



15th November, 2018

Bombay Stock Exchange Limited
PJ Towers
Dalal street
Mumbai 400 001

National Stock Exchange of India
Limited
Exchange Plaza, Bandra Kurla Complex
Ex bandra East
Mumbai 400 051

Dear Sirs,

Sub: Annual Report of GVK Power & Infrastructure Ltd for the FY 2017-18.

Ref: Compliance under Regulation 34(1) of SEBI (LODR) Regulations 2015

With reference to above please find attached Annual Report for the financial year 2017-18 as required under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records

Thanks & regards,

For GVK Power & Infrastructure Ltd

P V Rama Seshu
AVP & Company Secretary



Statement on impact of audit qualification for the year ended March 31, 2018 (Standalone Financials)
Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016

Sl. No.	Particulars	Audited figures (as reported before adjusting for qualification)	Adjusted figures (Audited figures after adjusting for qualification)
1	Turnover/ total income	9,214	NA
2	Total expenditure	11,686	NA
3	Net profit/(loss)	(3,608)	NA
4	Earnings per share	(0.23)	NA
5	Total assets	2,45,506	NA
6	Total liabilities	72,397	NA
7	Net worth	1,73,109	NA

II Audit qualification

a. Details of Audit Qualification:

Basis for Qualified Opinion

We draw your attention to note 7 of the Statement with regard to multiple material uncertainties being faced by certain subsidiaries and a jointly controlled entity of GVK Energy Limited, a jointly controlled entity of the Company, in relation to non-availability of fuel, outstanding application for increasing tariff including on account of approval of additional capital cost, unconcluded discussions/applications in relation to one time settlement proposals, compensation in relation to deallocated coal mine etc. Pending resolutions of these uncertainties, we are unable to comment on the extent of eventual recoverability of the investment and loans in such jointly controlled entity aggregating to Rs. 112,643 lakhs and the provisions if any, required for the corporate guarantee given to the jointly controlled entity amounting to Rs. 10,298 lakhs. The impact of adjustments, if any, on the statement is presently not ascertainable.

- | | |
|---|-------------------|
| b. Type of Audit Qualification : | Qualified opinion |
| c. Frequency of Qualification : | First time |
| d. For Audit Qualification where the impact is quantified by the Auditor, management's view | Not applicable |
| e. For Audit Qualification where the impact is not quantified by the Auditor: | |

(i). Management's estimation on the impact of audit qualification

Not applicable, refer response in point (ii) above

(ii) If management is unable to estimate the impact, reasons for the same:

The Company has investments in and has given loans to GVK Energy Limited, a jointly controlled entity, amounting to Rs. 112,643 Lakhs and has also given financial guarantees (Outstanding balance: Rs. 10,298 lakhs) to the above mentioned jointly controlled entity. Projects under the jointly controlled entity are currently facing uncertainties in relation to availability of fuel (Gas/ coal), deallocation of coal mines, pending capital costs approval for final tariff determination of power projects due to which these companies are incurring losses and have also defaulted in repayment of loans. Management is in the process of negotiating the terms with lenders for restructuring of loan accounts, one time settlements, and is also negotiating with the regulatory authorities for approval of additional capital costs. Management is confident that it will be able to settle the matters amicably and will be able to achieve final tariff approvals with retrospective effect and will be ultimately able to achieve profitable operations. However pending resolution of the above uncertainties currently the impact of the same is unascertainable.

(iii) Auditors comments on (i) or (ii) above:

Since multiple material uncertainties are being faced by power projects such as non-availability of fuel, outstanding application for increase in tariff including on account of approval of additional capital cost, unconcluded discussions/applications in relation to one time settlement proposals, compensation in relation to deallocated coal mine etc. Pending resolutions of these uncertainties we are unable to comment on the extent of eventual recoverability of the investment and loans in the jointly controlled entity. The impact of adjustments, if any, on the Standalone Ind AS financial statements is presently not ascertainable.

III Signatories

Chairman

Dr. GVK Reddy

CFO

Mr. Issac George

Audit Committee chairman

Mr. Ch G Krishna Murthy

Statutory auditor

Mr. N.K. Varadarajan

Price Waterhouse Chartered Accountants LLP



Place: Hyderabad
Date: May 23, 2018

Statement on impact of audit qualification for the year ended March 31, 2018 (Consolidated Financials)^o
Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016

I	Sl. No.	Particulars	Audited figures (as reported before adjusting for qualification)	Adjusted figures (Audited figures after adjusting for qualification)
	1	Turnover/ total income	4,86,743	NA
	2	Total expenditure	4,67,474	NA
	3	Net profit/(loss)	(53,737)	NA
	4	Earnings per share	(3.56)	NA
	5	Total assets	20,27,185	NA
	6	Total liabilities (including amounts attributable to Non controlling interests)	21,11,311	NA
	7	Net worth	(84,126)	NA

II Audit qualification

a. Details of Audit Qualification:

Basis for Qualified Opinion

We draw your attention to the following qualifications to the audit opinion on the consolidated financial statements of GVK Energy Limited, a joint venture of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated May 21, 2018 reproduced by us as under:

i. As discussed more fully in note* to the accompanying consolidated Ind AS financial statements the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Company Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, the aforesaid subsidiary has submitted its claim for an amount of Rs. 19,882 lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Pending approval from the adjudicating authority, we are unable to comment upon the recoverability of assets with carrying value of Rs. 19,882 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.

ii. As discussed more fully in note* to the accompanying consolidated Ind AS financial statements, regarding the uncertainties faced by gas based power plants of one of the subsidiary company and a jointly controlled entity towards supplies/availability of fuel, recovery of capacity charges and approval of one time settlement proposal with lenders. Pending resolution of these uncertainties/approvals, we are unable to comment upon the recoverability of assets with carrying value of Rs. 59,304 lakhs and the provisions if any, required for the corporate guarantee given to the jointly controlled entity, together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.

iii. As discussed more fully in note * to the accompanying consolidated Ind AS financial statements, regarding the uncertainties faced by coal based power plant of one of the subsidiary company towards approval of resolution plan with lenders and determination of final tariff. Pending resolution of these uncertainties/approvals, we are unable to comment upon the recoverability of assets with carrying value of Rs. 417,818 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.

*Note as described above is reproduced as note 7a, 7b, 7c to the consolidated statement.

In light of the above, (also refer to para 7(a) below), we are unable to comment on the extent of eventual recoverability of the investment in and loans to such jointly controlled entity aggregating to Rs. 36,460 lakhs as disclosed under "loans" after recording Groups share of losses and the provisions if any, required for the corporate guarantee given to the jointly controlled entity amounting to Rs. 10,298 lakhs as at March 31, 2018. The impact of this matter on the statement is presently not ascertainable.

- | | |
|---|---|
| b. Type of Audit Qualification : | Qualified opinion |
| c. Frequency of Qualification : | II(a)(i) - Continuing since financial year 2014-15
II(a)(ii) & II(a)(iii) - First time |
| d. For Audit Qualification where the impact is quantified by the Auditor, management's view | Not applicable |

e. For Audit Qualification where the impact is not quantified by the Auditor:

(i). Management's estimation on the impact of audit qualification

Not applicable, refer response in point (ii) below

(ii) If management is unable to estimate the impact, reasons for the same:

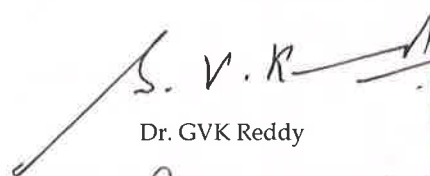
The Company has investments in and has given loans to GVK Energy Limited, a jointly controlled entity, amounting to Rs 36,460 Lakhs and has also given financial guarantees (Outstanding balance: Rs. 10,298 lakhs) to the above mentioned jointly controlled entity. Projects under the jointly controlled entity are currently facing uncertainties in relation to availability of fuel (Gas/ coal), deallocation of coal mines, pending capital costs approval for final tariff determination of power projects due to which these companies are incurring losses and have also defaulted in repayment of loans. Management is in the process of negotiating the terms with lenders for restructuring of loan accounts, one time settlements, and is also negotiating with the regulatory authorities for approval of additional capital costs. Management is confident that it will be able to settle the matters amicably and will be able to achieve final tariff approvals with retrospective effect and will be ultimately able to achieve profitable operations. However pending resolution of the above uncertainties currently the impact of the same is unascertainable.

(iii) Auditors comments on (i) or (ii) above:

Since multiple material uncertainties are being faced by power projects such as non-availability of fuel, outstanding application for increase in tariff including on account of approval of additional capital cost, unconcluded discussions/applications in relation to one time settlement proposals, compensation in relation to deallocated coal mine etc. Pending resolutions of these uncertainties we are unable to comment on the extent of eventual recoverability of the investment and loans in the jointly controlled entity. The impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.

III Signatories

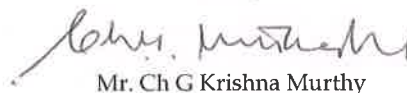
Chairman


Dr. GVK Reddy

CFO

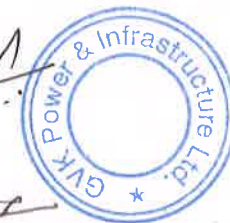

Mr. Issac George

Audit Committee chairman


Mr. Ch G Krishna Murthy

Statutory auditor


Mr. N.K. Varadarajan
Price Waterhouse Chartered Accountants LLP

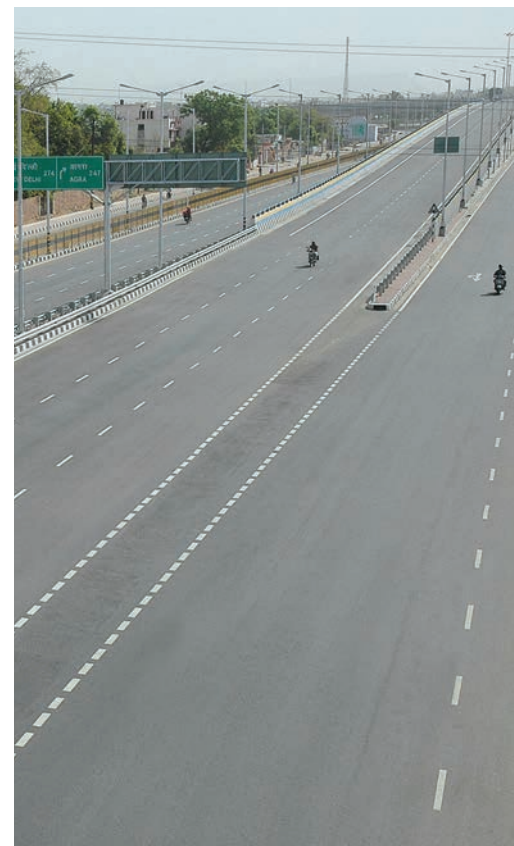


Place: Hyderabad
Date: May 23, 2018



GVK POWER & INFRASTRUCTURE LIMITED

24TH ANNUAL REPORT 2017 - 18





T2, MIAL, Mumbai



T2, MIAL, Mumbai

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Shareholders attention is invited to the Notification No: SEBI/LAD-NRO/ GN/2018/24 dated 8th June, 2018 issued by the Securities and Exchange Board of India (SEBI) prohibiting the transfer of securities (except for transmission or transposition) in physical form, by every listed company, with effect from December 5, 2018. Accordingly, no such requests will therefore be processed / entertained by the Company or our Share Transfer Agents (Karvy) after that date. All such shareholders holding their securities in physical form shall mandatorily convert into Demat form.

In support of the green initiatives of the Central Government and also to save trees, we sincerely urge and request the shareholders to compulsorily register their E-mail ID (as per the form provided in page no. 205) with the Company/RTA. Please join us in this endeavour to reduce the usage of paper.

SAVE PAPER . . . SAVE TREES . . .

Corporate Information

Board of Directors

Dr. GVK Reddy	Chairman (non-executive)
G V Sanjay Reddy	Vice Chairman
P V Prasanna Reddy	Whole-time Director (w.e.f 11.11.2017)
Krishna R Bhupal	Director
A Issac George	Director & CFO
Ch G Krishna Murthy	Independent Director
S Balasubramanian	Independent Director
S Anwar	Independent Director
K Balarama Reddi	Independent Director
Santha K John	Independent Director
P V Rama Seshu	AVP & Company Secretary

Committees of the Board

Audit Committee

Ch G Krishna Murthy	Chairman
S Balasubramanian	
K Balarama Reddi	

Nomination and Remuneration Committee

S Anwar	Chairman
K Balarama Reddi	
Ch G Krishna Murthy	

Stakeholders Relationship Committee

Ch G Krishna Murthy	Chairman
A Issac George	
S Anwar	

Corporate Social Responsibility Committee

G V Sanjay Reddy	Chairman
K Balarama Reddi	
Ch G Krishna Murthy	

Statutory Auditors

Price Waterhouse Chartered Accountants, LLP
Plot No:77/A,8-2-624/A/1,
3rd Floor, Road No.10,
Banjara Hills, Hyderabad – 500 034

Secretarial Auditor

Narender & Associates
Company Secretaries
403, Naina Residency, Srinivasa Nagar(East)
Ameerpet, Hyderabad – 500 038

Registered & Corporate Office**Registrar & Share Transfer Agents**

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Internal Auditors

Rambabu & Co
Chartered Accountants
H.O.: 31, Pancom Chambers
Rajbhavan Road, Hyderabad - 500 082

“Paigah House” 156-159
Sardar Patel Road
Secunderabad – 500 003

Stock Code

BSE : 532708
NSE : GVKPIL

ISIN

INE251H01024

CIN

L74999AP2005PLC059013

Financials at a glance

(Rs. Lakhs)

	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Financial Performance				
Operational Incomes	1,654	2,816	386,321	351,647
EBIDTA	(7,658)	(25,767)	155,615	115,632
Other Income	7,560	5,151	100,422	53,266
Finance Costs	2,361	5,176	164,308	189,037
Depreciation	13	13	72,460	66,867
Profit / (Loss) from ordinary activities	(2,472)	(25,805)	19,269	(87,006)
Share of profit of associate		-	1,452	23,464
Share of loss of jointly controlled entity		-	(58,301)	(65,094)
Loss before tax	(2,472)	(25,805)	(37,580)	(128,636)
Tax expense/(credit)	1,136	1,296	16,157	5,727
Non - controlling interest		-	2,430	(4,135)
Loss for the year	(3,608)	(27,101)	(56,167)	(130,228)
Other comprehensive income, net	-	(1)	360	(287)
Total comprehensive income	(3,608)	(27,102)	(55,807)	(130,515)
EPS (Rupees) :				
Weighted Average no. of Equity Shares	1,579,210,400	1,579,210,400	1,579,210,400	1,579,210,400
Basic and Diluted	(0.23)	(1.72)	(3.56)	(8.25)
Financial Position:				
Fixed Assets (Net of depreciation)	35	48	1,558,839	1,559,023
Cash and Bank balance	56	16	137,347	102,783
Net current assets	(56,635)	(36,923)	(316,462)	(498,130)
Total Assets	245,506	225,968	2,027,185	2,063,123
Equity	15,792	15,792	15,792	15,792
Other equity	157,317	160,925	(99,918)	(45,475)
Net worth	173,109	176,717	(84,126)	(29,683)
Market Capitalisation	222,669	93,963	222,669	93,963

Notice

Notice is hereby given that the 24th Annual General Meeting of the members of GVK Power & Infrastructure Limited (CIN:L74999AP2005PLC059013) will be held on **Wednesday, the 14th November, 2018 at 11:30 a.m.** at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2018 and the Report of the Board of Directors ('the Board') and the Auditors thereon.
2. To appoint a director in place of Krishna R Bhupal (DIN 00005442), who retires by rotation and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:

3. 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 section 180(1)(a) of the Companies Act, 2013 and other applicable provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015), read with the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and also subject to necessary approvals, if any, from all the concerned third parties and regulatory authorities including from the lenders, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company ("Board") (including the committee thereof) to raise funds up to an amount of Rs. 8,000 Crore by disposal, sale, lease, hypothecation, mortgage, charge or otherwise of all or any of the immovable and movable properties of the Company (including shares and securities held in any Company), so as to utilize the proceeds for the repayment of the outstanding financial obligations of the Company and its subsidiaries/associates and group companies and for this purpose the Board hereby authorized to delegate the necessary powers in this regard to the Project Sub-committee of the Board."

