitment relating to FCCBs [refer note 16 (2)].

37. Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company 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 Note 2.2 (b) and 2.2 (n), to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018 and March 31, 2017.

As at March 31, 2018 (₹ in crore)

Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Financial assets					
(i) Investments (other than investments in subsidiaries, associates and joint ventures)	26.60	-	-	26.60	26.60
(ii) Loans	-	-	2,410.92	2,410.92	2,410.92
(iii) Trade receivables	-	-	117.08	117.08	117.08
(iv) Cash and cash equivalents	-	-	76.15	76.15	76.15
(v) Bank balances other than cash and cash equivalents	-	-	16.53	16.53	16.53
(vi) Other financial assets	-	-	826.30	826.30	826.30
Total	26.60	-	3,446.98	3,473.58	3,473.58

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

Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Financial liabilities					
(i) Borrowings	-	-	6,774.59	6,774.59	6,774.59
(ii) Trade payables	-	-	333.48	333.48	333.48
(iii) Foreign exchange forward contracts	-	0.31	-	0.31	0.31
(iv) Other financial liabilities	-	-	75.96	75.96	75.96
(v) Financial guarantee contracts	-	-	112.56	112.56	112.56
Total	-	0.31	7,296.59	7,296.90	7,296.90

As at March 31, 2017

(₹ in crore)

Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Financial assets					
(i) Investments (other than investments in subsidiaries, associates and joint venture)	6.77	-	-	6.77	6.77
(ii) Loans	-	-	2,325.95	2,325.95	2,325.95
(iii) Trade receivables	-	-	110.11	110.11	110.11
(iv) Cash and cash equivalents	-	-	31.47	31.47	31.47
(v) Bank balances other than cash and cash equivalents	-	-	13.59	13.59	13.59
(vi) Other financial assets	-	-	682.65	682.65	682.65
Total	6.77	-	3,163.77	3,170.54	3,170.54
Financial liabilities					
(i) Borrowings	-	-	5,967.76	5,967.76	5,967.76
(ii) Trade payables	-	-	219.55	219.55	219.55
(iii) Foreign exchange forward contracts	-	1.57	-	1.57	1.57
(iv) Other financial liabilities	-	-	146.78	146.78	146.78
(v) Financial guarantee contracts	-	-	118.15	118.15	118.15
Total	-	1.57	6,452.24	6,453.81	6,453.81

(i) Investments in mutual funds and derivative instruments are mandatorily classified as fair value through statement of profit and loss.

(ii) As regards the carrying value and fair value of investments in subsidiaries, associates and joint ventures, refer note 5.

(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, and mutual fund 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).

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

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.

(₹ in crore)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2018				
Financial assets				
Investment in mutual funds	26.60	26.60	-	-
Financial liabilities				
Foreign exchange forward contracts	0.31	-	0.31	-
March 31, 2017				
Financial assets				
Investment in mutual funds	6.77	6.77	-	-
Financial liabilities				
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) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- (iii) 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 Company 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.
- (iv) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018 and March 31, 2017.
- (v) Fair value of mutual 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 Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

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, equity price fluctuations, 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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

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 Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in crore)

Particulars	Increase in basis points	Effect on profit before tax
March 31, 2018		
INR	+50	(14.93)
March 31, 2017		
INR	+50	(13.32)

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

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's investing and financing activities. The Company's exposure to foreign currency changes from operating activities is not material.

At March 31, 2017 and March 31, 2018, the Company hedged its interest of \$22.50 mn on FCCB. This foreign currency risk is hedged by using foreign currency forward contracts.

The following table shows foreign currency exposure in US Dollar on financial instruments at the end of reporting period. The exposure to all other foreign currencies are not material.

(₹ in crore)

Particulars	Currency	Amount in foreign currency (crore)	Amount in ₹ (crore)
Borrowings	USD	30.00	1,960.20
		(30.00)	(1,968.00)
Trade Payables	USD	0.03	1.96
		(0.01)	(0.33)
Loans	USD	4.57	298.65
		(3.49)	(229.05)
Trade Receivables	USD	0.02	1.31
		(0.02)	(1.31)
Other financial assets	USD	0.23	14.92
		(0.23)	(15.00)

Note: Previous year's figures are shown in brackets above.

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

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 Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in crore)

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2018	5%	(83.08)
March 31, 2017	5%	(86.95)

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2018 and March 31, 2017 excluding trade payables, trade receivables, other non-derivative and derivative financial instruments not forming part of debt and which do not present a material exposure. 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 Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 11,766.13 crore, ₹ 12,987.98 crore, as at March 31, 2018, 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 Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security. Further, the top 5 customers of the Company in the EPC segment contributes to more than 90% of the trade receivables during the year ended March 31, 2018 and March 31, 2017.

With respect to Trade receivables/unbilled revenue, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The following table summarises the changes in the loss allowance measured using ECL:

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Opening balance*	29.01	20.03
Amount provided/ (reversed) during the year	(5.38)	8.98
Closing provision*	23.63	29.01

* Pertains to provision for doubtful receivables and unbilled revenue.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

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

Liquidity risk

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

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

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company'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 years	1 to 5 years	> 5 years	Total
March 31, 2018				
Borrowings	1,604.20	2,546.45	2,730.74	6,881.39
Other financial liabilities	76.27	-	-	76.27
Trade payables	333.48	-	-	333.48
	2,013.96	2,546.45	2,730.74	7,291.14
March 31, 2017				
Borrowings	908.89	2,483.62	2,676.18	6,068.69
Other financial liabilities	148.35	-	-	148.35
Trade payables	219.55	-	-	219.55
	1,276.79	2,483.62	2,676.18	6,436.59

- (i) The above excludes any financial liabilities arising out of financial guarantee contract as detailed in note 36.
- (ii) The above excludes interest and other finance charges to be paid on the borrowings and other financial liabilities, by the Company.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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

38. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company 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 debt securities and strategic partnership with investors.

For the purpose of the Company'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 Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company'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 (refer note 16)	6,774.59	5,967.76
Less: Cash and cash equivalents (refer note 13)	76.15	31.47
Total debts (A)	6,698.44	5,936.29
Capital components		
Equity share capital	603.59	603.59
Other equity	3,990.32	5,913.61
Total Capital (B)	4,593.91	6,517.20
Capital and borrowings C=(A+B)	11,292.35	12,453.49
Gearing ratio (%) D=(A/C)	59.32%	47.67%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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

39. Disclosure as per Part A of Schedule V of securities (listing obligations and disclosures requirements) Regulations, 2015 as regards the loans and inter corporate deposits granted to subsidiaries, fellow subsidiaries, joint ventures, associates and other companies in which the directors are interested.