"RESOLVED FURTHER THAT pursuant to the applicable provisions of the Listing Regulations, 2015 (as amended, from time to time), and other applicable laws, if any and subject to receipt of all necessary approvals and consents (including from the lenders) as applicable, consent of the Shareholders be and is hereby also accorded to the Board to dilute equity stake, which may result in reduction of shareholding to less than 50% in GVK Airport Holdings Limited (GVKAHL), a step down subsidiary of the Company through an initial public offer (IPO) (which may include a sale of shares held by the Company in GVKAHL) or private placement or stake sale to one or more investors or through a combination of the foregoing, so as to utilize the proceeds for the repayment of the balance outstanding obligations of GVK Airport Developers Limited, a wholly owned subsidiary of the Company and also to meet other financial needs of the Company and its associate and group companies."

"RESOLVED FURTHER THAT Dr. GVK Reddy, Chairman, Mr. G V Sanjay Reddy, Vice Chairman, Mr. Krishna R Bhupal, Director, Mr. A Issac George, Director & CFO, Mr. P V Rama Seshu, AVP & Company Secretary, Mr. Mudit Parashar and Mr. Sanjeev K Singh, Authorised Signatories of the Company be and are hereby severally authorized to take necessary steps as may be required for giving effect to this resolution and also to negotiate, finalise and execute such of the documents, agreements, undertakings, powers of attorney etc., including any amendments or modifications thereto in connection with the above said equity dilution and also to do such other acts, things, deeds as may be required."

By order of the Board

Place : Hyderabad
Date : August 14, 2018

P V Rama Seshu
AVP & Company Secretary

Notes:

1. **Every Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company. A person can act as Proxy on behalf of the members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.**
2. Duly filled in Proxy form must be deposited at the Registered Office of the Company before 48 hours of the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **November 10, 2018 to November 14, 2018** (both days inclusive).
4. Members are requested to:
 - i) Note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
 - ii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, as entry to the Auditorium will be strictly on the basis of the entry slip, available at the counters at the venue to be exchanged with the attendance slip.
 - iii) Quote the Folio / Client ID & DP ID Nos. in all their correspondences.
 - iv) Note that due to strict security reasons brief cases, eatables and other belongings are not allowed inside the auditorium.
 - v) Note that no gifts / compliments / coupons will be distributed at the Annual General Meeting.
 - vi) Corporate members intending to send their authorized representatives are requested to send a duly certified true copy of the Board Resolution / Authority Letter along with the attested specimen signature(s) of their authorised representative(s).
 - vii) Members are requested to notify immediately changes, if any, in their addresses, in respect of the physical shares held by them, to the Company/RTA and to their Depository Participants (DP) in respect of shares held in the dematerialized form.
5. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to P V Rama Seshu, AVP & Company Secretary at the Registered Office of the Company at least ten days prior to the date of the meeting, so that the information required can be made available at the meeting.
6. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of the director seeking re-appointment at the AGM, is furnished as part of Corporate Governance Report.
7. The Register of Directors and Key managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
10. The Ministry of Corporate Affairs has taken a corporate "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies. As per the MCA Circular, Service of documents through electronic mode i.e. e-mail by the Company will be a valid compliance of Section 101 of the Companies Act, 2013. Members who have not registered their email addresses, so far, are requested to register their email address with the Company or Karvy at einward.ris@karvy.com.
11. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action.
12. **Voting through electronic means**

In compliance with Sec 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, substituted by Companies (Management & Administration) Amendment, Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members

to cast their votes electronically through the electronic voting (E-Voting) facility provided by Karvy Computershare Pvt Ltd (Karvy). Shareholders who have not voted through remote E-Voting and those who are present at the AGM can participate in voting process through a ballot paper which would be made available at the AGM. Members attending the AGM in person or through proxy and who have not already cast their votes by remote e-voting only shall be allowed to exercise their voting right at the AGM through a ballot paper. Members who have already cast their votes by remote e-voting prior to the date of AGM may attend the meeting, but shall not be entitled to cast their votes again.

Instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- i) Log on to the e-voting website <https://evoting.karvy.com>
- ii) Click on "Shareholders" tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANYNAME" from the drop down menu and click on "SUBMIT"
- iv) If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- v) Now, fill up the following details in the appropriate boxes

	For Members holding shares in Demat form	For Members holding shares in Physical form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company and then enter the Captcha Code as displayed
PAN *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter "999999999" in the dividend Bank details and 13/06/2014 in the date of Birth field.

vi) After entering these details appropriately, click on "SUBMIT" tab.

vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix) Click on the relevant EVSN on which you choose to vote.

x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired, the option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

In case of members receiving the physical copy:

(B) Please follow all steps from sl. no. (i) to sl. no. (xiii) above, to cast vote.

(C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://evoting.karvy.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned certified true copy of the Board Resolution / Authority Letter. etc. along with the attested specimen signature(s) of their authorised representative(s) in PDF format in the system for the scrutinizer to verify the vote.

(D) The voting period begins on **10th November, 2018 at 9.00 a.m.** and ends on **13th November, 2018 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by the Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(E) For the purpose of sending AGM notices, **5th October, 2018** has been taken as the initial cut-off date to determine the list of shareholders who are entitled to receive this notice as per the Act. However the voting rights shall be determined as per the number of equity shares actually held by the Member(s) as on **7th November, 2018**, being the final cut off date. Members are eligible to cast vote electronically only if they are holding shares as on that date. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **7th November, 2018**, may obtain the User ID and password in the manner as mentioned below:

- a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS:
 MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 Example for NSDL: MYEPWD <SPACE> IN12345612345678
 Example for CDSL: MYEPWD <SPACE> 1402345612345678
 Example for Physical: MYEPWD <SPACE> XXXX1234567890

(F) A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.

(G) The facility for voting through a ballot paper will be made available at the AGM and the members attending the AGM who have not cast their vote already by remote e-voting will be able to exercise their right at the AGM. Members who have not cast their votes electronically by remote e-voting will only be allowed to cast their vote at the AGM through a ballot paper.

(H) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://evoting.karvy.com> under help section or write an email to: einward.ris@karvy.com or mailmanager@karvy.com.

(I) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.

(J) Mr. Narender Gandhari, Practising Company Secretary (Membership No. 4898), of M/s. Narender & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner

(K) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer order voting through ballot paper for all those members who are present but not cast their votes electronically through remote e-voting facility.

(L) The Scrutinizer shall, immediately after conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, by not later than three days from the conclusion of the AGM to the Chairman of the Company. Thereafter, the Chairman or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

(M) The results along with the Scrutinizer's report shall be placed on the Company's website www.gvk.com and on the website of Karvy immediately after the result is declared by the Chairman or any other person authorized by the Chairman and will be communicated to the Stock Exchanges on which the Company's equity shares are listed.

Explanatory statement

(In respect of the Special business Pursuant to section 102(1) of the Companies Act, 2013)

Item No: 3

This is to inform the members of the Company that Company had in 2017, disposed off its entire equity stake in Bangalore International Airport Limited that was held through a step down subsidiary of the Company i.e. Bangalore Airport and Infrastructure Developers Limited (BAIDL) to Fairfax Group and the sale proceeds were fully utilized to repay the outstanding obligations, to the extent possible, of GVK Airport Developers Limited (GVKADL), a wholly owned subsidiary of the Company.

Further, subject to necessary approvals from the Regional Director, Ministry of Corporate Affairs, Hyderabad, GVKADL is getting merged with BAIDL through a scheme of amalgamation for which, necessary applications have been filed by these respective companies with the Registrar of Companies and the Official Liquidator, Hyderabad. Both these companies have obtained their respective shareholders approval. Except one or two, they have also obtained the creditors and other class of shareholders approval for this scheme.

With a view to repay the balance outstanding obligations of GVKADL and also to meet other financial needs, it is now proposed to raise additional funds up to an amount of Rs.6,000 Crore by, inter alia, dilution of equity stake in GVK Airport Holdings Limited (GVKAHL), a step down subsidiary of the Company. GVKAHL holds 50.50% equity stake in Mumbai International Airport Private Limited (MIAL). MIAL has been awarded a Greenfield project to implement the Navi Mumbai International Airport. Both these projects are expected to give reasonably good valuations in support of the proposed fund raising. It is also proposed to consider other avenues for fund raising, including dilution of equity stake of the Company in its other subsidiaries and step-down subsidiaries, in our Airport, Energy and Transportation verticals business.

The proposed stake dilution in GVKAHL is proposed through (i) an Initial Public Offer (IPO) (which may include a sale of shares held by the Company in GVKAHL) or (ii) Private Placement or (iii) sale to one or more Investors or (iv) through a combination of the foregoing. This proposal would be subject to necessary approvals from all the concerned regulatory authorities and third parties, including from the lenders.

GVKAHL, being a material step down subsidiary of the Company (from the airport vertical business), it is necessary that the shareholders of the Company shall approve the said proposal through a Special Resolutions under Section 180(1)(a) of the Companies Act, 2013, as set out at Item No. 3 of the Notice. The Audit Committee and the Board of Directors of your Company at their respective meetings held on Mar 23, 2018 have unanimously approved and recommended this proposal for your approval in the best interest of the Company.

The other proposed stake dilution to raise additional funds upto Rs.2,000 Crore would be in our other subsidiaries, which may be through (i) an Initial Public Offer (IPO) (which may include a sale of shares held by the Company) or (ii) Private Placement or (iii) sale to one or more Investors or (iv) through a combination of the foregoing. Any proposal would be subject to necessary approvals from all the concerned regulatory authorities and third parties, including from the lenders. It is proposed to take requisite approvals from Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, directly or indirectly, financial or otherwise, in the resolution set out at Item No. 3.

By order of the Board

Place : Hyderabad
Date : August 14, 2018

P V Rama Seshu
AVP & Company Secretary

Directors' Report

Dear Stakeholders,

Your Directors present the 24th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2018.

Financial results

Following is the summary of consolidated financial results of the Company including its subsidiaries, associate and joint ventures. (Rs. Lakhs)

Particulars	2017-18	2016-17
Financial Performance		
Operational Income	386,321	351,647
EBIDTA	155,615	115,632
Other Income	100,422	53,266
Finance Costs	164,308	189,037
Depreciation	72,460	66,867
Loss from ordinary activities	19,269	(87,006)
Share of profit of associate	1,452	23,464
Share of loss of jointly controlled entity	(58,301)	(65,094)
Loss before tax	(37,580)	(128,636)
Tax expense/(credit)	16,157	5,727
Non - controlling interest	2,430	(4,135)
Loss for the year	(56,167)	(130,228)
Other comprehensive income, net	360	(287)
Total comprehensive income	(55,807)	(130,515)
EPS (Rupees) :		
Weighted Average no. of Equity Shares	1,579,210,400	1,579,210,400
Basic and Diluted	(3.56)	(8.25)
Financial Position:		
Fixed Assets (Net of depreciation)	1,558,839	1,559,023
Cash and Bank balance	137,347	102,783
Net current assets	(316,462)	(498,130)
Total Assets	2,027,185	2,063,123
Equity	15,792	15,792
Other equity	(99,918)	(45,475)
Net worth	(84,126)	(29,683)
Market Capitalisation	222,669	93,963

Our total income from operations increased by 9.86 % to Rs. 3,86,321 Lakhs from Rs. 3,51,647 Lakhs in the previous year. The Transportation segment contributed an income of Rs. 43,527 Lakhs (11.27 % of total income) compared to Rs. 37,959 Lakhs in the previous year. Airport Segment contributed an income of Rs. 3,42,393 Lakhs (88.63 % of total income) as compared to Rs. 3,12,127 Lakhs in the previous year. The other segment contributed Rs. 401 Lakhs compared to Rs. 1,561 Lakhs in the previous year. The Airport assets (Mumbai and Bangalore Airports) have contributed to net profit of Rs. 3,976 Lakhs compared to Rs. 19,274 Lakhs in the previous year. Bangalore Airports profit was consolidated only for 3 months.

The net loss after tax, share of profit from associate, share of profit from joint venture and non-controlling interest was Rs. 56,167 Lakhs as against net loss of Rs. 130,228 Lakhs in the previous year. The net loss is mainly attributable to lower generation of power due to shortage of coal at our 540 MW Coal based thermal power plant, lack of fuel availability for 684 MW Gas Based power station, delay in fixation of tariff for our 330 MW Hydroelectric Power Plant and 540 MW coal based thermal power plant. Loss was reduced on account of profit of Rs 73,555 Lakhs on sale of stake in Bangalore Airport.

Dividend

The Board of Directors of your Company has not recommended any dividend for the financial year 2017-18.

Transfer to Reserves

During the current financial year, there are no funds that are required to be transferred to Reserves.

Share Capital

The paid up equity share capital as on March 31, 2018 is Rs. 157.92 Crore. There was no public issue, rights issue, bonus issue or preferential issue etc., during the year. The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options during the year under review.

Management Discussion and Analysis

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this Annual Report.

Corporate Governance

As in the past, your Company continues to follow best of Corporate Governance policies. As stipulated under the requirements of the Listing Regulations, a report on Corporate Governance is appended for the information of the Members. A Certificate from the Practicing Company Secretary confirming compliance with the conditions of the Corporate Governance is annexed to the Directors Report.

Subsidiaries and Consolidated Financial Statements

As on March 31, 2018 your Company has 6 direct Subsidiaries, 18 step down Subsidiaries and one Associate Company. There has been no material change in the nature of the business of the Company and its subsidiaries. Details of major subsidiaries of the Company and their business operations during the year under review are covered in the Management Discussion and Analysis Report.

A statement containing salient features of the financial statement of these companies as required to be provided under section 129(3) of the Act, are enclosed herewith in the specified form, as **Annexure A**. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. Any member intends to have a certified copy of the Balance Sheet and other financial statements of these subsidiaries may write to the Company Secretary. These documents are available for inspection during business hours at the registered office of the Company and that of the respective subsidiary companies. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: https://www.gvk.com/files/investorrelations/investors/corp-governance/policy_for_determining_material_subsidiaries_gvk_pil.pdf

Disposal of stake in Subsidiaries

During the year under review, your Company had disposed off its entire equity stake in two of its whole owned subsidiaries i.e. GVK Oil & Gas Limited and Goriganga Hydro Power Private Limited, for cash at face value. Further, GVK Energy Ventures Private Limited also ceased to be a step-down subsidiary of your Company. Accordingly, each of these companies were no longer the subsidiaries of your Company from January 1, 2018. Necessary disclosures, in this regard, have been duly made to the concerned regulatory authorities.

Merger of Subsidiaries

Under the Airport vertical business, a proposed scheme of amalgamation pursuant to Sections 230 to 233 and other relevant provisions of the Companies Act, 2013, providing for the merger of GVK Airport Developers Limited with Bangalore Airport & Infrastructure Developers Limited have been approved by their respective board of directors and shareholders. The said scheme of amalgamation is subject to necessary approvals from the lenders and third parties, if any, and also from the concerned statutory authorities i.e. the Regional Director, Ministry of Corporate Affairs. The scheme of amalgamation will, inter alia, enable optimisation of legal entity structure through rationalization of subsidiaries, integration of business operations leading to operational synergies and also result in reduction of the multiplicity of legal and regulatory compliances.

Developments in Airport assets

Mumbai International Airport Private Limited (MIAL), a subsidiary of your Company, was given a Letter of Award (LOA) on October 25, 2017 by the City and Industrial Development Corporation of Maharashtra Limited (CIDCO), the nodal agency of the Government of Maharashtra for implementing a second international airport at Navi Mumbai which is a greenfield project. Navi Mumbai International Airport Private Limited (NMIAL) has been identified as a Special Purpose Vehicle, which is a step down subsidiary of your Company.