(₹ in crore)

Name of the entity	Amount outstanding as at		Maximum amount outstanding during the year ended		Investment by loanee in the shares of the parent Company
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
Loans given/ debentures subscribed[^]					
- GEL ¹	-	-	-	3,628.20	Nil
- GMRHL ¹	58.21	304.55	304.55	1,078.19	Nil
- GKSEZ ¹	58.83	76.41	76.41	76.41	Nil
- GCAPL ¹	-	39.35	39.35	39.35	Nil
- GSPHPL ¹	2.89	132.31	132.31	132.31	Nil
- DSPL ¹	-	-	123.17	107.96	Nil
- GIML ¹	267.29	229.05	407.97	355.01	Nil
- KSPL ¹	979.68	1,341.28	1,357.14	1,552.53	Nil
- GGAL ¹	103.99	83.88	303.45	4,321.19	Nil
- GAPL ¹	-	-	-	32.50	Nil
- GBPSPL ¹	18.95	18.95	18.95	18.95	Nil
- RSSL ¹	45.47	-	49.43	-	Nil
- SJK ¹	388.53	-	388.64	-	Nil
- GETL ¹	-	-	58.00	-	Nil
- GIOL ¹	31.36	-	31.36	-	Nil
- GASL ¹	85.16	-	424.82	-	Nil
- GAL ¹	330.43	-	430.00	-	Nil
- GEL ²	-	-	-	867.50	Nil
- GKSEZ ²	14.20	96.25	96.25	96.25	Nil
- GSPHPL ²	259.46	513.96	513.96	513.96	Nil
- DPPL ²	0.86	0.75	0.86	0.75	Nil
- GAPL ²	-	-	-	98.65	Nil

1. Loans given

2. Debentures subscribed

3. The above loans and inter-corporate deposits have been given for business purpose.

4. There are no outstanding debts due from directors or other officers of the Company.

[^] The above balances does not include interest accrued thereon and equity component of loans / debentures given at concessional rates.

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

40. Interest in significant investment in subsidiaries, joint ventures and associates as per Ind AS- 27

S. No.	Name of the entity	Relationship		Ownership interest		Date of Incorporation	Country of Incorporation/ Place of business
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		
1	GEL	Joint venture	Joint venture	14.89%	14.89%	10-Oct-96	India
2	GBHPL	Joint venture	Joint venture	0.98%	0.98%	17-Feb-06	India
3	GEML	Joint venture	Joint venture	5.00%	5.00%	27-Feb-08	Mauritius
4	GETL	Subsidiary	Subsidiary	67.86%	67.86%	29-Jan-08	India
5	GGAL	Subsidiary	Subsidiary	99.99%	97.62%	03-Dec-10	India
6	GPII	Subsidiary	Subsidiary	49.98%	49.98%	25-Feb-11	India
7	GACEPL	Subsidiary	Subsidiary	48.35%	48.35%	14-Jul-05	India
8	GPEL	Subsidiary	Subsidiary	1.50%	1.50%	18-Oct-05	India
11	GMRHL	Subsidiary	Subsidiary	90.26%	100.00%	03-Feb-06	India
12	GHVEPL	Subsidiary	Subsidiary	41.00%	41.00%	11-Jun-09	India
13	GCORRPL	Subsidiary	Subsidiary	41.00%	41.00%	21-Jul-09	India
14	GOSEHHHPL	Associate	Associate	26.00%	26.00%	05-Feb-10	India
15	GKUAEL	Subsidiary	Subsidiary	3.61%	3.61%	24-Nov-11	India
16	GFIAL	Subsidiary	Subsidiary	86.49%	86.49%	12-Jan-05	India
17	GASL	Subsidiary	Subsidiary	100.00%	100.00%	18-Jul-07	India
18	DIAL [200 Equity shares (March 31, 2017 - 200 Equity shares)]	Subsidiary	Subsidiary	0.00%	0.00%	01-Mar-06	India
19	GIDL	Subsidiary	Subsidiary	99.99%	99.99%	28-Mar-17	India
20	GAL	Subsidiary	Subsidiary	100.00%	100.00%	06-Feb-92	India
21	GAPL	Subsidiary	Subsidiary	100.00%	100.00%	22-Dec-06	India
22	GKSEZ	Subsidiary	Subsidiary	100.00%	100.00%	24-Sep-07	India
23	GSPHPL	Subsidiary	Subsidiary	100.00%	100.00%	28-Mar-08	India
24	GCAPL	Subsidiary	Subsidiary	100.00%	100.00%	22-Dec-06	India
25	DSPL	Subsidiary	Subsidiary	100.00%	100.00%	24-Jul-07	India
26	GIML	Subsidiary	Subsidiary	100.00%	100.00%	18-Dec-07	Mauritius
27	GIOL	Subsidiary	Subsidiary	100.00%	100.00%	23-Jun-10	Mauritius
28	GMCAC	Joint venture	Joint venture	1.74%	1.74%	13-Jan-14	Philippines
29	GCRPL [30,000 Equity shares (March 31, 2017 - 30,000 Equity shares)]	Subsidiary	Subsidiary	0.00%	0.00%	04-Jun-10	Singapore
30	GHIAL [1,000 Equity shares (March 31, 2017 - 1,000 Equity shares)]	Subsidiary	Subsidiary	0.00%	0.00%	17-Dec-02	India
31	GMIAL [154 Equity shares (March 31, 2017 - 154 Equity shares)]	Subsidiary	Subsidiary	0.00%	0.00%	09-Aug-10	Maldives

Note:-

1. Disclosure of financial data as per Ind AS - 112 'Disclosure of Interests in Other Entities' has been done based on the audited financial statements for the respective years.
2. The above disclosure made do not include step down subsidiaries, joint ventures and associates and are with respect to subsidiaries, joint ventures and associates existing as at March 31, 2018.

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

41. 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 Company's financial statements are disclosed below. The Company 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:

i) **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 Company 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 Company. Ind AS 115 is effective for the Company in the first quarter of fiscal year 2019 using either one of two methods:

- (i) 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
- (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company 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 Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 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 financial statements will only be possible once the implementation project has been completed.

ii) **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 March 31, 2018, the Company has classified its interest in GOSEHHPL, an associate Company, as held for sale (see note 5), but these amendments are unlikely to affect the Company's financial statements.

iii) **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 1, 2018. These amendments are not expected to have any impact on the Company.

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

42. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally for a period of one year.