NMIAL has signed the Concession Agreement, Shareholders Agreement and State Support Agreement on January 8, 2018 with CIDCO, for implementation of the Navi Mumbai International Airport Project. MIAL, holds 74% while CIDCO holds the balance 26% equity capital of NMIAL. The initial concession period is 30 years from the appointed date which is extendable for a further 10 years. The Board of NMIAL has been broad based with the appointment of Directors representing MIAL and CIDCO apart from the Independent Directors.

Hon'ble Prime Minister Shri Narendra Modi had performed the ground breaking ceremony and unveiled the foundation stone plaque for NMIAL at a glittering public function held at the project site on February 18, 2018. NMIAL has appointed Zaha Hadid Architects, London, one of the world's best architect firms, for designing the Airport Project of Navi Mumbai Airport. NMIAL has been negotiating with various lenders including State Bank of India and is fully geared up to achieve Financial Closure.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company and Regulation 36(3) of Listing Regulations, 2015, Krishna R Bhupal, Director of the Company will retire by rotation at this meeting and being eligible, your Board recommends his re- appointment.

Details of the director seeking re-appointment at this meeting have been given separately under the Corporate Governance section of this report.

Key Managerial Personnel

During the year under review, Dr. GVK Reddy had stepped down from the position of Managing Director from November 11, 2017 and will continue as a Non-Executive Chairman. Further, Mr. P V Prasanna Reddy, director has been appointed as Whole-time Director and the Company had notified him as one of the Key Managerial Personnel of the Company w.e.f. November 11, 2017. Apart from the above two changes, there are no other changes amongst the Key Managerial Personnel of the Company.

Declaration by Independent Directors

Each of the Independent Directors have given a declaration to the Company that they meet the criteria of independence as required under section 149(7) of the Companies Act, 2013 and Regulation 25 of the Listing Agreement with the Stock Exchanges.

An exclusive meeting of the Independent Directors of the Company has been held on 14th February, 2018 which was attended by all the Independent Directors. They have reviewed the performance of the non-independent directors and the Board as a whole, performance of chairperson and quality of information to the Board as provided under Schedule IV of the Companies Act, 2013.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have formulated and adopted a policy on appointment / remuneration of directors including criteria for determining qualifications, positive attributes, independence of the Directors and other matters. This policy also covers the performance evaluation of all directors, Board, Committees and Key Managerial Personnel.

The Company has adopted a program on familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of business and the industry in which the Company operates among other things. The same is put up on the website of the Company at the link https://www.gvk.com/files/investorrelations/investors/corpgovernance/familiarisation_programme_for_independent_directors.pdf

Evaluation of Board

Board evaluation is in line with the Corporate Governance Guidelines of the Company. Annual Performance Evaluation was conducted for all directors along with the working of the Board and its Committees. This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations, and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017.

The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance and compensation to whole-time director, etc. Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc. The outcome of the Board evaluation for financial year 2017-18 was discussed by the Nomination and Remuneration Committee and the Board at their respective meetings held in May, 2018. The Board has received improved ratings on its overall effectiveness, including higher rating on Board communication, relationships and Board Committees. The Board has also noted areas requiring more focus in the future.

Policy on Director's Appointment and Remuneration

The Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013. The policy covering these requirements is provided at page no. 31 to this Annual Report.

Board Meetings

During the year 2017-18, four Board Meetings were held, the details of which are given in the Corporate Governance Report.

Board Committees

All Committees of the Board of Directors are in line with the provisions of the Companies Act, 2013 and the applicable Listing Regulations, 2015

Audit Committee

The Audit Committee comprises of Mr. Ch G Krishna Murthy, Chairman, Mr. S Balasubramanian and Mr. K Balarama Reddi, members, all of whom are Independent Directors. All the recommendations made by the Audit Committee were accepted by the Board.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors including Audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibilities Statement, it is hereby confirmed that;

- i) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates 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 profit or loss of the Company for the said period;
- iii) that the directors had taken proper and sufficient care 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;
- iv) the directors had prepared the annual accounts for the financial year ended March 31, 2018 on a "going concern" basis;
- v) they have laid down internal financial controls in the Company that are adequate and were operating effectively and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Secretarial Auditors

The Board had appointed Mr. Gandhari Narender of Narender & Associates, a firm of Practicing Company Secretaries, to carry out the Secretarial Audit under the provisions of section 204 of the Companies Act, 2013 and the Rules made thereunder. The report of the Secretarial Auditor in **Form MR-3** is enclosed to this report as **Annexure B**. The Secretarial Auditor Report does not contain any qualification, reservation or adverse remarks.

Statutory Auditors

Price Waterhouse Chartered Accountants LLP (Firm Registration No: 012745N/N500016), were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the Annual General Meeting held on September 27, 2017. It may be noted that on 10th January 2018, SEBI has issued an order, barring Price Waterhouse for auditing existing or fresh audits of any listed Company for a period two years after finding it guilty in the Satyam Computers scam case while giving a relief to continue the audit of existing companies for the financial year 2017-18. In this regard, Price Waterhouse has appealed to Securities Appellate Tribunal (SAT) seeking a blanket stay against SEBI's Order. The SAT vide its order dated 19th February, 2018 refused to grant stay on SEBI's ruling. However, SAT has modified its earlier order passed on 19th January, 2018 on pure technical grounds and allowed Price Waterhouse and its network entities to continue with audit works of their existing clients for the year 2017-18 and also extended this relief till the end of March 2019 or issue of final orders by the division bench of SAT, whichever is earlier. Accordingly, they are eligible to continue to audit the financial statements of the Company for the financial year 2018-19 as well.

Vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of this 24th AGM.

Management's response on the Statutory Auditors Qualification / Comments

Standalone Financial statements

The Company has investments in and has given loans to GVK Energy Limited, a jointly controlled entity, amounting to Rs. 112,643 Lakhs and has also given financial guarantees (Outstanding balance: Rs. 10,298 lakhs) to the above mentioned jointly controlled entity. Projects under the jointly controlled entity are currently facing uncertainties in relation to availability of fuel (Gas/ coal), de-allocation of coal mines, pending capital costs approval for final tariff determination of power projects due to which these companies are incurring losses and have also defaulted in repayment of loans. Management is in the process of negotiating the terms with lenders for restructuring of loan accounts, one time settlements, and is also negotiating with the regulatory authorities for approval of additional capital costs. Management is confident that it will be able to settle the matters amicably and will be able to achieve final tariff approvals with retrospective effect and will be ultimately able to achieve profitable operations. However pending resolution of the above uncertainties currently the impact of the same is unascertainable.

Consolidated Financial statements

The Company has investments in and has given loans to GVK Energy Limited, a jointly controlled entity, amounting to Rs 36,460 Lakhs and has also given financial guarantees (Outstanding balance: Rs. 10,298 lakhs) to the above mentioned jointly controlled entity. Projects under the jointly controlled entity are currently facing uncertainties in relation to availability of fuel (Gas/ coal), de-allocation of coal mines, pending capital costs approval for final tariff determination of power projects due to which these companies are incurring losses and have also defaulted in repayment of loans. Management is in the process of negotiating the terms with lenders for restructuring of loan accounts, one time settlements, and is also negotiating with the regulatory authorities for approval of additional capital costs. Management is confident that it will be able to settle the matters amicably and will be able to achieve final tariff approvals with retrospective effect and will be ultimately able to achieve profitable operations. However pending resolution of the above uncertainties currently the impact of the same is unascertainable.

Awards and recognitions

Following are some of the awards and recognitions that your Company and its Subsidiaries have received during the year under review.

Certifications, Recognitions and Awards for Mumbai International Airport Private Limited (MIAL)

Awards, Accolades and Accreditation

- GVK CSIA has been awarded 'Best airport in India/ C Asia' by Skytrax World Airport Awards 2018.
- GVK CSIA bagged the prestigious Gold – Green Airports recognition 2018 by ACI in the over 35 mppa category, recognizing the outstanding achievements in environmental projects on 6 March, 2018.
- CSIA has won the 'Gold' plaque at the 'ACI Asia-Pacific Green Airport recognition 2018'

- CSIA has been adjudged as the second runner-up in “Breakthrough level kaizen” category at the prestigious CII TPM Kaizen Awards 2018
- CSIA received World’s Best Airport for the Airport Service Quality (ASQ) Awards 2017.
- CSIA received “Best Metro Airport award” and the “Airport offering best facilities for sick, elderly & physically challenged” for 2017-18 by Air Passenger Association of India (APAI).
- GVK CSIA adjudged as the Best Domestic Airport at the “WINGS INDIA AWARDS 2018” for Excellence in the Aviation sector held in Hyderabad on 9 March, 2018.
- GVK CSIA received the INFHRA-FM Excellence Awards 2017-18 under the category of ‘Ecological sustainability’, for the implementation of green initiative, “Green Seal Certified Products & Waterless Urinals Programme” held in Mumbai on 23 February, 2018.
- GVK MIAL awarded the ‘Cargo Airport of the Year – India’ at STAT Times International Awards for Excellence on 21 February, 2018 in Mumbai.
- GVK MIAL wins “Excellence Award” at 7th Global Economic Summit, in the “Best Logistics Service Provider” category.
- GVK CSIA has won CAPA’s award for excellence in Air Traffic Management productivity in Indian aviation.
- GVK MIAL bags the CII Renovative Kaizen award.
- GVK MIAL has been awarded as the ‘Best Airport Staff’ award in India & Central Asia at the Skytrax Awards 2017.
- GVK MIAL has been in the Top 10 ‘Best Airport Terminals’ at the Skytrax Awards 2017.
- GVK MIAL has been awarded as the ‘Highly Commended Airport for Marketing’ award in Asia Pacific region in the over 20 million passengers’ category.

Particulars of Loans, Guarantees or Investments

Particulars of loans and guarantees given, investments made and securities provided under Section 186 of the Companies Act, 2013 are given under the Notes to the financial statements and forms part of this Annual Report.

Contracts and Arrangements with the Related Parties

All the related party transactions that were entered during the financial year were on an arm’s length basis and were in the ordinary course of business. These transactions are placed before the Audit Committee and the Board for their prior approvals. 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 a materiality of related party transactions. The policy on related party transactions is available on our website under the following link <https://www.gvk.com/files/investorrelations/investors/corpgovernance/RelatedPartyTransactionPolicy.pdf>

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed **Form AOC-2**, is appended as **Annexure C** to the Board’s report.

Extract of Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return as on March 31, 2018 in form **MGT-9** is appended as **Annexure D** to the Board’s report.

Internal Control Systems and their adequacy

The Management continuously reviews the internal control systems and procedures for the efficient conduct of the Company’s business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the audit on regular basis and the Audit Committee periodically reviews internal audit reports and effectiveness of internal control systems.

Public Deposits

During the year under review, your Company has neither invited nor accepted any fixed deposits from the public.

Vigil Mechanism/Whistle Blower Policy

In terms of section 177(9) & (10) of the Companies Act, 2013 read with Regulation 22 of the Listing Regulation a Vigil Mechanism for Directors and employees to report genuine concerns has been established by the Board along with the whistle blower policy. The Vigil Mechanism and whistle blower policy have been uploaded on the website of the Company. The same can be accessed at the link https://www.gvk.com/files/investorrelations/investors/corpgovernance/GVK_Power_Infrastructure_Limited.pdf

Under this policy, your Company encourages its employees to report any fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. The Audit Committee periodically reviews the functioning of this mechanism. No personnel of the Company was denied access to the Audit Committee.

Corporate Social Responsibility

Since, there are no average net profits for the Company during the previous three financial years, there are no specific funds that are required to be set aside and spent by the Company during the year under review. Members can access the CSR Policy on the website of the Company at link https://www.gvk.com/files/investorrelations/investors/corpgovernance/CSR_Policy_final_copy.pdf

Particulars of employees and related disclosures

None of the employees are in receipt of the remuneration which is in excess of the limits as specified in Rules 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.

Disclosures pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are enclosed to this report.

Particulars regarding Conservation of Energy and Research and Development and Technology Absorption

Details of steps taken by your Company to conserve Energy, Research and Development and Technology Absorption have been disclosed as part of the MD&A Report.

Foreign exchange earnings and Outgo:

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Rule 5 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Profit and Loss Account.

Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

Details of Significant and Material Orders Passed by the regulators/Courts/Tribunals Impacting the Going Concern Status and the Company's Operations in Future

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

Information Required under Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013

Your Company has a policy and framework for employees to report sexual harassment complaints at workplace and its process ensures complete anonymity and confidentiality of information. During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the website of the Company at <https://www.gvk.com/investorrelations/investors/otherdisclosures.aspx>

Acknowledgements

Your Directors take this opportunity to thank every shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries and associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the Infrastructure industry.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 23, 2018

Dr G V K Reddy
Chairman

Holding Company

GVK Power & Infrastructure Limited

Subsidiaries (As on March 31, 2018)

1. GVK Energy Limited
2. GVK Airport Developers Limited
3. GVK Transportation Private Limited
4. GVK Perambalur SEZ Private Limited
5. GVK Developmental Projects Private Limited
6. GVK Airport Services Private Limited

Step Down Subsidiaries (As on March 31, 2018)

1. GVK Industries Limited
2. GVK Gautami Power Limited
3. Alaknanda Hydro Power Company Limited
4. GVK Power (Goindwal Sahib) Limited
5. GVK Coal (Tokisud) Company Private Limited
6. GVK Ratle Hydro Electric Project Private Limited
7. GVK Power (Khadur Sahib) Private Limited
8. GVK Airport Holdings Limited
9. Bangalore Airport & Infrastructure Developers Limited
10. GVK Airports International Pte Ltd, Singapore
11. Mumbai International Airport Private Limited
12. Navi Mumbai International Airport Private Limited
13. GVK Jaipur Expressway Private Limited
14. Sutara Roads and Infrastructure Private Limited
15. GVK Deoli Kota Expressway Private Limited
16. GVK Bagodara Vasad Expressway Private Limited
17. GVK Shivpuri-Dewas Expressway Private Limited
18. PT GVK Services, Indonesia

Associate (As on March 31, 2018)

Seregarha Mines Limited

Annexures

Annexure A

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

(Rs in lakhs)

Sl. No.	1	2	3	4	5	6
Name of the Subsidiary/ Associate Company/ Joint Venture	GVK ENERGY LTD	GVK AIRPORT DEVELOPERS LTD	GVK TRANSPORTATION PVT LTD	GVK PERAMBALUR SEZ PVT LTD	GVK DEVELOPMENTAL PROJECTS PVT LTD	GVK AIRPORT SERVICES PVT LTD
Reporting period for subsidiary concerned, if different from the holding company's reporting period	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR
Share Capital	88,831	30,000	3,770	1	1	19
Other Equity #	158,046	(187,734)	(23,830)	2,147	30,138	57
Total Assets	354,354	225,153	78,592	13,932	95,707	125
Total Liabilities	354,354	225,153	78,592	13,932	95,707	125
Investments *	341,540	178,302	78,578	-	26,556	62
Turnover	2,860	-	-	-	-	110
Profit before Taxation	(12,863)	(38,611)	(16)	(7)	(2,313)	79
Provision for taxation	(564)	(1,578)	7	(132)	-	20
Profit after taxation	(13,427)	(37,033)	(24)	125	(2,313)	59
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	62.8	100	100	100	100	100

Including borrowings in the nature of equity

* Including Deemed Investments

Note: GVK Oil & Gas Limited and Goriganga Hydro Power Private Limited, ceased to be the subsidiaries of the Company effective from January 1, 2018.

Part “B”: Associate and Joint Venture

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

S. No.	Name of Associate	Seregarha Mines Limited
1	Latest audited Balance Sheet Date	31/03/2018
2	Shares of Associate held by the company on the year end	27.91%
	No.	4,933,078
	Amount of Investment in Associates / Joint Venture	-
	Extent of Holding %	44.45%
3	Description of how there is significant influence	We have power to participate in the financial and / or operating policy decisions of the investee but not control over these policies
4	Reason why the associate / joint venture is not consolidated	Not applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 517 Lakhs
6	Profit / Loss for the year	
	i. Considered in Consolidation	Nil
	ii. Not considered in Consolidation	Not applicable

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 23, 2018

Dr G V K Reddy
Chairman

Annexure B

SECRETARIAL AUDIT REPORT

(As per Form No. MR-3)

for the financial year ended 31st March, 2018

[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]

To

The Members,

M/s GVK Power & Infrastructure Limited

(CIN: L74999AP2005PLC059013)

Paigah House, 156-159, Sardar Patel Road

Secunderabad – 500003.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s GVK Power & Infrastructure Limited (hereinafter referred to as the Company). The 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.

The maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The secretarial audit report 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.

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

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

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and;
 - d. 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;
6. The Company being an “Ultimate Holding Company” and without any manufacturing/ production activities on its own, most of the Labour Laws are not applicable to the company. However, the Company is complying with the provisions of The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and The Payment of Gratuity Act, 1972.
7. As regards compliance of Environmental Laws, as may be applicable to the company, we state that the company doesn’t have any manufacturing unit, since it is a Holding Company. As per the Management, the respective subsidiary / associates of the company are complying with the applicable Environmental Laws. Therefore, the company need not comply with any specific Environmental Laws by itself.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not entered into / carried out any activity that has major bearing on the Company’s affairs.

For NARENDER & ASSOCIATES
Company Secretaries

G NARENDER
Proprietor
FCS:4898, CoP:5024

Place : Hyderabad
Date : 23.05.2018

Annexure C

FORM NO. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

1. Details of contracts or arrangements or transactions not at Arm's length basis :

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

(Rs in lakhs)

Name (s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount
Nature of contract :				
Fees for Services rendered :				
GVK Gautami Power Limited	Subsidiary	Till 30 th Jun 2017	O & M Service	301
Mumbai International Airport Private Limited	Subsidiary	5 years	Manpower & Consultancy Service	1,469
GVK Jaipur Expressway Private Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	244
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	670
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	101
GVK Energy Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	92
GVK Coal Developers (Singapore) Pte Limited	Associate	Till loan is paid	Corporate Guarantee Commission	1,167
Reimbursement of expenses (Billable expenses):				
GVK Industries Limited	Subsidiary	Not applicable	Business support services	0
GVK Gautami Power Limited	Subsidiary	Till 30 th Jun 2017	O & M Service	101
GVK Jaipur Expressway Private Limited	Subsidiary	Not applicable	Business support services	0
Alaknanda Hydro Power Company Limited	Subsidiary	Not applicable	Business support services	0
GVK Power (Goindwal Sahib) Limited	Subsidiary	Not applicable	Business support services	0
Crescent EPC Projects and Technical Services Limited	Group Company	Not applicable	Business support services	0
GVK Energy Limited	Subsidiary	Not applicable	Business support services	0
GVK Technical & Consultancy Services Private Limited	Group Company	Not applicable	Business support services	0
GVK Deoli Kota Expressway Private Limited	Subsidiary	Not applicable	Business support services	0
Services received :				
GVK Energy Limited	Subsidiary	Not applicable	Business support services	9
GVK Technical & Consultancy Services Private Limited	Group Company	5 years	Manpower Service	123
TAJ GVK Hotels & Resorts Limited	Group Company	Yearly	Hospitality Services	1
Orbit Travels & Tours Private Limited	Group Company	5 years	Cost of flights Services	4
GVK Employee Welfare Trust	Group Company	Not applicable	Hospitality Services	0
Investment in equity / preference shares				
GVK Coal Developers (Singapore) Pte Limited	Associate	Not applicable	preference shares allotment during the year	61,303
Loans/advances given/expenditure incurred on behalf				
GVK Industries Limited	Subsidiary	Not applicable	Advance given	1
Goriganga Hydro Power Private Limited	Subsidiary	Not applicable	Advance given	2
GVK Airport Developers Limited	Subsidiary	Not applicable	Advance given	594
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	Not applicable	Advance given	0
GVK Transportation Private Limited	Subsidiary	Not applicable	Advance given	1,682

Name (s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount
Crescent EPC Projects and Technical Services Limited	Group company	Not applicable	Advance given	1
GVK Perambalur SEZ Private Limited	Subsidiary	Not applicable	Advance given	2,518
GVK Energy Limited	Subsidiary	Not applicable	Advance given	2,096
GVK Oil & Gas Limited	Subsidiary	Not applicable	Advance given	10
Bangalore International Airport Limited	Associate	Not applicable	Advance given	23
Loans/advances recovered:				
GVK Airport Developers Limited	Subsidiary	Not applicable	Advance Recovered	594
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	Not applicable	Advance Recovered	0
GVK Transportation Private Limited	Subsidiary	Not applicable	Advance Recovered	900
Crescent EPC Projects and Technical Services Limited	Group company	Not applicable	Advance Recovered	1
GVK Perambalur SEZ Private Limited	Subsidiary	Not applicable	Advance Recovered	2,540
GVK Developmental Projects Private Limited	Subsidiary	Not applicable	Advance Recovered	51
GVK Energy Limited	Subsidiary	Not applicable	Advance Recovered	61
GVK Oil & Gas Limited	Subsidiary	Not applicable	Advance Recovered	127
Bangalore International Airport Limited	Associate	Not applicable	Advance Recovered	27
GVK Airport Services Private Limited	Subsidiary	Not applicable	Advance Recovered	0
Share application money given:				
GVK Coal Developers (Singapore) Pte Limited	Associate	Not applicable	Share Application money given	21,672
Interest Expenses :				
GVK Airport Developers Limited	Subsidiary	Not applicable	Interest Expense	6
Interest income on financial assets/Excess provision written back/Unearned guarantee commission written back				
GVK Airport Developers Limited	Subsidiary	Till the loan is paid	Guarantees given	498
GVK Energy Limited	Subsidiary	Till the loan is paid	Guarantees given	-60
GVK Coal Developers (Singapore) Pte Limited	Associate	Till the loan is paid	Guarantees given	2,740
Advances and Investments written off/Fair value loss:				
GVK Coal Developers (Singapore) Pte Limited	Associate	One time	Fair Value Loss as per the terms of preference shares redemption	8,861
Loan taken :				
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan taken	37,509
Sutara Roads & Infra Limited	Subsidiary	One time	Loan taken	3,193
Loan repaid :				
GVK Airport Developers Limited	Subsidiary	One time	Loan repaid	39
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan repaid	5631
Guarantees given:				
GVK Airport Developers Limited	Subsidiary	Till the loan is paid	Guarantees given	106,128
Guarantees released:				
GVK Jaipur Expressway Private Limited	Subsidiary	Not applicable	Not applicable	14,661
GVK Power (Goindwal Sahib) Limited	Subsidiary	Not applicable	Not applicable	4050
GVK Airport Developers Limited	Subsidiary	Not applicable	Not applicable	13,494
GVK Developmental Projects Private Limited	Subsidiary	Not applicable	Not applicable	5,200
GVK Energy Limited	Subsidiary	Not applicable	Not applicable	21,817
Seregraha Mines Limited	Associate	Not applicable	Not applicable	1441
GVK Coal Developers (Singapore) PTE Limited	Associate	Not applicable	Not applicable	15
Director Sitting fees:				
Mr G V Sanjay Reddy	Director	Not applicable	Not applicable	1
Mr Krishna R Bhupal	Director	Not applicable	Not applicable	1

Annexure D

EXTRACT OF ANNUAL RETURN
FORM NO. MGT 9
as on financial year ended on 31.03.2018

(Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014.)

I. REGISTRATION & OTHER DETAILS:

i	CIN	L74999AP2005PLC059013
ii	Registration Date	20-04-2005
iii	Name of the Company	GVK POWER & INFRASTRUCTURE LIMITED
iv	Category/Sub-category of the Company	Public Company/ Limited by Shares
v	Address of the Registered office & contact details	156-159,'Paigah House' Sardar Patel Road, Secunderabad 500013
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32,Gachibowli, Financial District, Nanakramguda, Hyderabad 500032 Tel: +91 40 67161700 Fax:+91 40 23114087

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company	
1	O&M Power Plants	NIL	Guarantee commission	31%
			Manpower & Consultancy Services	14%
			Unwinding of the Losses recognised earlier on Financial assets (notional)	47%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

SI No	Name of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
Subsidiaries (As on March 31, 2018)					
1	GVK Energy Limited	U40102AP2008PLC058683	Subsidiary	62.80	2(87)
2	GVK Airport Developers Limited	U62200TG2005PLC046510	Subsidiary	100	2(87)
3	GVK Transportation Private Limited	U63030TG2009PTC064808	Subsidiary	100	2(87)
4	GVK Perambalur SEZ Private Limited	U45209DL2006PTC156157	Subsidiary	100	2(87)
5	GVK Developmental Projects Private Limited	U74140DL2006PTC156789	Subsidiary	100	2(87)
6	GVK Airport Services Private Limited	U45400TG2007PTC054816	Subsidiary	100	2(87)
Step Down Subsidiaries (As on March 31, 2018)					
1	GVK Industries Limited	U74999AP1992PLC014388	Subsidiary	100	2(87)
2	GVK Gautami Power Limited	U40102TG1996PLC024970	Subsidiary	63.60	2(87)
3	Alaknanda Hydro Power Company Limited	U40100TG1996PLC074796	Subsidiary	100	2(87)
4	GVK Power (Goindwal Sahib) Limited	U40109TG1997PLC028483	Subsidiary	100	2(87)
5	GVK Coal (Tokisud) Company Private Limited	U10101TG2005PTC047275	Subsidiary	100	2(87)
6	GVK Ratle Hydro Electric Project Private Limited	U40108TG2010PTC069067	Subsidiary	100	2(87)
7	GVK Power (Khadur Sahib) Private Limited	U40102TG2011PTC073797	Subsidiary	100	2(87)
8	GVK Airport Holdings Limited	U62200TG2005PTC046505	Subsidiary	100	2(87)
9	Bangalore Airport & Infrastructure Developers Limited	U45200TG2006PTC051693	Subsidiary	100	2(87)
10	GVK Airports International Pte Ltd, Singapore	NA	Subsidiary	100	2(87)
11	Mumbai International Airport Private Limited	U45200MH2006PTC160164	Subsidiary	50.50	2(87)
12	GVK Jaipur Expressway Private Limited	U45203AP2002PTC063406	Subsidiary	100	2(87)
13	Sutara Roads and Infrastructure Private Limited	U45300TG2015PLC099082	Subsidiary	100	2(87)
14	GVK Deoli Kota Expressway Private Limited	U45209TG2010PTC067999	Subsidiary	99.97	2(87)
15	GVK Bagodara Vasad Expressway Private Limited	U45200TG2011PTC072500	Subsidiary	99.49	2(87)
16	GVK Shivpuri Dewas Expressway Private Limited	U45400TG2011PTC076856	Subsidiary	100	2(87)
17	Navi Mumbai International Airport Private Limited	U45200MH2007PTC169174	Subsidiary	74	2(87)
18	PT GVK Services, Indonesia	NA	Subsidiary	97	2(87)
Associate (As on March 31, 2018)					
1	Seregarha Mines Limited	U10101JH2008PLC013089	Associate	44.45	2(6)

IV. shareholding pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category	Category of Shareholder	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of shares held at the end of the year (As on 31st March, 2018)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	123835438	0	123835438	7.84	123835438	0	123835438	7.84	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	732893902	0	732893902	46.41	732893902	0	732893902	46.41	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1)	856729340	0	856729340	54.25	856729340	0	856729340	54.25	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	856729340	0	856729340	54.25	856729340	0	856729340	54.25	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	62000	0	62000	0.00	4421325	0	4421325	0.28	-0.28
(b)	Financial Institutions /Banks	3142240	3000	3145240	0.20	1118889	3000	1121889	0.07	0.13
(c)	Central Government / State Government(s)	6330000	0	6330000	0.40	6330000	0	6330000	0.40	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	8182011	0	8182011	0.52	8182011	0	8182011	0.52	0.00
(f)	Foreign Institutional Investors	105755780	0	105755780	6.70	75651343	0	75651343	4.79	1.91
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others - Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1):	123472031	3000	123475031	7.82	95703568	3000	95706568	6.06	1.76
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	86009862	539531	86549393	5.48	62071728	539531	62611259	3.96	1.52
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.2 lakh	401199051	1241494	402440545	25.48	407118785	1225416	408344201	25.86	-0.37
	(ii) Individuals holding nominal share capital in excess of Rs.2 lakh	79958647	0	79958647	5.06	96091871	0	96091871	6.08	-1.02
(c)	Others									
	Clearing Members	2972288	0	2972288	0.19	4230385	0	4230385	0.27	-0.08
	Non Resident Indians	22755677	87700	22843377	1.45	41316175	87700	41403875	2.62	-1.18
	NRI Non-Repatriation	3850426	0	3850426	0.24	13671948	0	13671948	0.87	-0.62
	Alternative Investment Fund	0	375000	375000	0.02	0	375000	375000	0.02	0.00
	Trusts	16353	0	16353	0.00	45953	0	45953	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2)	596762304	2243725	599006029	37.93	624546845	2227647	626774492	39.69	-1.76
	Total B=B(1)+B(2)	720234335	2246725	722481060	45.75	720250413	2230647	722481060	45.75	0.00
	Total (A+B)	1576963675	2246725	1579210400	100.00	1576979753	2230647	1579210400	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C)	1576963675	2246725	1579210400	100.00	1576979753	2230647	1579210400	100.00	

(ii) Share Holding of Promoters (Specify if there is no change):

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 1st April, 2017)			Shareholding at the end of the year (As on 31st March, 2018)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	G V Sanjay Reddy	5,57,25,951	3.53	0.00	5,57,25,951	3.53	0.00	0.00
2	Krishna R Bhupal	3,71,50,630	2.35	0.00	3,71,50,630	2.35	0.00	0.00
3	G V Krishna Reddy	3,09,58,857	1.96	0.00	3,09,58,857	1.96	0.00	0.00
4	Vertex Projects LLP	73,28,93,902	46.41	0.00	73,28,93,902	46.41	0.00	0.00
	Total	85,67,29,340	54.25	0.00	85,67,29,340	54.25	0.00	0.00

(iii) Change in Promoters' Shareholding (Specify if there is no change)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Dr GVK Reddy				
	At the beginning of the year	3,09,58,857	1.96	3,09,58,857	1.96
	Shares given as a gift on 23.02.2018	(1,54,79,428)	(0.98)	1,54,79,429	0.98
	Shares Received as a gift on 15.03.2018	1,54,79,428	0.98	3,09,58,857	1.96
	At the end of the year	3,09,58,857	1.96	3,09,58,857	1.96
2	Mr. G V Sanjay Reddy				
	At the beginning of the year	5,57,25,951	3.53	5,57,25,951	3.53
	Purchase/Sales during the year	Nil	Nil	Nil	Nil
	At the end of the year	5,57,25,951	3.53	5,57,25,951	3.53
3	Mr. Krishna R Bhupal				
	At the beginning of the year	3,71,50,630	2.35	3,71,50,630	2.35
	Shares given as a gift on 14.07.2017	(1,85,75,315)	(1.18)	1,85,75,315	1.18
	Shares Received as a gift on 15.03.2018	1,85,75,315	1.18	3,71,50,630	2.35
	At the end of the year	3,71,50,630	2.35	3,71,50,630	2.35
4	Vertex Projects LLP				
	At the beginning of the year	73,28,93,902	46.41	73,28,93,902	46.41
	Purchase/Sales during the year	Nil	Nil	Nil	Nil
	At the end of the year	73,28,93,902	46.41	73,28,93,902	46.41
5	G Indira Krishna Reddy				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Shares received as a gift on 23.02.2018	1,54,79,428	0.98	1,54,79,428	0.98
	Shares given as a gift on 15.03.2018	(1,54,79,428)	(0.98)	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
6	Shalini Bhupal				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Shares received as a gift on 14.07.2017	1,85,75,315	1.18	1,85,75,315	1.18
	Shares given as a gift on 15.03.2018	(1,85,75,315)	(1.18)	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 1st April, 2017)		Shareholding at the end of the year (As on 31st March, 2018)	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	57135461	3.62	31619821	2.00
2	HSBC INDIAN EQUITY MOTHER FUND	22272949	1.41	18748011	1.19
3	LIFE INSURANCE CORPORATION OF INDIA	8182011	0.52	8182011	0.52
4	AKASH BHANSHALI	7773793	0.49	0	0.00
5	LATA BHANSHALI	7600000	0.48	0	0.00
6	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFO	6833967	0.43	6736459	0.43