(₹ in Crore)

Particulars	March 31, 2018	March 31, 2017
Fair value of foreign currency forward contracts not designated as hedging instruments	0.31	1.57

43. Disclosure in terms of Ind AS 11 - Construction contracts

(₹ in Crore)

Particulars	March 31, 2018	March 31, 2017
Contract revenue recognised during the year	736.13	392.77
Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	3,029.30	2,328.45
Amount of customer advances outstanding for contracts in progress	247.22	389.47
Retention money due from customers for contracts in progress	48.23	12.38
Gross amount due from customers for contract works as an asset (unbilled portion) (net of provision for doubtful debt receivable)	510.21	323.51
Gross amount due to customers for contract works as a liability	-	-

44. The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the IT Act ('regulations') to determine whether the transactions entered during the year ended March 31, 2018, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
45. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.
46. 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 Mr. Srinivasan Sandilya will be removed from the list of disqualified directors and there will not be a material impact on the standalone Ind AS financial statements of the Company.
47. 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

ICAI firm registration number: 101049W / E300004

Chartered Accountants

For and on behalf of the Board of Directors of

GMR Infrastructure Limited

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



GMR INFRASTRUCTURE LIMITED
(CIN: L45203MH1996PLC281138)

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NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of GMR Infrastructure Limited will be held on Friday, September 21, 2018 at 3.00 p.m. at Rangsharda Auditorium, Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra (West), Mumbai - 400050, Maharashtra, India, to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Financial Statements (including consolidated financial statement) of the Company for the Financial Year ended March 31, 2018, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Srinivas Bommidala (DIN: 00061464), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the remuneration payable to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No.000065), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2019, being ₹ 125,000/- (Rupees One Lac Twenty Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses that may be incurred by them in connection with the aforesaid audit, be and is hereby ratified.”
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Vikas Deep Gupta (DIN: 01763472), who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 14, 2017, in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the members of the Company be and is hereby accorded for continuance of Mr. R.S.S.L.N. Bhaskarudu (DIN:00058527), aged 78 years, as a Non- Executive Independent Director of the Company, whose present term of office as per the Companies Act, 2013 is valid upto September 13, 2021 or upto conclusion of 25th AGM of the Company whichever is earlier.”
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the members of the Company be and is hereby accorded for continuance of Mr. N.C. Sarabeswaran (DIN: 00167868), aged 74 years, as a Non- Executive Independent Director of the Company, whose present term of office as per the Companies Act, 2013 is valid upto September 13, 2021 or upto conclusion of 25th AGM of the Company whichever is earlier.”
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder, including any statutory modification(s)

or re-enactment thereof, for the time being in force, the consent of the members of the Company be and is hereby accorded for continuance of Mr. S. Rajagopal (DIN: 00022609), aged 78 years, as a Non- Executive Independent Director of the Company, whose present term of office as per the Companies Act, 2013 is valid upto September 13, 2021 or upto conclusion of 25th AGM of the Company whichever is earlier.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 as amended (the Act) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended, and other applicable rules notified by the Central Government under the Act, the provisions of the Foreign Exchange Management Act, 1999, as amended (the “FEMA”), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended (the “FEMA Regulations”), the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipt Scheme, 2014, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, (“the SEBI ICDR Regulations”), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Rules, Regulations, Guidelines and Circulars, as amended from time to time and in accordance with the uniform listing agreements entered into by the Company with the stock exchanges on which the equity shares having face value of ₹ 1 each of the Company (the Equity Shares) and non-convertible debentures are listed, the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and in accordance with the Rules, Regulations, Guidelines, Notifications, Circulars, and Clarifications issued thereon from time to time by the Government of India (“GoI”), the Reserve Bank of India (“RBI”), and the Securities Exchange Board of India (“SEBI”) and/or any other competent authorities including the Ministry of Finance (Foreign Investment Promotion Board, Department of Economic Affairs), the Ministry of Commerce & Industry (Department of Industrial Policy & Promotion/ Secretariat for Industrial Assistance), whether in India or abroad, and subject to necessary approvals, consents, permissions and / or sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents, authority and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee thereof), the consent, authority and approval of the Company be and is hereby granted to the Board to create, offer, issue and allot (including with provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, such number of Equity Shares, Global Depository Receipts (“GDRs”), American Depository Receipts (“ADRs”), Foreign Currency Convertible Bonds (“FCCBs”) (whether listed or otherwise), fully convertible debentures/partly convertible debentures, non-convertible debentures (“the NCD”) with or without warrants, with a right exercisable by the warrant holder to exchange the said warrant with equity shares and/or any other financial instruments convertible into Equity Shares (including warrants or otherwise) and/or any security convertible into equity shares and/or securities linked to equity shares and/or securities with or without detachable warrant with right exercisable by the warrant holder to convert or subscribe to equity shares (all of which are hereinafter collectively referred to as “Securities”) or any combination of securities, at a later date, in one or more tranches, whether Indian rupee denominated or denominated in one or more foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, of public and/private offering and/or Qualified Institutions Placement (“QIP”) or any combination thereof, through issue of prospectus and/or private placement(s) document or other permissible/requisite offer document, at such time or times, to any eligible person, as permitted under applicable law including qualified institutional buyers, foreign / Indian resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), foreign institutional investors, Indian and / or multilateral financial institutions, foreign portfolio investors, mutual funds, non-resident Indians, stabilizing agents and / or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the “Investors”) whether or not such Investors are members of the Company as may be decided by the Board at its discretion and permitted under applicable laws and regulations, of an aggregate amount up to ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only) or equivalent thereof in one or more foreign currency and / or Indian Rupee, inclusive of such premium as may be fixed on such Securities by offering the Securities, in one or more countries, at such time or times, at such price or prices or premium to market price or prices permitted under the applicable laws in such manner and on such terms and conditions including security, rate of interest, etc., as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency(ies) or equivalent Indian rupees inclusive of such premium, as may be determined by the Board, in any convertible foreign currency, as the Board may at its absolute discretion deem fit and appropriate.

RESOLVED FURTHER THAT if any issue of securities is made by way of QIP in terms of chapter VIII of SEBI ICDR Regulations (hereinafter referred as "eligible securities" within the meaning of SEBI ICDR Regulations) the eligible securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of the shareholders' resolution approving the proposed issue or within such other time as may be allowed by the SEBI ICDR Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such other percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

- a. the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- b. the relevant date for the determination of applicable price for the issue of Securities shall be as per the regulations prescribed by SEBI, RBI, GoI through its various departments or any other regulator and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules / regulations / statutory provisions.

RESOLVED FURTHER THAT the issue to the holders of any Securities with underlying Equity Shares shall be, inter-alia, be subject to the following terms and conditions:

- in the event of the Company making a bonus issue by way of capitalization of its profits or reserves, prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted to the holders of such Securities at the relevant time, shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- in the event of the Company making a rights offer by issue of Equity Shares, prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted to the holders of such Securities at the relevant time may be increased in the same proportion as that of the rights offer and such additional Equity Shares may be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders if so determined by the Board in its absolute discretion; and
- in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board, subject to applicable laws, regulations and guidelines, be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of Investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, redemption period, listing on one or more overseas/domestic stock exchanges, execution of various transaction documents, creation of mortgage/ charge in accordance with Section 180(1)(a) of the Companies Act, 2013, in respect of any Securities as may be required either on pari-passu basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board or Management Committee or any other Committee thereof be and is hereby authorized to engage / appoint the Lead Managers, Legal Advisors, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Escrow Agents,

Paying and Conversion Agents and any other Advisor and all such agencies as may be involved or concerned depending on the nature of the offering of the Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari-passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 42 and 71 of the Act, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Rules, Regulations, Guidelines and Circulars, as amended from time to time, the Memorandum and Articles of Association of the Company and subject to such other approvals as may be required from regulatory authorities from time to time, the consent of the Company, be and is hereby granted to the Board to offer, issue and allot Secured or Unsecured Redeemable Non-convertible Debentures/Bonds in one or more tranches, on private placement basis, on such terms and conditions as the Board of Directors may determine and consider proper and most beneficial to the Company including as to when the said Debentures are to be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto, for an amount upto ₹ 2,500 Crore (Rupees Two thousand Five hundred Crore Only) including the amounts raised through issue of any other Securities.

RESOLVED FURTHER THAT subject to the applicable law, the Board be and is hereby authorized to form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary / other persons authorized by the Board (Authorized Persons) to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise with regard to issue and allotment of Securities including but not limited to:

- a. Approving the offer document and filing the same with any other authority or persons as may be required;
 - b. Approving the specific nature and size of Security (in Indian Rupee or such other foreign currency) to be offered, the issue price, the number of Securities to be allotted, the basis of allocation and allotment of Securities;
 - c. To affix the Common Seal of the Company on any agreement(s) / document(s) as may be required to be executed in connection with the above, in the presence of any Director of the Company or any one of the above Authorized Persons, who shall sign the same in token thereof;
 - d. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities by the Company;
 - e. Opening such bank accounts and demat accounts as may be required for the transaction;
 - f. To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
 - g. To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
 - h. Making applications for listing of the Securities on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and
 - i. To authorize or delegate all or any of the powers hereinabove conferred to any one or more persons, if need be.”
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 62(3), 71 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), read with the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other Rules/ Regulations / Guidelines, if any, prescribed by the Securities and Exchange Board of India (“SEBI”), and the

Reserve Bank of India, etc., and such approvals, permissions, sanctions and consents as may be necessary from the regulatory and other appropriate authorities (including but not limited to the SEBI, Reserve Bank of India, the Government of India, etc.), which may be agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall include any Committee of Directors), the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot unsecured, unrated, unlisted Optionally Convertible Debentures (“OCDs”) for an amount aggregating up to ₹ 402,00,00,000/- (Rupees Four Hundred and Two Crore Only), in one or more tranche(s) to Doosan India Private Limited (formerly known as Doosan Projects India Private Limited)(“Allottee”) on private placement basis on the following terms and conditions:

Type of Debenture	Optionally Convertible Debenture (“OCD”)
Issuer	GMR Infrastructure Limited (“GIL” or “Company”)
Allottee	Doosan India Private Limited (formerly known as Doosan Projects India Private Limited)
Face Value	4 OCDs of face value of ₹ 43,08,02,315/- each 4 OCDs of face value of ₹ 57,41,97,685/- each
Rating & Listing	Unrated and Unlisted
Coupon rate	0%
Facility Amount	₹ 402,00,00,000/- (Rupees Four Hundred and Two Crore Only)
Yield	Zero
Redemption/ repayment	OCDs of face value of ₹ 43,08,02,315/- each shall be redeemable in four equal quarterly instalments commencing from March 31, 2019. Further, OCDs of face value of ₹ 57,41,97,685/- each shall be redeemable in four equal quarterly instalments commencing from March 31, 2020 and ending on December 31, 2020 or such shorter time as may be required under the applicable laws.
Call/ Put option	The Company shall have the right to call for the redemption of OCDs not earlier than 45 days and not later than 30 days from the respective quarterly Redemption Date (being the end date of each quarterly instalment). However, if the Company does not exercise the Call option, the Allottee may exercise the put option not earlier than 30 days and not later than 10 days from the respective quarterly Redemption Date. Further, if neither the Company nor the Allottee exercise the Call / Put Option, as the case may be, then the respective OCDs shall be converted into equity shares of the Company within 15 days of end of the respective quarterly Redemption Date. Further, if the Allottee exercises the Put option and the Company is unable to redeem, then all the outstanding OCDs shall be mandatorily redeemed within 10 days from the end of the quarter in which the Allottee has exercised the Put option.

RESOLVED FURTHER THAT-

- a) The said OCDs shall be convertible into Equity Share of face value of ₹ 1/- (Rupee One Only) each of the Company.
- b) The Equity Shares shall be allotted at a price which would be the higher of the following (“Conversion formula”):
 - i). The average of the weekly high and low of the volume weighted average price of equity shares of the Company quoted on the recognized stock exchange during the 26 weeks preceding the relevant date; and
 - ii). The average of the weekly high and low of the volume weighted average prices of equity shares of the Company quoted on a recognized stock exchange during the 2 weeks preceding the relevant date.
- c) The Relevant Date would be 30 days prior to the date on which the Allottee is entitled to apply for conversion of OCDs (“Relevant Date”).
- d) The Equity Shares to be issued and allotted as a result of conversion of OCDs shall be subject to the provisions of the Memorandum of Association

and Articles of Association of the Company and shall rank pari passu with the then existing Equity Shares of the Company in all respects including that of payment of dividend, if any.

- e) The issue of the Equity Shares shall only be made in dematerialized form and shall, subject to receipt of necessary approvals, be listed and traded on the National Stock Exchange of India Limited and the BSE Limited.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required and to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to issue and allot OCDs and equity shares after conversion, as the case may be, in one or more tranches to the Allottee without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or any other Officer(s) of the Company to give effect to the aforesaid resolution and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including but not limited to making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and/or regulatory authorities to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, and pursuant to any change of law, approval/ sanction of Statutory Authorities, the Board be and is hereby authorized to withdraw / cancel the OCDs at any point of time, subject to lock-in period of 18 months from the date of initial allotment.”

**By order of the Board of Directors
For GMR Infrastructure Limited
Sd/-**

**T. Venkat Ramana
Company Secretary & Compliance Officer**

Place: New Delhi

Date: August 14, 2018

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies, in order to be effective, must be received at the registered office of the Company at Naman Centre, 7th Floor, Opp. Dena Bank, Plot No. C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, not less than forty-eight hours before the commencement of the AGM.

2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to item nos. 3 to 9 and the additional information required to be provided pursuant to Regulation 36 read with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI LODR”) and Secretarial Standard on General Meeting (SS-2) prescribed by Institute of Company Secretaries of India (ICSI), relating to item Nos. 2 and 4 are annexed hereto.
3. Copies of all documents referred to in the notice and explanatory statement annexed thereto are available for inspection at the registered office of the Company between 10.00 a.m. IST to 1.00 p.m. IST on all working days till the date of the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 14, 2018 to Friday, September 21, 2018 (both days inclusive).