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 1st April, 2017)		Shareholding at the end of the year (As on 31st March, 2018)	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
7	SUSHIL SHEODUTTRAI SANGHAI	6825020	0.43	6075019	0.38
8	MV SCIF MAURITIUS	6709053	0.42	7897444	0.50
9	TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED	6330000	0.40	6330000	0.40
10	EDEL INVESTMENTS LIMITED	5715508	0.36	0	0.00
11	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA I	5289365	0.33	5289365	0.33
12	KARVY STOCK BROKING LTD(BSE)	3615000	0.23	5263000	0.33
13	RELIGARE SECURITIES LTD	3328354	0.21	120869	0.01

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company

Shareholding of Key Managerial Personnel

1	Dr GVK Reddy (KMP upto 11.11.2017)				
	At the beginning of the year	3,09,58,857	1.96	3,09,58,857	1.96
	Shares given as a gift on 23.02.2018	(1,54,79,428)	(0.98)	1,54,79,429	0.98
	Shares Received as a gift on 15.03.2018	1,54,79,428	0.98	3,09,58,857	1.96
	At the end of the year	3,09,58,857	1.96	3,09,58,857	1.96
2	Mr P V Prasanna Reddy				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
3	Mr. A Issac George				
	At the beginning of the year	2,700	0.00017	2,700	0.00017
	At the end of the year	2,700	0.00017	2,700	0.00017
4	Mr. P.V.Rama Seshu				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

Shareholding of Directors

1	Mr. G V Sanjay Reddy				
	At the beginning of the year	5,57,25,951	3.53	5,57,25,951	3.53
	At the end of the year	5,57,25,951	3.53	5,57,25,951	3.53
2	Mr. Krishna R Bhupal				
	At the beginning of the year	3,71,50,630	2.35	3,71,50,630	2.35
	Shares given as a gift on 14.07.2017	(1,85,75,315)	(1.18)	1,85,75,315	1.18
	Shares Received as a gift on 15.03.2018	1,85,75,315	1.18	3,71,50,630	2.35
	At the end of the year	3,71,50,630	2.35	3,71,50,630	2.35
3	Mr. Ch G Krishna Murthy				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
4	Mr.S Balasubramanian				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
5	Mr. S Anwar				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
6	Mr. K Balarama Reddi				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
7	Ms. Santha K John				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,73,004	40,674	-	15,13,678
ii) Interest due but not paid	18,875		-	18,875
iii) Interest accrued but not due	5,006		-	5,006
Total (i+ii+iii)	14,96,885	40,674	-	15,37,559
Change in Indebtedness during the financial year				
• Addition / (Reduction)	(79,872)	(13,103)	-	(92,975)
Net Change	(79,872)	(13,103)	-	(92,975)
Indebtedness at the end of the financial year				
i) Principal Amount	13,67,614	27,571	-	13,95,185
ii) Interest due but not paid	42,725		-	42,725
iii) Interest accrued but not due	6,674		-	6,674
Total (i+ii+iii)	14,17,013	27,571	-	14,44,584

VI. Remuneration of Directors and Key Managerial Personnel

A) Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		P V Prasanna Reddy Whole-time Director
1	Gross salary	0.00
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	0.00
3	Sweat Equity	0.00
4	Commission	0.00
	- as % of profit	
	- others, specify...	
5	Others, please specify (perquisites)	0.00
	Total	0.00

B) Remuneration to other directors

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Ch. G Krishna Murthy	Mr. S Balasubramanian	Mr. S. Anwar	Mr. K Balarama Reddi	Ms Santha K John	
1	Independent Directors						
	• Fee for attending board/ committee meetings	1.60	0.80	0.80	1.60	0.60	5.40
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	1.60	0.80	0.80	1.60	0.60	5.40
2	Other Non-Executive Directors						
	Mr G V Sanjay Reddy	Mr. Krishna R Bhupal	Mr. Issac A George	-	-	-	-
	• Fee for attending board/ committee meetings	0.80	0.80	-	-	-	1.60
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	0.80	0.80	-	-	-	1.60
	Total (1+2)	2.40	1.60	0.80	1.60	0.60	7.00

C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	27.00	0.00	27.00
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others - Leave Travel Allowance	0.40	0.00	0.40
	Group Medical Policy	0.18	0.00	0.18
	Group Personal Accident	0.02	0.00	0.02
	Total	27.60	0.00	27.60

VII. Penalties / Punishment / Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Disclosures pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial personnel) Rules, 2015

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (Rs In lakhs)	% Increase in Remuneration in the Financial year 2017-18	Ratio of remuneration of each director/median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Dr. GVK Reddy* Chairman	--	---	---	Other than CS, no KMP is being paid any remuneration. Hence not applicable
2.	A Issac George Director & CFO	--	---	---	
3.	P V Rama Seshu AVP & Company Secretary	27.60	---	N A	

* Stepped down from the position of Managing Director and continued as Chairman of the Company.

Remuneration Policy for Directors, Key Managerial Personnel and other Employees

1. Introduction

GVK Power & Infrastructure Limited (GVK PIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration 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.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

“Director” means a director appointed to the Board of the Company.

“Key Managerial Personnel” means (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Companies Act, 2013

“Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

4. Policy

Remuneration to Executive Directors and Key Managerial Personnel:

The Board, on the recommendation of the, Nomination and Remuneration (NRC) Committee, shall review and approve the remuneration payable to the Whole- time Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Whole Time Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

5. Policy for Selection of Directors and determining Directors’ Independence

1 Introduction

GVK PIL believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, GVK PIL ensures constitution of Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

GVK PIL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. GVK PIL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

“Director” means a director appointed to the Board of the Company.

“Nomination and Remuneration Committee”(NRC) means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

“Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

4. Policy

1. Qualifications and criteria

The Nomination and Remuneration Committee (NRC), and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

In evaluating the suitability of individual Board members, the NRC Committee may take into account factors, such as:

- General understanding of the Company
- Business dynamics, global business
- Social perspective
- Educational and professional background
- Standing in the profession
- Personal and professional ethics, integrity and values
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number
- Shall not be disqualified under the Companies Act, 2013
- Shall give his/her written consent to act as a Director
- Shall endeavor to attend all Board Meetings and wherever he/she is appointed as a Committee Member, the Committee Meetings
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel
- Shall disclose his/ her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his / her shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity listing Agreements and other relevant laws. The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

2. Criteria of Independence

The NRC shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director.

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.
The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

Other directorships / committee memberships

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public limited Companies.

A Director shall not serve as an Independent Director in more than 7 listed Companies and not more than 3 listed Companies in case he/she is serving as a Whole-time Director in any listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he/she holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all public limited Companies, whether listed or not, shall be included and all other companies including Private limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

Report on Corporate Governance

In compliance with the Regulation 34 of the Listing Regulations, 2015, the Company is providing below a report on the matters as mentioned in the said Regulation and practices followed by the Company.

Philosophy of the Company on the code of governance

The Company aims at achieving transparency, accountability and equity in all facets of its operations, and in its interactions with stakeholders, including shareholders, employees, government, lenders and other constituents, while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

The Company believes that all its operations and actions must result in enhancement of the overall shareholder value in terms of maximizing shareholder's benefits, over a sustained period of time.

Board of Directors

Size and composition of the Board

The Board is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The total strength of the Board as on March 31, 2018 is 10 (Ten) Directors comprising of Three Promoter Directors, Five Independent Directors and Two Non-Independent Directors. Among the Directors, two are Executive (full time) Directors and 8 are Non-executive Directors as on March 31, 2018. The Board periodically evaluates the need for increasing or decreasing its size. Following is the present composition of our Board and their number of directorships in other companies as on 31-03-2018.

Name of the Director	Category	Director Identification Number	Relationship with other directors	Number of memberships in Board of other Public Limited Companies	+ Associated with other Committees of Public Limited Companies	
					Member	Chairman
Dr. GVK Reddy	Non- Executive Chairman	00005212	All promoter directors are relatives	6	-	-
G V Sanjay Reddy	Vice Chairman Non-Executive Promoter Director	00005282	All promoter directors are relatives	6	-	-
P V Prasanna Reddy	Executive Director	01259482	None	2	1	-
Krishna R Bhupal	Non-Executive Promoter Director	00005442	All promoter directors are relatives	5	1	-
A Issac George	Executive Non-Independent Director	00005456	None	3	-	-
Ch G Krishna Murthy	Non-Executive Independent Director	01667614	None	4	4	1
S Balasubramanian	Non-Executive Independent Director	02849971	None	7	7	-
S Anwar	Non-Executive Independent Director	06454745	None	1	1	-
K Balarama Reddi	Non-Executive Independent Director	00012884	None	6	3	-
Santha K John	Non-Executive Independent Director	00848172	None	1	-	-

+ Committee memberships considered are of other companies only and includes only Audit Committees and Stakeholders Relationship Committees

None of the directors is i) a board member in more than ten public limited companies ii) a member in more than ten committees; and iii) acting as a chairman in more than five committees across all companies in which he is a director.

Brief details of Directors seeking appointment and re-appointment at this Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name of the Director	Krishna R Bhupal
Date of Appointment	14th October, 2009
Date of Birth	16th March, 1983
Qualifications	Graduate from Villanova University, USA with double major in Finance & Accounting
Expertise in specific functional areas	Director of GVK Power & Infrastructure Limited, a leading Indian conglomerate with interests across energy, resources, airports, transportation, hospitality and life-sciences sectors. He is on the Board of Directors of several key companies of the GVK group and has been instrumental in the refurbishment of the Chhatrapati Shivaji International Airport, Mumbai, is a Director on Board of TAJ GVK Hotels and Resorts Limited and is a member with GVK EMRI (Emergency Management and Research Institute). Mr. Bhupal is a member of a Global - Non-Profit Educational Organization for today's leading business owners, the Entrepreneurs' Organization (EO), and is the Learning Chair of the EO Hyderabad Chapter. His visionary leadership and commitment towards developmental projects has led him to become a member of Confederation of Indian Industry [CII] - Andhra Pradesh State Council and Convener of CII - AP State Energy Panel for Power Sector besides leading the Sub Committee as Co-Chairman for Power & Energy – Southern Region. Mr. Bhupal has graduated from Villanova University, USA with a double major in Finance and Accounting and was youngest to be conferred with the prestigious Fellowship by GITAM School of International Business, GITAM University, Visakhapatnam, India.
List of companies in which outside Directorship is held as on 31.03.2018	1) Taj GVK Hotels & Resorts Limited 2) GVK Energy Limited 3) GVK Airport Developers Limited 4) GVK Airport Holdings Limited 5) Crescent EPC Projects and Technical services Limited 6) Mumbai International Airport Private Limited 7) Navi Mumbai International Airport Private Limited 8) GVK Jaipur Expressway Private Limited 9) GVK Biosciences Private Limited 10) GVK Davix Technologies Private Limited 11) GVK Estates Private Limited 12) GVK Technical & Consultancy Services Private Limited 13) GVK Emergency Management and Research Institute, Hyderabad 14) GVK EMRI (UP) 15) Hyderabad Bicycling Club
Chairman/Member of the Committees* of other Companies in which he is a member as on 31.03.2018	Taj GVK Hotels & Resorts Limited (Member-Audit Committee)

Board Meetings held during the Year

The Board of Directors met four times during the year on May 24, 2017, August 11, 2017, November 11, 2017 and February 14, 2018. The maximum gap between the two meetings was less than four months.

No. of shares held by Non-Executive Directors

The details of Shareholdings of the Non-Executive Directors in the Company as at March 31, 2018 are as follows:

Name	No. of Shares
Dr. GVK Reddy	3,09,58,857
Mr. G V Sanjay Reddy	5,57,25,951
Mr. Krishna R Bhupal	3,71,50,630
Mr. CH G Krishna Murthy	Nil
Mr. S Balasubramanian	Nil
Mr. S Anwar	Nil
Mr. K Balarama Reddi	Nil
Ms. Santha K John	Nil

Directors Attendance and Sitting fee paid

Given in the table below is the Board Meeting attendance record of the directors during the year 2017-18.

Name of the Director	No. of meetings held	No. of meetings attended	Sitting Fees Paid (Rs.)	Presence at last AGM
Dr. GVK Reddy	4	4	-	Yes
G V Sanjay Reddy	4	4	80,000	Yes
Krishna R Bhupal	4	4	80,000	Yes
A Issac George	4	3	-	Yes
Ch G Krishna Murthy	4	4	1,60,000	Yes
S Balasubramanian	4	2	80,000	No
S Anwar	4	4	80,000	Yes
K Balarama Reddi	4	4	1,60,000	Yes
Santha K John	4	3	60,000	Yes
P V Prasanna Reddy*	4	3	-	Yes

* Appointed/Designated as a Whole Time Director w.e.f. November 11, 2017

Remuneration to Directors

I Remuneration to Executive / Non-Executive Directors:

- The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive / Non-Executive Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.
- Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

II. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Pecuniary transactions with Non-Executive Directors

There were no pecuniary transactions with any of the Non-Executive Directors except for Sitting Fees paid to them as Directors of the Company.

Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed.

The information regularly supplied to the Board includes:

- Annual operating plans and budgets, capital budgets and updates
- Periodic Financial Statements
- Minutes of meetings of audit, compensation and investor grievance committee of the Company along with board minutes of the subsidiary companies, General notices of interest
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary
- Materially important litigations, show cause, demand, prosecution and penalty
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any
- Any materially relevant default in financial obligations to and by us
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant development on the human resources front
- Sale of material, nature of investments in subsidiaries and assets, which are not in the normal course of business
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

Code of Conduct

The Board of Directors of the Company has laid a code of conduct for Directors and the senior management. The code of conduct is posted on the Company's website. All Directors and designated personnel in the senior management have affirmed compliance with the code for the year under review. A declaration to this effect duly signed by Dr. GVK Reddy, Chairman is annexed to this report.

Audit Committee

In terms of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Audit Committee constituted by the Board consists of only Non-Executive and Independent Directors. The committee met four times during the year on May 23, 2017, August 10, 2017, November 10, 2017 and February 13, 2018. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
Ch G Krishna Murthy	Chairman	4	4
S Balasubramanian	Member	4	2
K Balarama Reddi	Member	4	4

The terms of reference as stipulated by the Board to the Audit Committee include:

- Review of the Company's financial reporting process and disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and recommending payment for any other services.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on
 - Changes in accounting policies and practices
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Disclosure of any related party transactions
- Reviewing with the management, the external and internal auditors the adequacy of internal control systems.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

The committee is in compliance with its requirements under this charter.

Nomination and Remuneration Committee

In terms of Regulation 34(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with Schedule V and Clause C(4)(c) the Nomination and Remuneration Committee constituted by the Board consists of only Non-Executive and Independent Directors. The committee met three times during the year on May 24, 2017, August 11, 2017 and November 11, 2017. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
S Anwar	Chairman	3	3
Ch G Krishna Murthy	Member	3	3
K Balarama Reddi	Member	3	3

The committee has been constituted to recommend/review the remuneration package of the Managing/Whole-Time Directors, Key Managerial Personnel and other senior executives one level below the Board, apart from deciding other matters such as framing and implementation of stock option plans to employees, etc. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of following three Directors and the majority of whom are Non-Executive Independent Directors

Ch G Krishna Murthy	-	Chairman
A Issac George	-	Member
S Anwar	-	Member

The Stakeholders Relationship Committee reviews and redresses all the grievances periodically and meets as and when required.

Details of complaints received / resolved during the financial year 2017-18

Nature of Complaint	Received	Resolved	Pending
For Non-receipt of			
- Dividend Warrant	20	20	0
- Annual Report	39	39	0
- Share Certificate	4	4	0
Total	63	63	0

Ethics & Compliance Committee

The Ethics & Compliance Committee was constituted pursuant to the amended regulations of SEBI (Prevention of Insider Trading Regulations), 2015. This Committee comprises of the following Non-Executive Independent Directors.