5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Karvy Computershare Private Limited is the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for shares held in physical and electronic form. Members holding shares in physical form are requested to dematerialize their shares. Members holding shares in physical mode are requested to intimate changes in their address to Karvy Computershare Private Limited, RTA of the Company located at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. Members holding shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.
7. At the 21st Annual General Meeting of the Company held on September 29, 2017, the members approved appointment of S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W) as Statutory Auditors of the Company to hold office for a period from the conclusion of the 21st Annual General Meeting of the Company till the conclusion of 23rd Annual General Meeting, subject to ratification of their appointment by members at the 22nd Annual General Meeting. The Ministry of Corporate Affairs, vide its notification dated May 7, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 22nd Annual General Meeting.
8. Pursuant to amendment of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transfer of securities held in physical form shall not be processed and any transfer of securities will be possible only in demat mode on or after December 5, 2018 or such other time as may be prescribed by SEBI in this regard. Hence investors are encouraged to demat their physical holding for any further transfer.

Further with reference to the Securities and Exchange Board of India circular (Ref. SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated April 20, 2018) about their direction in updating the details of PAN and bank account of security holders holding securities in physical form, wish to inform that the security holders whose folio(s) have not been updated with PAN and Bank Account details, or where there is any change in the bank account details provided earlier, are required to furnish the details to RTA/ Company for registration /update.
9. As per the provisions of Section 72 of the Companies Act, 2013, nomination facility is available to the members, in respect of equity shares held by them. Nomination forms can be obtained from the RTA.
10. As per Rule 3 of Companies (Management and Administration) Rules, 2014, Register of Members of the Company should have additional details pertaining to e-mail, PAN / CIN, UID, Occupation, Status, Nationality. We request all the Members of the Company to update their details with their respective Depository Participants in case of shares held in electronic form and with the Company's RTA in the case of physical holding, immediately.
11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershare Private Limited (RTA) / Depositories.
12. In terms of Section 125 of the Companies Act, 2013, the Company has transferred the share application money received by the Company for allotment of shares and due for refund remaining unpaid or unclaimed for a period of seven years from the date they became due for payment to the Investor Education and Protection Fund, established by the Central Government.
13. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary, at the Company's Registered Office. Members are requested to note that dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
14. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to send their queries at an early date so that the desired information may be made available at the Meeting.
15. Members or Proxies should bring the attendance slip duly filled in for attending the Meeting.
16. As a measure of austerity, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
17. No compliment or gift of any nature will be distributed at the Meeting.
18. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment Rules, 2015, Secretarial Standard-2 on General Meetings and

Regulation 44 of SEBI LODR, the Company is pleased to provide members with facility to exercise their votes by electronic means through remote e-voting services provided by Karvy Computer share Private Limited (Service Provider) on all resolutions set forth in this Notice. The facility for voting will also be made available at the meeting, to the Members attending the AGM and who have not already cast their votes by remote e-voting. Such Members shall be able to exercise their right at the AGM through e -voting. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM, but shall not be entitled to cast their votes again.

The instructions and other information relating to remote e-voting are as under:

The procedure for remote e-voting is as below:

(i) In case of Members receiving e-mail from Karvy Computershare Private Limited:

- a) Open your web browser during the voting period and navigate to ‘https://evoting.karvy.com’.
- b) Enter the login credentials i.e. User ID and Password mentioned below this communication. Your Folio No. / DP ID-Client ID will be your User ID.

User - ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 character DP ID followed by 8 digits Client ID b) For CDSL :- 16 digits Beneficiary ID For Members holding shares in physical form :- • Event Number followed by Folio Number registered with the Company
Password	In case of members who have not registered their email addresses, their User-Id and Password is printed below.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- c) After entering the details appropriately, Click on “LOGIN”.
- d) You will now reach Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the “EVENT” i.e., GMR Infrastructure Limited.
- g) On the voting page, the number of shares as held by the members as on the Cut-off date will appear. If you desire to cast all the vote assenting/dissenting to the resolution, then enter all shares and click “FOR/AGAINST” as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/ AGAINST” taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN in case you wish to abstain from voting. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- h) Members holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
- i) You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- j) Institutional Members (i.e., other than Individuals, HUF, NRI, etc.,) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinize through e-mail ID: sree@sreedharancs.com with a copy marked to evoting@karvy.com.
- k) Once you have cast your vote on resolution, you will not be allowed to modify it subsequently.

- l) The facility for e-voting, other than remote e-voting, shall also be made available at the venue of AGM. Members attending the AGM and who have already not cast their vote by remote e-voting will only be able to exercise their right to vote at the AGM through e voting. However, this facility shall be operational till all the resolutions are considered and voted upon in the meeting.
- m) The remote e-voting period commences on September 18, 2018 at 9.00 a.m. IST and ends on September 20, 2018 at 5.00 p.m. IST (both days inclusive). During this period, the Members of the Company holding shares in physical form or in dematerialized form, may cast their votes by remote e-voting in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, being Friday, September 14, 2018 will be entitled to cast their votes by remote e-voting.
- n) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting i.e., Friday, September 14, 2018 he/she may write to Karvy on the e-mail id evoting@karvy.com requesting for the User ID and Password. However, Karvy shall endeavour to send User ID and Password to those new Members whose e-mail ids are available.

ii) In case of Members receiving physical copy of the Notice of AGM by Post (for Members whose e-mail addresses are not registered with the Company/Depositories):

- (i) Initial Password is provided as below / at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (a) to (j) of (i) above, to cast vote.
- o) In case of any query pertaining to e-voting, please visit Help & Frequently Asked Questions (FAQ's) for members and e-voting User Manual for members available at the download section of <https://evoting.karvy.com> (Karvy's website) or contact Karvy Computershare Private Limited at 1800 345 4001 (Toll free).
- p) It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- q) The results of voting (remote e-voting and e-voting) will be announced by the Company on its website and the same shall also be informed to the Stock Exchanges.

Other Instructions

1. Mr. V. Sreedharan, (Membership No. FCS 2347) Practicing Company Secretary has been appointed as the Scrutinizer for conducting the remote e-voting, and e-voting process (in a fair and transparent manner).
2. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, there after unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company. Further, the Scrutinizer shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same in compliance of Rule 20 of Companies (Management and Administration) Rules, 2014 (including amendments made thereto) read with Regulation 44 of SEBI LODR.
3. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
4. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at www.gmrgroup.in and on Service Provider's website at <https://evoting.karvy.com> immediately after the result is declared by the Chairman or by person authorized by him and communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**Item No. 3**

The Board of Directors of the Company at its meeting held on August 14, 2018, on recommendation of the Audit Committee, approved the appointment of and remuneration payable to M/s Rao, Murthy & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2019 as set out in the resolution, for the services rendered / to be rendered by the Cost Auditor.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are concerned or interested in the resolution set out in Item No. 3.

The Board recommends passing of the resolution set out in Item No. 3 as an Ordinary Resolution.

Item No. 4

Mr. Vikas Deep Gupta was appointed as an Additional Director with effect from November 14, 2017, in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 119 of the Articles of Association of the Company, to hold office up to the date of ensuing Annual General Meeting.

In this regard, the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Vikas Deep Gupta for appointment as Director of the Company liable to retire by rotation.

The brief resume and other details of Mr. Vikas Deep Gupta, pursuant to SEBI LODR and SS-2 are furnished in annexure to the notice.

The Board views the presence of Mr. Vikas Deep Gupta on the Board as desirable and beneficial to the Company and hence recommends resolution No. 4 for approval as an Ordinary Resolution.

Except Mr. Vikas Deep Gupta, being appointee, none of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives, are concerned or interested, financially or otherwise, in the resolution set out in Item No. 4.

Item No. 5 to 7

Pursuant to the Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall continue the directorship of any person as a non-executive director who has attained the age of seventy five years with the approval of shareholders by way of special resolution.

The Members of the Company had approved the re-appointment of Mr. R.S.S.L.N. Bhaskarudu, Mr. N.C. Sarabeswaran and Mr. S. Rajagopal (hereinafter referred to as the "said directors") as Independent Director(s) at the 20th Annual General Meeting of the Company to hold office for a term of 5 years or upto the conclusion of the 25th Annual General Meeting of the Company whichever is earlier.

The said directors have attained / are attaining the age of 75 years during their current term of appointment. The Board of Directors is of the opinion that Mr. R.S.S.L.N. Bhaskarudu, Mr. N.C. Sarabeswaran and Mr. S. Rajagopal are persons of integrity, possess relevant expertise and vast experience and their association as Non-Executive Independent Directors will be beneficial and in the best interest of the Company. Their presence on the Board of the Company adds value to the Board. Further, their association supports a good balance in the composition of the Board.

The Nomination and Remuneration Committee at its meeting held on August 14, 2018 has recommended the continuation of the said Directors, as Independent Directors during the current unexpired term of appointment.

The Board of Directors of the Company at its meeting held on August 14, 2018 accorded its consent to the continuation of the said Directors and recommends to the Members for their approval at the ensuing Annual General Meeting.

In Compliance with the provisions of Section 17(1A) of SEBI LODR, the resolutions for the approval for continuation of said directors beyond the age of 75 years upto the unexpired tenure of their current term of appointment are being placed before the members for their approval.

Except the said Directors, being respective appointees, none of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives, are concerned or interested, financially or otherwise, in the resolutions set out in Item Nos. 5 to 7.

The Board recommends passing of the resolutions set out in Item Nos. 5 to 7 as Special Resolution.

Item No. 8

The Special Resolution proposed is an enabling resolution to facilitate the continuing efforts to reduce the debts of the Company and its subsidiaries or other entities in the group and to meet the capital expenditure needs of the ongoing projects of the Company, its subsidiaries, associates etc., and to meet any exigencies including pursuing new opportunities, etc. As the Company has done in the past, it is proposed to create, offer, follow on offer, issue and allot Equity shares, GDRs, ADRs, FCCBs, equity linked instruments, debentures and such other securities as stated in the resolution (the "Securities") at such price or prices, at premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupee inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board may at its absolute discretion deem fit and appropriate.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers ("QIBs") as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be amended from time to time ("the SEBI ICDR Regulations"). The Board of Directors, may in its discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations in order to facilitate and meet its capital expenditure needs of the ongoing projects of the Company, its subsidiaries, associates etc., and to meet any exigencies including pursuing new opportunities, etc., without the need for fresh approval from the shareholders. The pricing of the Securities to be issued to QIBs pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI ICDR Regulations. The Company may, in accordance with applicable laws, offer a discount of not more than 5% or such other percentage as permitted under applicable law to the price determined pursuant to the SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board or the Committee thereof decides to open the QIP for subscription.

The Company therefore seeks a fresh approval which will enable the Company to meet its fund requirements as and when required, by providing an option to the Board of Directors to decide the type and manner of securities to be offered, in the best interests of the Company.

The Special Resolution seeks to give the Board the powers to issue any of the Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board may in its absolute discretion deem fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue / allotment / conversion would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations").

Section 62(1)(c) of the Companies Act, 2013 and the relevant regulations of the SEBI LODR Regulations provides, inter-alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company unless the shareholders in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the SEBI LODR Regulations.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. The Company with this resolution intends to retain the right and flexibility to undertake any of the following activities; namely issue of GDRs, ADRs, FCCBs, QIPs, Equity linked instruments, Non-Convertible debentures and other securities upto ₹ 2,500 Crore.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives is concerned or interested in the aforesaid resolution.

The Board recommends passing of the resolution set out in Item No. 8 as a Special Resolution.

Item No. 9

The Special Resolution is proposed to restructure a liability of the Company. An existing potential liability of the Company (being a liability of one of the subsidiary of the Company, assumed by the Company), to a tune of ₹ 402,00,00,000/- (Rupees Four Hundred and Two Crore Only) towards Doosan India Private Limited (formerly known as Doosan Projects India Private Limited) is proposed to be converted into Unsecured, Unlisted, Unrated Optionally Convertible Debentures (hereinafter referred to as "OCDs"). Therefore, the Company proposes to create, offer and allot OCDs Doosan India Private Limited for an amount aggregating to ₹ 402,00,00,000/- (Rupees Four Hundred and Two Crore Only) in one or more tranche(s).

The proposed OCDs is beneficial and in the interests of the Company as it allows an additional period of over 2 years without any additional interest cost to settle the aforesaid liability.

In terms of Section 62(3) read with Section 71 Companies Act, 2013 and other applicable provisions consent of the shareholders is being sought to create, allot and issue OCDs by way of Special Resolution.

The Special Resolution seeks to empower the Board to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required and to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions at its absolute discretion that may be deemed fit and appropriate for the resolution.

The Special Resolution also seeks the approval of the shareholders for the issue of equity shares in the event the Call / Put option not being exercised either by Company or Doosan India Private Limited, as the case may be and for the conversion formula in the event of conversion of OCDs into equity shares of the Company.

The OCDs so allotted shall be unlisted, however, the equity shares arising out of conversion of any such OCDs shall be listed subject to requisite approvals from the SEBI, Stock exchanges and other appropriate authorities.

The Board of Directors of the Company, at its meeting held on August 14, 2018, has approved issuance of OCDs for an amount aggregating to ₹ 402,00,00,000/- (Rupees Four Hundred and Two Crore Only) in one or more tranche(s) in accordance with the applicable provisions of the Act and other applicable laws and subject to approval of the Members, on the terms and conditions as per the resolution.

The Board recommends the resolution with respect to the issuance of OCDs for an amount aggregating upto ₹ 402,00,00,000/- (Rupees Four Hundred and Two Crore Only) on private placement basis for approval of the Members.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution, except to the extent of their shareholding in the Company, if any.

The Board recommends passing of the resolution set out in Item No. 9 as a Special Resolution.