Ch G Krishna Murthy	-	Member
K Balarama Reddi	-	Member

The Company has a Code of Conduct for Prevention of Insider Trading as prescribed by the Securities and Exchange Board of India. The Committee monitors the implementation of the Code and takes on record the status reports detailing the dealings in securities by the Eligible Persons.

Mr. P V Rama Seshu, AVP & Company Secretary of the Company has been designated as the Compliance Officer and also acts as the Secretary to all the above Committees.

Whistle-blower policy

The Company has established a policy for all the employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism under the said policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that during the financial year 2017-18, no employee has been denied access to the audit committee.

Prevention of insider trading

The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under SEBI (Prevention of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The policy is available on our website https://www.gvk.com/files/investorrelations/investors/corpgovernance/gvkpilinsider_trading_policy.pdf

Familiarization programme to Independent Directors

The Company has adopted a program on familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of business and the industry in which the Company operates among other things. The same is put up on the website of the company at the link https://www.gvk.com/files/investorrelations/investors/corpgovernance/familiarisation_programme_for_independent_directors.pdf

Material Subsidiary Companies

The Minutes of the Meetings of Board of Directors of all the subsidiary companies were periodically placed before the Board of Directors of the Company. The Policy on Material Subsidiary is available on the website of the Company at https://www.gvk.com/files/investorrelations/investors/corpgovernance/policy_for_determining_material_subsidiaries_gvk_pil.pdf

Annual General Meetings

Year	Date	Time	Venue
2014-15	13.08.2015	11.30 A.M	Sri Satya Sai Nigamagmam, Sri Nagar Colony, Hyderabad – 500 073
2015-16	12.08.2016	11.30 A.M	Sri Satya Sai Nigamagmam, Sri Nagar Colony, Hyderabad – 500 073
2016-17	27.09.2017	11.30 A.M	Sri Satya Sai Nigamagmam, Sri Nagar Colony, Hyderabad – 500 073

Special Resolutions passed during the previous three Annual General Meetings

Financial Year 2016-17

During the financial year 2016-17, on July 08, 2016, the shareholders vide a Postal Ballot approved enhancement in existing over all limits under Section 186 of the Companies Act, 2013 from Rs.10,000 Crore to Rs.15,000 Crore so as to make investments/ give guarantees/provide securities in connection with the bidding/acquiring/negotiating/implementing the existing/new projects being under taken/implemented by the company directly or through one or more subsidiaries/step down subsidiaries/associate companies/group companies.

Financial Year 2015-16

Special Resolution passed for waiver of excess managerial remuneration paid under the relevant provisions of the erstwhile Companies Act, 1956, amounting to Rs.23,42,773/- to Mr. A Issac George (DIN:00005456), Director & CFO for part of the financial year 2012- 13.

Financial year 2014-15

Special resolution passed for issue of securities of the company through QIP/Private Placement to raise fund upto an amount of Rs. 1,000 crores.

Details of special resolution passed during the year through postal ballot

During the year under review, there is no special resolution passed through postal ballot.

Details of special resolution proposed to be conducted through postal ballot

At the ensuing Annual General Meeting, there is no Agenda item that requires approval of the shareholder through postal ballot.

E-voting

Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management & Administration) Rules, 2014 and Regulation 44 of Listing Regulations, 2015 also requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings and the same has been provided at this AGM

Related Party Transactions

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. The related party transactions entered into were in the ordinary course of business and at arm's length basis. A statement of related party transactions is placed before the Board on quarterly basis.

The Company has framed a Policy on Related Party transactions and the same is available on website of the Company at <https://www.gvk.com/files/investorrelations/investors/corp-governance/RelatedPartyTransactionPolicy.pdf>

Means of Communication

The quarterly and annual financial results of the Company are generally published in National Newspapers i.e. The Economic Times, The Financial Express or Business Standard in English and Andhra Prabha or Surya a regional newspaper in vernacular language. The results of the company are displayed on company's website www.gvk.com

SEBI Complaints Redressal System (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

Strictures/Penalty

No penalty has been imposed by any Stock exchange or SEBI, nor has been any instance of non-compliance with any legal requirements, or any matters relating to the Capital market over the last three years

Non-compliance of any requirements of corporate governance report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015

The Company has complied with the requirement of corporate governance report of sub-regulation (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015

Adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Separate persons were appointed for the posts of Chairman and Whole-time Director and the Internal Auditors directly report to the Audit Committee

Compliance with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015

Company has complied with all the relevant corporate governance requirements stipulated in the Listing Regulations.

Whole-time Director and Chief Financial Officer Certification under Regulation 17(8) of SEBI (LODR) Regulations, 2015

To
The Board of Directors of
GVK Power & Infrastructure Limited

In relation to the Audited Financial Accounts of the Company as at March 31, 2018, we hereby certify that

- a) We have reviewed the financial statements and the cash flow statement for the year 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 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
 - i) significant changes in internal control 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; 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.

P V Prasanna Reddy
Whole Time Director

Place : Hyderabad
Date : May 23, 2018

A Issac George
CFO

Certificate from a Company Secretary in Whole-time Practice on compliance of conditions as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

To
The Board of Directors of
GVK Power & Infrastructure Limited

We have examined the compliance of regulations of Corporate Governance by GVK Power & Infrastructure Limited for the year ended March 31, 2018, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

Place : Hyderabad
Date : May 23, 2018

Narender & Associates
G Narender
FCS-4898
CP:5024

General Shareholder Information

1.	Annual General Meeting	
	Day, Date and Time	Wednesday, the 14th November, 2018 at 11:30 am
	Venue	Sri Satya Sai Nigamagmam 8-3-987/2, Srinagar Colony Hyderabad - 500 073
2.	Book Closure Dates	November 10, 2018 to November 14, 2018 (both days inclusive)
3.	Calendar of events (tentative and subject to change) for financial reporting for the period ending	
	- Jun 30, 2018	Aug 2018
	- Sep 30, 2018	Nov 2018*
	- Dec 31, 2018	Feb 2019*
	- Mar 31, 2018	May 2019*
	- AGM for 2018-19	Aug 2019* (*tentative)
4.	Listing of equity shares is at	The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 BSE Limited Floor 25, P J Towers, Dalal Street Fort, Mumbai - 400001 Annual Listing Fee has been paid for the year 2018-19 to both the Exchanges
5.	Stock Code	BSE: 532708, NSE: GVKPIL ISIN : INE251H01024
6.	Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs	L74999AP2005PLC059013
7.	Share Transfer System	Share transfer requests, which are received in physical form are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.
8.	Secretarial Audit	Secretarial Audit is being carried out every quarter by a practicing Company Secretary and his audit report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time.
9.	Location	Registered Office 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003 Phone No. 040-27902663 / 64, Fax: 040-27902665 Email: cs.gvcpil@gvk.com Website: www.gvk.com
10.	Registrar & Share Transfer Agents	Karvy Computershare Private Limited Unit: GVK Power & Infrastructure Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial Dt, Nanakramguda, Hyderabad - 500 032 Phone: 040 - 67161569, Fax : 040 - 23420814 E-mail: mailmanager@karvy.com website: www.karvy.com
11.	Query on the Annual Report (Shall reach 10 days before the AGM)	P V Rama Seshu, AVP & Company Secretary-Compliance Officer GVK Power & Infrastructure Limited 156-159, 'Paigah House', Sardar Patel Road, Secunderabad - 500 003 E-mail : cs.gvcpil@gvk.com Ph: 040-27902663/64 Fax: 040-27902665
12.	Commodity price risk or foreign exchange risk and hedging activities	As the Company is not engaged in commodity business, commodity risk is not applicable. Foreign Exchange risk is managed/hedged in accordance with the Policy framed by the Company for that purpose, and periodical update is given to the Board on a quarterly basis.
13.	Disclosure relating to demat suspense account / unclaimed suspense account	Not Applicable as there is no shares lying in the demat suspense account / unclaimed suspense account of the Company.

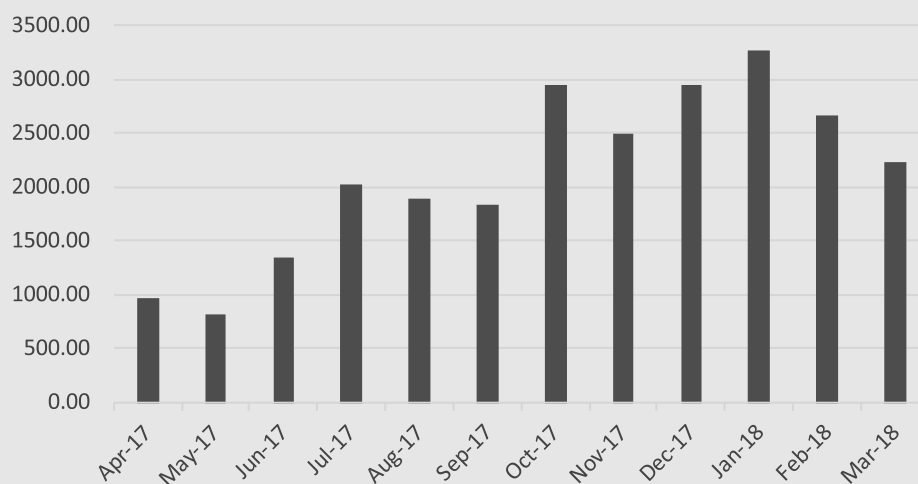
Changes in Share Capital

Date of Allotment	Number of Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	10	Nil
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	20	Nil
10/09/1996	8	10.00	Cash	Allotment to JOMC Mauritius	100	Nil
18/01/1997	20,990	10.00	Cash	Allotment to JOMC Mauritius	210,000	Nil
18/06/1997	14,000	10.00	Cash	Allotment to Triumph Investments Limited	350,000	Nil
27/08/2005	52,85,000	10.00	Other than Cash	Bonus issue in the ratio 151:1	53,200,000	Nil
14/10/2005	24,76,194	155.41	Cash	Preferential allotment to certain Promoters, Promoter Group Companies and others	77,961,940	360,063,369.54
14/10/2005	75,72,695	155.44	Cash	Preferential allotment to Transoceanic Projects Limited	153,688,890	1,461,436,130.34
21/02/2006	82,75,556	310.00	Cash	Initial Public Offering	236,444,450	3,944,102,930.34
14/05/2007	375,69,230	325.00	Cash	Qualified Institutional Placement (QIP)	612,136,750	15,778,410,380.34
17/10/2007	7,03,25,000	10.00	Other than Cash	Under the Scheme of Amalgamation	1,315,386,750	15,778,410,380.34
24/11/2007	90,46,215	10.00	Other than Cash	Under the Scheme of Arrangement	1,405,848,900*	15,778,410,380.34
09/07/2009	173,361,500	41.25	Cash	Qualified Institutional Placement (QIP)	1,579,210,400	22,756,210,755.34
Total	1,579,210,400					

* Effective from 15.02.2008 the face value of the share has been changed from Rs.10/- per share to Re.1/- per share.

NSE MARKET Capitalization Chart

Rs in Crore



Monthly high, low and trading volume of equity shares of the Company during the financial year 2017-18

Month, Year	National Stock Exchange of India Limited (NSE)			Nifty		BSE Limited (BSE)			Sensex	
	High (Rs)	Low (Rs)	Volume (No)	High	Low	High (Rs)	Low (Rs)	Volume (No)	High	Low
April, 2017	6.65	5.95	5,99,64,753	9367.15	9075.15	6.75	5.92	14,337,022	30184.22	29241.48
May	6.5	5	6,07,46,993	9649.6	9269.9	6.45	5.05	13,564,769	31255.28	29804.12
June	8.8	5.15	23,46,57,459	9709.3	9448.75	8.79	5.15	44,468,502	31522.87	30680.66
July	13.25	7.25	45,72,95,417	10114.85	9543.55	13.23	7.25	104,286,649	32672.66	31017.11
August	13.9	11.1	29,12,26,287	10137.85	9685.55	13.9	11.17	59,003,725	32686.48	31128.02
September	12.85	10.9	3,98,68,133	10178.95	9687.55	12.95	10.82	10,899,511	32524.11	31081.83
October	18.7	11.5	3,89,53,918	10384.5	9831.05	18.88	11.45	37,632,255	33340.17	31440.48
November	19.6	14.5	5,88,64,305	10490.45	10094	19.75	14.6	20,371,951	33865.95	32683.59
December	19	14.45	3,87,84,708	10552.4	10033.35	19.25	14.5	11,794,964	34137.97	32565.16
January, 2018	27.85	17.8	9,40,13,556	11171.55	10404.65	27.85	17.8	33,305,407	36443.98	33703.37
February	21.7	16.2	8,60,27,398	11117.35	10276.3	21.55	16.15	26,107,949	36256.83	33482.81
March	17.2	12.95	8,52,45,783	10525.5	9951.9	17.1	13.3	21,060,852	34278.63	32483.84

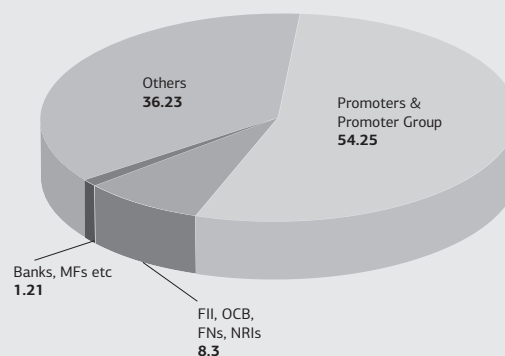


Shareholding pattern as on March 31, 2018

Sl. No.	Description	Cases	Shares	% Equity
1	PROMOTER COMPANIES	1	732,893,902	46.41
2	RESIDENT INDIVIDUALS	268930	488,358,296	30.92
3	PROMOTER DIRECTOR	3	123,835,438	7.84
4	FOREIGN PORTFOLIO INVESTORS	24	75,651,343	4.79
5	BODIES CORPORATES	1489	61,392,139	3.89
6	NON RESIDENT INDIANS	3061	41,403,875	2.62
7	H U F	4488	16,062,096	1.02
8	NON RESIDENT INDIAN NON REPATRIABLE	1198	13,671,948	0.87
9	INSURANCE COMPANIES	1	8,182,011	0.52
10	GOVERNMENT	1	6,330,000	0.40
11	ALTERNATIVE INVESTMENT FUND	2	4,350,000	0.28
12	CLEARING MEMBERS	188	4,230,385	0.27
13	NBFC	18	1,219,120	0.08
14	BANKS	5	1,121,889	0.07
15	OVERSEAS CORPORATE BODIES	1	375,000	0.02
16	MUTUAL FUNDS	1	71,325	0.00
17	TRUSTS	12	45,953	0.00
18	DIRECTORS AND RELATIVES	4	15,680	0.00
	Total	279,427	1,579,210,400	100.00

Distribution by category as on March 31, 2018

Category	Number of Shares	% of holding
Promoters & Promoter Group	85,67,29,340	54.25
Foreign Institutional Investors, OCB, Foreign Nationals, NRIs	13,11,02,166	8.30
Banks, Mutual Funds etc	19174730	1.21
Others	5,72,20,41,64	36.23
Total	157,92,10,400	100.00



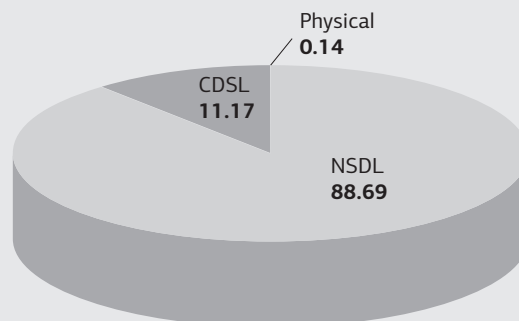
Distribution Schedule as on March 31, 2018

Sl. No.	Category	Cases	% of Cases	Amount	% of Amount
1	1-5000	65,046	94.85	165,443,666	10.48
2	5001- 10000	6,569	2.35	50,572,222	3.20
3	10001- 20000	3,364	1.20	50,305,823	3.19
4	20001- 30000	1,576	0.56	40,039,092	2.54
5	30001- 40000	815	0.29	29,336,768	1.86
6	40001- 50000	558	0.20	25,963,556	1.64
7	50001- 100000	908	0.32	66,203,770	4.19
8	100001& Above	591	0.21	1,151,345,503	72.91
	Total	2,79,427	100.00	1,579,210,400	100.00

De-materialization of shares as on March 31, 2018

Sl. No.	Description	No of shareholders	No of shares	% Equity
1	PHYSICAL	5382	22,30,647	0.14
2	NSDL	168799	1,40,05,98,128	88.69
3	CDSL	105246	17,63,81,625	11.17
	Total	2,79,427	1,57,92,10,400	100.00

As on March 31, 2018 over 99.86% of outstanding shares are held in de-mat form and the balance 0.14% in physical form. Trading in equity shares of the Company is permitted only in de-materialized form as per notification issued by the Securities and Exchange Board of India (SEBI). Shareholders interested in dematerializing / rematerializing their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.



Compliance with Regulation 26 & Part D of Schedule V of SEBI (LODR) Regulations, 2015

DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under Regulation 26 & Part D of Schedule V of SEBI (LODR) Regulations, 2015, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2018.

For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : May 23, 2018

Dr GVK Reddy
Chairman

Management Discussion and Analysis

1. About the Company

GVK Power & Infrastructure Limited (the Company) is a listed entity and an ultimate holding company of “GVK” which operates in diversified business operations under different verticals. The Company operates predominantly in Energy, Airports, Transportation and has presence in other business like Resources, Urban infrastructures etc. It conducts and operates its business through 6 subsidiaries, 18 step down subsidiaries and one associate company (as on March 31, 2018). Revenues of the Company are derived primarily from the O&M fee, incentives for operating the business of subsidiaries /associate and secondly from the interest income earned out of managing the surplus funds through a better financial planning.

2. The Economy and Sectoral growth

The World Bank and International Monetary Fund (IMF) has re-affirmed the India as the fastest growing major economy in the world. India's GDP growth bottomed out in the middle of 2017 after slowing for 5 consecutive quarters, and has since improved significantly, with momentum carrying over into 2018 on the back of a recovery in investment. India has also overcome the temporary disruptions caused by the demonetisation and implementation of the landmark Goods and Services Tax (GST). India has registered the landmark GDP of 7.7% in fourth quarter of 2018 and for the full financial year, India's GDP was stabilized at 6.7% lingering effect of demonetisation and the rollout of GST. The IMF has projected India's GDP at 7.4% for FY19 and 7.8% for FY20 in strong support of robust private consumption and strengthening investment in the country.

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during 2017-18 increased to US\$ 61.96 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results. India has improved its ranking in the World Bank's ease of Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 due to various digitization and institutional reforms undertaken by the Government of India.

Moody's has upgraded of India's rating after 14 years to Baa3 rating with a positive and stable economic outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term. India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like Demonetisation and GST.

A) POWER

India is the third largest producer and fourth largest consumer of electricity in the world, with the installed power capacity reaching 334 GW as of March 2018. The country also has the fifth largest power generation capacity in the world. India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index, on back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner. During the last decade, electricity production in India grew at a CAGR of 5.69%. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come.

India's power sector is one of the most diversified in the world. The sources of power generation includes conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power and non-conventional sources such as wind, solar, and agricultural and domestic waste. Total installed coal capacity and natural gas capacity in India stood at 197,171.50 MW and 24,897.46 MW respectively as on March 2018. India also has an enormous potential for hydropower. As of March 2018, India has 45.29 GW of hydro power generating capacity. Electricity production in India reached 1,201.543 Billion Units during FY18 showing the growth of 52.72% over the previous FY. Renewable energy is fast emerging as a major source of power in India. Wind energy is the largest source of renewable energy in India, accounting for 52.27% of total installed capacity (62.85 GW). There are plans to double wind power generation capacity to 60 GW by 2022. As per the 13th Five Year Plan, India is targeting a total of 100 GW of power capacity addition by 2022.

Government of India has adopted a favorable policy environment with 100% FDI under the automatic route in the power and renewable energy segment. Around 293 global and domestic companies have committed to generate 266 GW of solar, wind, mini-Hydel and biomass-based power in India over the next 5–10 years. The initiative would entail an investment of about US\$ 310–350 billion. All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country.

In March 2017, the Power Ministry has launched an application named - GARV-II, to provide real time data related to rural electrification regarding all un-electrified villages in India. A total of 17,164 villages out of 18,452 un-electrified villages in India have been electrified up to March 2018 as part of the target to electrify all villages by May 1, 2018. In September 2017, the Government of India has launched the Saubhagya scheme to provide electricity connections to over 40 million families in rural and urban areas by December 2018 at a cost of US\$ 2.5 billion. Total installed capacity of power stations in India stood at 334,146.91 Megawatt (MW) as on February, 2018.

India could become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs 40,000 crore (US\$ 6.23 billion) on an annual basis.

B) AIRPORTS

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India is currently considered as the third largest domestic aviation market in the world and is expected to become the world's third largest aviation market by 2020 and largest by 2030.

The civil aviation industry has ushered in a new era of expansion, driven by factors such as low-cost carriers (LCCs), Modern Airports, Foreign Direct Investment (FDI) in domestic airlines, advanced Information Technology (IT) interventions and growing emphasis on regional connectivity. In FY18, Airports in India witnessed a domestic passenger traffic of about 243.28 million people with a growth rate of 18.3%.

Witnessing a significant growth over previous year, total passenger traffic stood at a 308.75 million in FY18 which is expected to increase upto 421 million by 2020. As of March 2018, there are nearly 550 commercial aircraft in operation in India.

India's passenger traffic grew at a CAGR of 12.72% during FY06-FY18 to reach 308.75 million. Domestic passenger traffic is expected to increase from 243 million in FY18 to 293 million in FY20E, while International passenger traffic is expected to grow from 65 million in FY18 to 76 million during FY20. Total freight traffic registered a CAGR of 7.53% over FY06-18. In FY18, domestic freight traffic stood at 1,213.06 million tonnes, while international freight traffic was at 2,143.97 million tonnes. By 2023, total freight traffic is expected to touch 4.14 million tonnes exhibiting growth at a CAGR of 7.27 per cent between FY2016 and FY23.

The Government of India has launched regional connectivity scheme named UDAN (Ude Desh ka Aam Nagrik) to make flying affordable for common man. Allocation to Civil Aviation Ministry has been tripled to Rs 6,602.86 crore under Union Budget 2018-19. Capex plans to the tune of Rs 65,000 crore have been finalised by the Airports Authority of India with Rs 17,500 crore for the next five years and around Rs 22,000 crore for brownfield expansion in Delhi, Mumbai, Hyderabad and Bengaluru by private operators and around Rs 21,000 crore for Greenfield airports. The Government of India in June 2017, has launched the 'DIGI YATRA' initiative for all airports to enable a completely paperless boarding process for domestic flyers which is expected to be rolled out in Bangalore, Hyderabad, Kolkata, Varanasi and Vijayawada in phases by January 2019. Under Union Budget 2018-19, the Government of India has introduced NABH (NextGen Airports for Bharat Nirman) Scheme which aims a five-fold increase in India's airport capacity to handle a billion trips per year.

Mr. Jayant Sinha, Minister of State for Civil Aviation has projected the aviation sector in India to see an investment of around Rs 1 lakh crore in the next five years for capacity augmentation and development of new Greenfield airports in India. While the Airport Authority of India alone would infuse Rs 20,178 crore in the next 4-5 years for development of infrastructure at 21 airports, a capex outlay of Rs 50,000 crore is expected to be infused for the development of new Greenfield airports. The Airports Authority of India (AAI) aims to bring around 250 airports under operation across the country by 2020.

C. TRANSPORTATION

India has second largest road networks in the world, spanning over a 5.6 million kms network comprising National Highways, State Highways and other roads. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute. The National Highways (NH) in the country covers a total length of 115,530 km (2% of total road network) and carry about 40% of the road traffic. The Ministry of Road Transport and Highways, has fixed a target of 20,000 kms for 2018-19 which is 25 per cent more than 17,055 kms awarded in 2017-18. In FY17-18, national highways of 9,829 kms in length were constructed with 20 per cent growth from 8,231 in FY16-17.

The development of the Transport Infrastructure in India across various areas such as roads, railways and ports has gained

tremendous pace in the last few years. The transport infrastructure sector in India is expected to grow at a CAGR of 5.9% through the year 2021, thereby becoming the fastest-expanding component of the country's infrastructure sector. All time high budgetary allocation for road and rail sectors infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. India's first 14-lane national highway, viz, Delhi-Meerut Expressway connecting Delhi-NCR to Meerut, western UP and Uttarakhand has been inaugurated by Mr. Narendra Modi, Hon'ble Prime Minister of India in May, 2018 which has reduced the time of journey from Delhi to Meerut by 45 minutes and also helped in decongesting the traffic problems of Delhi-NCR with a reduced pollution.

In order to create a world class infrastructure, the government has laid significant emphasis on expanding and developing the sector across the country through several initiatives like the Bharatmala project in the Road Sector, Sagarmala programme in the Ports & Shipping sector, focus on E-mobility, electrification of railway tracks and construction of multi-modal logistics parks for the development and promotion of the sector, etc. Increased allocation in the development of road network including the 'Bharatmala Pariyojana' would enable the creation of seamless connectivity to remote areas and country borders, improving the safety and reducing the cost of transportation while also allowing business activities to flourish in such areas.

The road sector has attracted private investments with new measures like the Hybrid Annuity Model (HAM), Toll-Operate-Transfer (TOT) model, improved land acquisition process, the launch of masala bonds and Infrastructure Investment Trusts (InvITs) besides other initiatives. The Government of India has succeeded in providing road connectivity to 85% of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014. Total length of roads constructed under Prime Minister's Gram Sadak Yojana (PMGSY) was 47,447 km in 2017-18.

3. Assets under Operation

i) Energy

The two gas based projects i.e. 464 MW GVK Gautami Power Limited, 220 MW Phase II projects of GVK Industries Limited and one Hydel power project i.e. 330 MW Alaknanda Hydro Power Company Limited and one coal based project M/s GVK Power (Goindwal Sahib) Limited have recorded revenue of Rs. 1534.15 Crore for the year ended March 31, 2018 as against Rs.767.13 Crore for the previous year.

GVK Industries Ltd

During the year, Jegurupadu Phase II achieved 99.66% PLF based on the availability declaration on HSD fuel. Currently plant is under shutdown and kept under preservation mode and is importing energy @250kw for preservation activities. Discussions are being held with APPCC/APDISCOMs regarding lease agreements for the land for Phase II plant and for sharing of common facilities. Agreements will be finalized after the execution of the sale deed of Phase-I project.

GVK Gautami Power Ltd

During the year, Gautami plant had achieved 99.91 % PLF for the year based on the availability declaration on alternate fuel. Presently this plant is drawing power from the grid approx. 0.5kW needed for plant preservation activities.

During the year GVK Gautami Power Ltd reported a loss of Rs. 258.89 Crs for the financial year 2017-18 (PY loss of Rs 255.81 Crores).

Alaknanda Hydro Power Company Limited

The 330MW Shrinagar Hydro Electric Project achieved Normative Annual Plant Availability Factor (NAPAF) of 55.36% for the FY 2017-18 with a Plant Load Factor of 48.17%. During the monsoon season, the Project operated all the four units at their full capacity. During other seasons, based on the water flows, the plant was operated with at least one turbine, either on part or full load. During the year under review, the company has generated revenues of Rs. 648.59 Crore with a negative profit of Rs. 116.49 Crore. The negative profit is mainly attributable to the increase in finance cost and increase in depreciation rate which is in line with UPERC regulations. Currently, minor finishing works of the project such as strengthening of the river banks, repairs of roads and green belt development, Dhari Devi Ma temple works etc., are being carried out.

GVK Power (Goindwal Sahib) Limited

The 2X270 MW Coal based Power plant situated at Goindwal Sahib, Tarn Taran District in the State of Punjab is operating the plant from June 2017 with the special forward e-auction coal by Coal India Limited. The company could get allocation of 1.7 Million MT of coal from CCL and 6300 MT of coal from SCEL under SHAKTI scheme. The Fuel Supply Agreements under SHAKTI scheme are signed in February, 2018 and coal supply started to the plant.

ii) Airports

Mumbai International Airport Pvt Ltd (MIAL)

During the year MIAL handled 48.50 Mio (PY 45.16 mio) passengers, 320,689 ATMs (PY 305,436 ATMs) and 675,435 MT (PY 573,253 MT) of Cargo reflecting an increase of 7.4%, 5.0% and 17.83% respectively. The Company reported a profit after tax of Rs. 35.41 Crore for the financial year 2017-18 (PY Loss after tax Rs. 89.78 Crore). MIAL recorded revenue of Rs. 3,342.32 Crore for the year ended March 31, 2018 as against that of Rs. 3,025.99 Crore for the previous year, registering an increase of 10.45%. EBITDA margin improved to 42.21% as compared to 40.80% in previous year.

MIAL has completed and commissioned all Capital Mandatory Projects and also commissioned most of Non Mandatory airport modernization and expansion projects, as required under CSIA Master plan 2011. Despite various constraints, the terminal, airside and landside facilities have been efficiently planned and developed to serve the air traffic growth at CSIA while maintaining required level of service standards. However the long term development of Chhatrapati Shivaji International Airport (CSIA) is constrained by the lack of contiguous land readily available for development. The remaining Non Mandatory Capital projects, as per CSIA Master plan 2011, require rehabilitation of slums/encroachments located on airport land.

CSIA is operating at optimum capacity and is the only single Runway operation airport in the world to cater to 987 movements on a single day. CSIA handled 26,214 passengers per acre in FY18, maximum as compared to any other airport in the world. This could be achieved due to constant focus on improvement in operational efficiency. Passenger growth was subdued at 7.4% due to capacity constraints at CSIA and therefore it was lower as compared to nation-wide average growth of 16.5%. Continuous efforts are being made to accommodate more passengers and enhance passenger experience.

FY18 witnessed the launch of operations by 8 Airlines (Air Asia Indonesia – Denpasar, Air Canada – Vancouver, KLM – Amsterdam, Thai Lion Air – Bangkok, Thai Smile – Bangkok, Rwand Air – Kigali, Air Deccan – Jalgaon & Nashik, Trujet – Nanded). Existing Airlines like Jet Airways, Srilankan Airlines, Oman Air and Indigo have scaled up international flights. Jazeera Airways (Kuwait), Air Italia (Milan), Philippines Airlines (Manila), Air Tanzania (Dar es Salaam) & Uzbekistan Airways (Tashkent) are expected to commence operations in FY19. Jet Airways and Air India have upgraded aircrafts on Metro Routes and are now operating wide body aircrafts on Delhi and Bengaluru sectors.

Efforts are also being made to handle more cargo by improving efficiency and creating additional infrastructure wherever possible. 'Export Heavy & Bonded cargo Terminal' spread over 7500 sqm with additional 3,00,000 mt capacity per annum was made operational in January 2017. The terminal has facilitated better handling of heavy and odd size cargo, resulting in reduction of dwell time in cargo handling.