**By order of the Board of Directors
For GMR Infrastructure Limited**

Sd/-

**T. Venkat Ramana
Company Secretary & Compliance Officer**

Place: New Delhi

Date: August 14, 2018

Annexure

Details of director seeking appointment / reappointment at the 22nd Annual General Meeting to be held on September 21, 2018, pursuant to SEBI (LODR) Regulations and SS-2, as on March 31, 2018:

Name of the Director	Mr. Srinivas Bommidala	Mr. Vikas Deep Gupta
Director Identification Number (DIN)	00061464	01763472
Age	55 years	41 Years
Qualification	B.Com	B.Tech. from Punjab Technical University and MBA from IIM, Kolkata
Brief resume of the Director and other details viz. experience/ expertise	<p>Mr. Srinivas Bommidala, a Group Director, is one of the first directors of the Company. He has been a member of the Board since 1996. He entered his family tobacco export business in 1982 and subsequently led the diversification into new businesses such as aerated water bottling plants, etc., and was also in charge of international marketing and management of the organisation. Subsequently, he led the team as the Managing Director of GMR Power Corporation Limited for setting up the first independent power project. This project with slow speed diesel technology is the world's largest diesel engine power plant under one roof situated at Chennai in the southern part of India. He was also instrumental in implementing the combined cycle gas turbine power project in Andhra Pradesh. When the Government decided to modernise and restructure Delhi Airport under a public private partnership scheme in 2006, he became the first Managing Director of this venture and successfully handled the transition process from a public owned entity to a public private partnership enterprise. He is currently the Chairman of the energy business.</p>	<p>Mr. Vikas Deep Gupta is Partner, Corporate Finance Group of Piramal Finance Limited. He has over 14 years of experience in the field of Structured Credit and Investment Banking having worked with some of the leading financial services firms like IDFC Capital, MAPE Advisory Group, ICICI Securities.</p> <p>Mr. Gupta joined the Piramal Group in 2013 and presently heads in Piramal Finance Limited, the 'Corporate Finance Group' which is a sector agnostic fund which offers capital across the risk curve including senior debt, acquisition finance, promoter finance, private equity exits and mezzanine funding.</p>
Date of first appointment on the Board	Appointed as one of the first directors since incorporation i.e., May 10, 1996.	November 14, 2017 as an Additional Director.
Shareholding in the Company	4,51,660 equity shares (including shares held as Karta of HUF)	Nil
Directorships and Committee memberships held in other companies	Given hereunder as (a)	Given hereunder as (b)
Inter-se relationships between - Directors - Key Managerial Personnel (KMP)	<p>Mr. Srinivas Bommidala is the son-in-law of Mr. G. M. Rao, brother-in-law of Mr. G. B. S. Raju and Mr. Grandhi Kiran Kumar.</p> <p>There is no other inter-se relationship with other directors and KMP of the Company.</p>	There is no inter-se relationship with other directors and KMP of the Company.
Number of Board Meetings attended during the year 2017-18	Four (4)	Two (2)
Details of remuneration last drawn (₹)	Nil	Nil
Terms and conditions of appointment along with remuneration sought to be paid	Director (non-executive) liable to retire by rotation and governed by the Code of Conduct for the Directors.	Director (non-executive) liable to retire by rotation and governed by the Code of Conduct for the Directors.

(a) Names of entities in which Mr. Srinivas Bommidala holds directorship and the membership of Committees of the Board

S. No.	Name of Companies (Directorship)*	Membership of Committees of the Board
1.	Bommidala Exports Private Limited	Nil
2.	Bommidala Tobacco Exporters Private Limited	Nil
3.	GMR Infrastructure Limited	Management Committee Debenture Allotment Committee
4.	GMR Varalakshmi Foundation	Nil
5.	Delhi International Airport Limited	Nil
6.	GMR Hyderabad International Airport Limited	Nil
7.	GMR Sports Private Limited	Nil
8.	BSR Holdings Private Limited	Nil
9.	GMR Airports Limited	Corporate Social Responsibility Committee
10.	AMG Healthcare Destination Private Limited	Audit Committee
11.	Delhi Duty Free Services Private Limited	Nil
12.	GMR Goa International Airport Limited	Nomination and Remuneration Committee
13.	GMR Enterprises Private Limited	Nomination and Remuneration Committee
14.	Bommidala Tobacco Threshers Private Limited (under the process of Striking off)	Nil
15.	GMR Energy Limited	Nil
16.	GMR Kamalanga Energy Limited	Management Committee
17.	GMR Warora Energy Limited	Nil

*Foreign entities not considered.

(b) Names of entities in which Mr. Vikas Deep Gupta holds directorship and the membership of Committees of the Board

S. No.	Name of Companies (Directorship)*	Membership of Committees of the Board
1.	GMR Infrastructure Limited	Nil
2.	Essel Green Energy Private Limited	Nil
3.	Atria Brindavan Power Private Limited	Nil
4.	Apollo Logisolutions Limited	Nil
5.	Acme Cleantech Solutions Private Limited	Nil
6.	Mytrah Energy (India) Private Limited	Nil
7.	International Cargo Terminals and Infrastructure Private Limited	Nil

*Foreign entities not considered.



GMR INFRASTRUCTURE LIMITED
(CIN: L45203MH1996PLC281138)

Regd. Office: Naman Centre, 7th Floor, Opp. Dena Bank, Plot No. C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India.
Ph: +91 22 4202 8000 Fax: +91 22 4202 8004 Web: www.gmrgroup.in E-mail: Gil.Cosecy@gmrgroup.in

Form MGT-11
PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s):	E-mail Id:
Registered address:	Folio No/Client Id*:
	DP ID*:

I / We being the members of shares of GMR Infrastructure Limited, hereby appoint:

- 1) of having e-mail id or failing him
- 2) of having e-mail id or failing him
- 3) of having e-mail id

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 22nd Annual General Meeting of the Company to be held on Friday, September 21, 2018 at 3.00 p.m. at Rangsharda Auditorium, Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai - 400050, Maharashtra, India and / or at any adjournment thereof.

** I / We direct my / our proxy to vote on the resolution(s) in the manner as indicated below:

Sl. No.	Resolutions	For	Against
1.	Adoption of Audited financial statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2018, and the Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Srinivas Bommidala as Director who retires by rotation.		
3.	Ratification of remuneration to Cost Auditor for the financial year ending March 31, 2019.		
4.	Appointment of Mr. Vikas Deep Gupta as a Director of the Company.		
5.	Approval for continuation of Mr. R.S.S.L.N. Bhaskarudu as a Non- Executive Independent Director of the Company beyond the age of 75 years.		
6.	Approval for continuation of Mr. N.C. Sarabeswaran as a Non- Executive Independent Director of the Company beyond the age of 75 years.		
7.	Approval for continuation of Mr. S. Rajagopal as a Non- Executive Independent Director of the Company beyond the age of 75 years.		
8.	Approval for issue and allotment of securities, for an amount upto ₹ 2,500 Crore in one or more tranches.		
9.	Approval for issue and allotment of Optionally Convertible Debentures.		

Signed this day of 2018

.....
Signature of Shareholder

Affix
Revenue
Stamp

.....
Signature of first Proxy holder

.....
Signature of second Proxy holder

.....
Signature of third Proxy holder

NOTES:

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The proxy form should be deposited at least 48 hours before the commencement of the meeting at the registered office of the Company.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
6. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
7. In case a member wishes his / her votes to be used differently, he / she should indicate the number of shares under the column "For" or "Against" as appropriate.
- * Applicable for the members holding shares in electronic form.
- ** This is optional. Please put a tick mark (✓) in the appropriate column against the Resolutions indicated in the Box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate.



GMR INFRASTRUCTURE LIMITED
(CIN: L45203MH1996PLC281138)

Regd. Office: Naman Centre, 7th Floor, Opp. Dena Bank, Plot No. C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India.
Ph: +91 22 4202 8000 Fax: +91 22 4202 8004 Web: www.gmrgroup.in E-mail: Gil.Cosecy@gmrgroup.in

ATTENDANCE SLIP

(22nd Annual General Meeting to be held on Friday, September 21, 2018)

Name of the Member: *DP ID :

Regd. Folio No.: *Client ID :

No. of shares held:

Note: Member / Proxy must hand over the duly signed attendance slip at the venue.

*Applicable for the members holding shares in electronic form.

.....
Signature of the Member / Proxy





GMR INFRASTRUCTURE LIMITED

(CIN: L45203MH1996PLC281138)

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Ph: +91 22 4202 8000 Fax: +91 22 4202 8004 Web: www.gmrgroup.in E-mail: Gil.Cosecy@gmrgroup.in

SHAREHOLDERS' FEEDBACK FORM

It is our constant endeavor to provide best possible services to our valuable Shareholders. We seek your feedback on the services provided by the Company.

Please spare your valuable time to fill the questionnaire given below and send it back to the Company Secretary at the Registered Office address mentioned above, to serve you better.

You may also fill the feedback form online, which is available on the website of the Company www.gmrgroup.in.

Name of the Shareholder: DP ID :

Address:.....

Regd. Folio No.: Client ID

No. of shares held: Signature of the Shareholder:

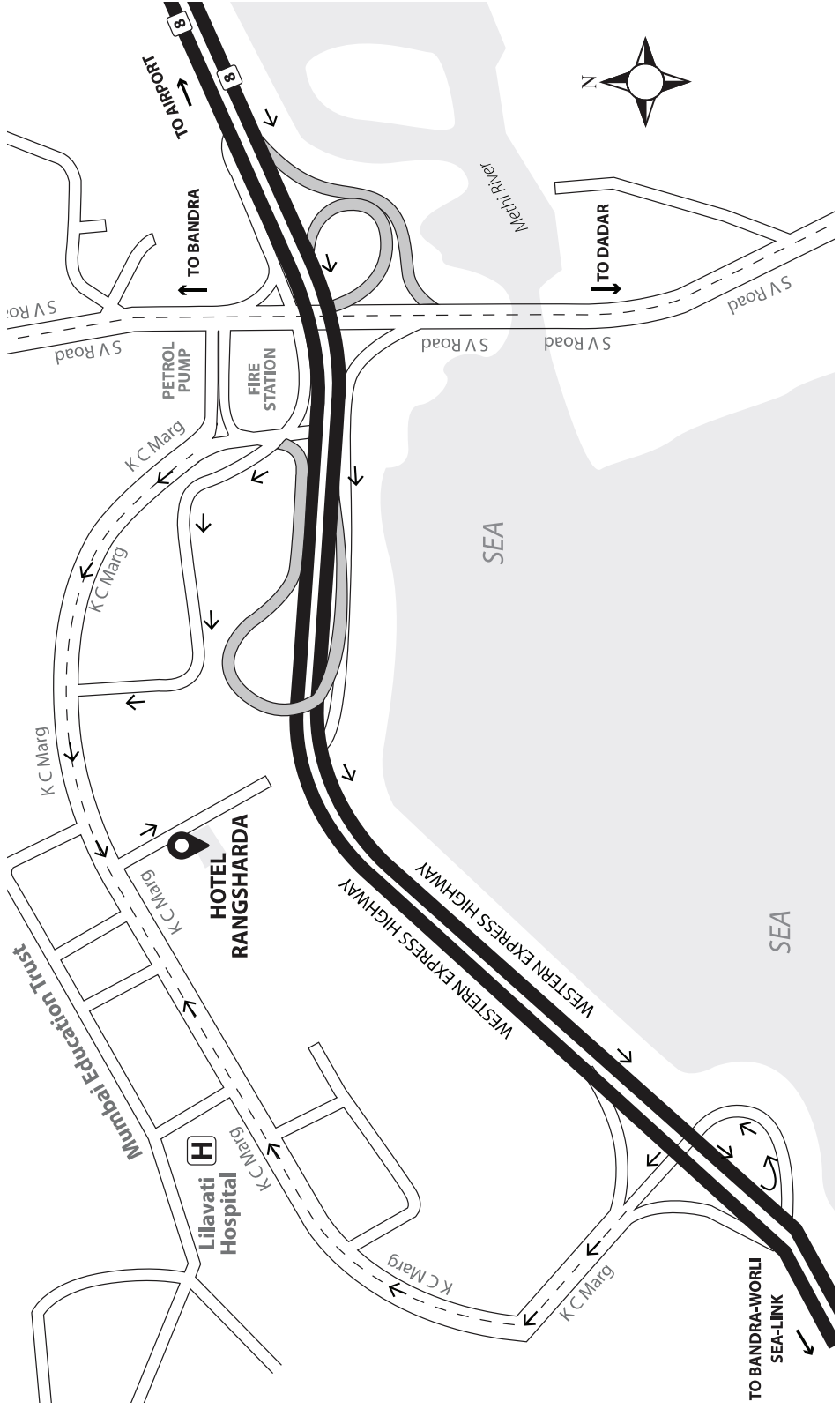
Kindly rate on a five point scale (5 = excellent, 4 = very good, 3 = good, 2 = satisfactory, 1 = needs improvement)

	5	4	3	2	1
Quality and contents of Financial and Non-Financial information in the Annual Report					
Information provided on the website of the Company					
Speed and quality of the responses to your queries / complaints					
Services provided by our Registrar and Share Transfer Agent, Karvy Computershare Private Limited					
Overall rating of investor services					

Your comments and suggestions, if any
.....
.....
.....
.....

Venue Map

Rangsharda Auditorium, Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra (West), Mumbai - 400050, Maharashtra, India



Note

Lined area for taking notes, consisting of 25 horizontal lines.





Airports



Energy



Transportation



Urban Infra



Foundation

GMR INFRASTRUCTURE LIMITED

REGISTERED OFFICE:

Naman Centre, 7th Floor, Opp. Dena Bank, Plot No. C-31
G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India

www.gmrgroup.in