In its continuous journey towards excellence, CSIA was adjudged, for airport service quality by Airport Council International, as the best airport globally in the category of airports handling more than 40 million passengers per annum. CSIA has been inducted into the ACREX Hall of Fame for its world class design, architecture, infrastructure and operational efficiency. The airport received various other awards which includes Best Airport in India and Central Asia by Skytrax, Best Metro Airport and the Airport Offering best facilities for sick, elderly and physically challenged by APAI, Gold – Green Airport recognition 2018 by ACI in over 35 mppa category, INFHRA-FM Excellence Award 2017-18 under category of Ecological sustainability, Best Domestic Airport award at WINGS INDIA AWARDS 2018 for Excellence in Aviation sector, The 'Best Airport Staff' award in India and Central Asia at the Skytrax Awards 2017, Among Top 10 'Best Airport Terminals' at the Skytrax Awards 2017, Best Overall Excellence in CSR by World CSR congress, 'BE Star' recognition as Leader for Excellence in Customer Management, 'Sustainable Carbon Management Practice Award' from World CSR Congress, "Excellence Award" at 7th Global Economic Summit, in the "Best Logistics Service Provider" category, The 'Cargo Airport of The Year – India' at STAT Times International Awards for Excellence, CAPA's award for excellence in Air Traffic Management productivity in Indian aviation, 'Highly Commended Airport for Marketing' award in Asia Pacific region, "Best Executed Landmark Project of the Year (Airport)" at the Construction Times Award 2016.

iii)Transportation

GVK Jaipur Expressway Pvt Ltd

During the year, toll collections was Rs.350.73 Crore (PY Rs.301.95 Crore) registering an increase of 16.15%. The Company reported a profit after tax of Rs.128.33 Crore for the financial year (PY Rs.81.34 Crore). During the year under review, the company paid an amount of Rs. 43.58 Crore to NHAI as their revenue share (PY Rs.30.88 Crore) since the toll revenues are beyond the threshold limit as specified under the Concession Agreement. The average tollable traffic was 24,924 vehicles per day during the current financial year. The average toll collection per day is Rs. 96 Lacs during the year.

GVK Deoli Kota Expressway Pvt Ltd

Deoli-Kota Expressway, recorded a toll revenue of Rs. 67.98 Crore (previous year Rs. 61.52 Crore) for the year ended March 31, 2018 . The Company reported a Net loss of Rs.155.79 Crore for the financial year ended March 31, 2018 (Previous year Rs 146.30 Crore) The average toll collection during the year is Rs.17 Lakhs per day (PY 2016-17 Rs.18.03 Lakhs per days). However, the company has noticed that the average toll collection is increased to Rs.20.01 Lacs per day during the April, 2018 thereby giving a positive indication that this might increase reasonably well by end of the financial year 2018-19.

Further, Company approached the Consortium lenders to fund further cost overrun which was appraised by the Lead Bank (Yes Bank Limited) for Rs. 400.37 Crore to meet the Project requirements to the extent of Rs.92.37 Crore, plus Rs. 308 Crore towards funding of expenses during the first 8 years of commercial operations. Pending sanction for cost overrun – 2 from all the other Member Banks of the Consortium, Yes Bank Limited (YBL) and Punjab National Bank (PNB) disbursed Rs. 48.81 Crore and Rs 24.10 Crore against their share of Rs. 80.18 Crore and Rs 68.37 Crore respectively in the total appraised cost overrun – 2 of Rs.400.37 Crore.

4. Assets under Development

Airports

I Gusti Ngurah Rai International Airport in Bali, Indonesia

Members are aware that PT GVK Services Indonesia (“GVK Indonesia”) has entered into a Management Services Agreement with PT Angkasa Pura I (Persero) on November 1, 2012 for Commercial and Operation Development of Commercial Facilities at I Gusti Ngurah International Airport, Bali.

GVK has taken the lead and guided PT Angkasa Pura 1 (Persero) to transform Bali Airport to become the best airport in the world and also non-aeronautical commercial income to PT Angkasa Pura 1 (Persero) has increased manifold in a short period of time.

Key achievements are as follows:

1. More than 900% increase in non-aeronautical revenue in just 5 years;
2. Voted as number one airport in the world, in its category, as per the passenger satisfaction ratings by Airports Council International, apex body for the airports sector;

Development of Greenfield International Airport at Yogyakarta, Java in Indonesia

5. Risks & Concerns

Energy

The gas based power projects in the country are facing severe shortage of gas supplies. Most of the projects are under shut down condition for want of gas. Under these uncertain scenarios, operating gas based power plants and repayment of funds borrowed earlier to set up these plants are posing a great challenge to the owners.

The plant load factor (PLF) of gas-based power plants is likely to decline further from FY18 due to continued shortage of gas stretching their finances, according to India Ratings and Research (Ind-Ra). This expectation is based on the closure of the scheme for the revival of GBPPs (gas based power plants) by way of Government subsidy through power system development fund, higher variable cost of generation than that for coal-based power plants and other alternatives such as availability of lower-cost power on the power exchanges and no improvement in domestic gas production. The credit profile of private sector owned GBPPs has deteriorated and several such projects have already applied for debt restructuring. In the absence of a long-term solution entailing gas availability at cheaper rates, the credit profile of these projects would continue to reflect the underlying fuel price, fuel availability and off-take risks.

40% of India's gas requirements being met from a single field i.e. KG-D6 Basin has proved to be hot air. Due to hype created then India witnessed 40,000 MW of gas based power plants come up between 2009 and 2014. However, drop in production from the KG-D6 field was the main reason to upset the Industry. As a result, of the 40,000-MW installed capacity in the public and private sectors, around 15,000 MW is completely stranded today, while another 25,000 MW plants are operating at an average plant load factor (PLF) of 24%, as per the Ministry of Power. It is not just that gas-based power plants do not enjoy priority allocation of natural gas, as is the case with the fertiliser sector; they are neither in a position to use the costly imported liquefied natural gas (LNG), which would make recoveries difficult from cash-strapped state distribution companies. It's a do-or-die situation gas-based power plants are facing, notwithstanding the government's target of increasing the share of natural gas in India's primary energy mix to 15% from 7% at present. If there is a silver lining, it is in the ONGC indicating recently gas availability in certain KG Basin fields which could be ramped up to 20 MMSCMD in 2-3 years. Based on this, ONGC has floated an e-tender for sale of 2.5 MMSCMD of gas from KG basin –S1 & VA deep water fields. The gas supplies are expected to commence during Mid 2018 which could help companies with stranded power plants to reduce the constraints of gas availability. However, with the floor price set up by ONGC in bidding for the gas from S1 & VA deep water wells, the DISCOMs are not willing to off-take the power at the floor price for the gas.

Airport

Prospects for the aviation industry look good, with growth in passenger numbers expected to reach 16 billion by 2050, a 384% increase on today's numbers. Air freight is expected to increase to 400 million tons from just 50 million today, according to the International Air Transport Association (IATA). Growth in air travel will have ramifications for the industry's risk profile. For example, there will be a shift in flying and large hubs towards Asia and the Middle East, where populations are growing and where there have been large increases in infrastructure in recent years. The outlook for the fastest growing Indian aviation market is "very good" but infrastructure and taxation issues could be detrimental for its growth. Clocking high double-digit growth for more than two years, India's domestic aviation market is one of the fastest growing in the world. Exclusion of airport fee and charges levied on ticket from the transaction value for GST purpose are among the issues flagged by the IATA.

Indian carriers have ordered 880 aircraft, of which 600-650 are expected to be delivered over the next 10 years. Financing these orders, which have an estimated value of \$30 billion, may become challenging, according CAPA India's outlook for financial year 2017-18. The airlines are expected to raise close to \$1 billion in FY18. Any delay in raising funds may cost Indian carriers and market conditions are "expected to turn" in the near term. Fuel expenses are a substantial part of an airline's operating costs. The sharp fall in global crude oil prices had resulted in steep cuts in airfares in FY16. Crude prices have started rising again, helped by production cuts since January by Organization of the Petroleum Exporting Countries (OPEC), led by Saudi Arabia. There is uncertainty on where the fuel prices are headed. It largely depends on whether the OPEC bloc continues to cut production to boost prices. With increasing crude prices, airlines may want to increase fares but the moment they do that, the passenger load would fall. Domestic air traffic has seen a steady growth since 2012-13 and rose 21.2% last fiscal, with the load factor hitting a record 90% for the year. Growth could have reached as high as 25% but may be tempered 3-5% points lower because of the impact of demonetisation and the introduction of Goods and Services Tax.

Transportation

Infrastructure development has been one of the focus areas of the government in Union Budget 2018-19 with an allocation of around Rs 4.94 trillion expenditure towards infrastructure. Going forward, the Ministry of Road, Transport and Highway targets the construction of about 15,000 km of national highways in 2017-18. Plans are also in place to award 50,000 km of projects worth Rs 5 trillion in the next two years. Mega project such as Bharat Mala, Setu Bharatam, Char Dham connectivity and the development of economic corridors, are also likely to provide significant opportunity in the sector. Further Finance minister also announced the government's new roadmap for infrastructure, which included plans to introduce a passenger-friendly toll policy and "pay as you travel" policy for toll plazas. With increased emphasis on digitization and transparency in the economy, the government is required to take measures to provide a thrust to the inter-operable Electronic Toll Collection system (ETC) for toll roads to ensure seamless movement of traffic and reduction of toll revenue leakages. The government needs to provide clarity on the ongoing issues pertaining to inter-state goods transport, bonded warehouses besides other issues to mitigate litigation and provide a boost to the sector.

Various factors such as lack of timely and quality maintenance of road infrastructure, integrated-cum-automated toll collection mechanism, traffic congestions, poor adoption of technology, frequent violation of rules such as maximum weight to be carried by a truck, Lack of skilled labour and manpower Damage of products, delayed timelines as well as theft of shipments are other risks highlighted by the transportation industry. This all results in reduced average speed of trucks and other commercial vehicles and increase the time and cost of transportation. Apart from the road transportation, the railways and the ports in India are also facing severe capacity constraints and congestion problem.

6. GVK Power & Infrastructure Limited – Financial Performance Review

Standalone Financials

Revenue

Total income of company, which comprises of income in from operations, of power plant, Fees for technical services and other income increased to Rs. 9,214 lakhs as compared to Rs. 7,967 lakhs of the previous year.

Expenditure

The Company's total expenditure, comprising of Cost of Operation, Employee Benefit Expenses and other administrative expenses, decreased to Rs. 9,312 Lakhs for the year ended March 31, 2018 from Rs. 28,583 lakhs for the year ended March 31, 2017.

Interest

Interest expenses stood at Rs. 2,361 lakhs (previous year figure was Rs. 5,176 lakhs)

Profit before tax (PBT)

Loss before tax for the year is Rs. 2, 472 lakhs for the current year as compared to Rs. 25,805 lakhs in the previous year.

Profit after tax

Loss after tax is Rs. 3, 608 lakhs for the year ended March 31, 2018 as compared to Rs. 27,101 lakhs as compared to the previous year.

EPS

The earnings per share at standalone level for the current year stands at Rs. (0.23) as compared to Rs. (1.72) per equity share of Re.1/- each in the previous year.

Consolidated Financials

The current year results include the results of the companies including subsidiaries, step down subsidiaries, joint ventures and associates. The Consolidated Financial Statements have been drawn as per the Indian Accounting Standards (Ind AS) IND-AS 110 on "Consolidated financial statements" and IND - AS 28 on "Investment in associate and joint venture" notified under Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended. These companies operate broadly in a) Power b) Road c) Airports and d) Other sectors.

Revenue

GVKPIL registered a consolidated total income from operations of Rs. 3,86,321 Lakhs for the year ended March 31, 2018, as against Rs. 3,51,647 Lakhs during the corresponding period of the previous year recording an increase of 10 %.

EBIDTA at a consolidated level for the year stood at Rs.1,55,614 Lakhs as against Rs. 115,632 Lakhs in the previous year. EBIDTA margin at consolidated level increased to 40 % as compared to 33 % in the previous year.

Profit after tax

Loss after tax and non-controlling interest attributable to equity holder of GVKPIL for the current year is Rs. 56,168 lakhs for 2017- 18 as compared to Rs. 130,515 lakhs in the previous year.

Earnings per Share (EPS)

The earnings per share at consolidated level for the current year stands at Rs. (3.56) as compared to Rs. (8.25) per equity share of Re.1/- each in the previous year.

Net Worth

The net worth as at the end of Financial Year 2017-18 stands at Rs. (84,126) lakhs as compared to Rs. (29,684) lakhs as at the end of the previous year.

7. Clean Development Mechanism

The Clean Development Mechanism (CDM) allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of Carbon-di-oxide (CO₂). These CERs can be traded and sold, and used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol.

The mechanism stimulates sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction limitation targets.

Three of the group companies i.e. GVK Industries Ltd (Phase II), GVK Gautami power Ltd and Alaknanda Hydro Power Company Ltd were registered with UNFCCC and as such these projects are eligible for CER credits.

8. Internal Control System and Adequacy

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements.

The internal audit function team comprises of well-qualified, experienced professionals who conduct regular audits across the Company's operations. The internal audit reports are placed before the Audit committee for consideration. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

9. Human Resources

The total number of employees of GVK at the corporate office and projects sites as on March 31, 2018 stands at 2,700 approximately. Your company periodically reviews the requirement of these employees across various projects based on the need and necessity. The optimal utilization of the human resources with multi-tasking is what is being emphasized across the group.

10. Future Outlook

As you may be aware, all infrastructure companies across India are facing challenging times due to their financial exposure to Banks and Lending Institutions. Repayment of these loans have become a real task particularly when their revenue flows are which are either minimal or nothing due to delays or very long gestation periods. As a result, they are unable to make loan repayments and are branded as Non-Performing Assets (NPA) by their Lenders. The situation for some companies is very bad because even though their projects / plants are completed / ready for operations, they are unable to operate due to non-availability of natural gas / coal etc. Majority of these factors are not under the control of the management. GVK is no exception to this.

11. Cautionary Statement

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning applicable under the securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the company exercises no control, the company cannot guarantee their accuracy nor can it warrant that the same will be realized by the company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the electricity industry, changes in government regulations, tax regimes and other statutes.

Independent Auditors' Report

To,

The Members of GVK POWER AND INFRASTRUCTURE LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of GVK Power and Infrastructure Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and associate companies; (refer Note 52 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. 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 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associates and joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. 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 and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, 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 control 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.

6. 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 sub-paragraphs 10 and 11 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 11 of 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

7. We draw your attention to the following qualification to the audit opinion on the consolidated financial statements of GVK Energy Limited, a joint venture of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated May 21, 2018 reproduced by us as under:
- a. As discussed more fully in note * to the accompanying consolidated Ind AS financial statements the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Company Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, the aforesaid subsidiary has submitted its claim for an amount of Rs. 19,882 lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Pending approval from the adjudicating authority, we are unable to comment upon the recoverability of assets with carrying value of Rs. 19,882 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.
 - b. As discussed more fully in note * to the accompanying consolidated Ind AS financial statements, regarding the uncertainties faced by gas based power plants of one of the subsidiary company and a jointly controlled entity towards supplies/availability of fuel, recovery of capacity charges and approval of one time settlement proposal with lenders. Pending resolution of these uncertainties/approvals, we are unable to comment upon the recoverability of assets with carrying value of Rs. 59,304 lakhs and the provisions if any, required for the corporate guarantee given to the jointly controlled entity, together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.
 - c. As discussed more fully in note * to the accompanying consolidated Ind AS financial statements, regarding the uncertainties faced by coal based power plants of one of the subsidiary company towards approval of resolution plan with lenders and determination of final tariff. Pending resolution of these uncertainties/ approvals we are unable to comment upon the recoverability of assets with carrying value of Rs. 417,818 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.

Note * as described above is reproduced as note 48(c), 48(a) and 48(b) to the consolidated Ind AS financial statements.

In light of the above, (also refer to para 9(a) below) we are unable to comment on the extent of eventual recoverability of the investment and loans in such jointly controlled entity aggregating to Rs. 36,460 lakhs as disclosed under "loans" after recording Groups share of losses and the provisions if any, required for the corporate guarantee given to the jointly controlled entity amounting to Rs. 10,298 lakhs as at March 31, 2018. The impact of this matter on the Consolidated Ind AS financial statements is presently not ascertainable.

Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and, except for the indeterminate effects of the matter referred to in Basis for Qualified Opinion paragraph above, 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 and joint ventures as at March 31, 2018, and their consolidated total comprehensive loss (comprising of consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw your attention to the following matters:
- a. We draw attention to the following Emphasis of Matters included in audit opinion on the consolidated financial statements of GVK Energy Limited:
 - i. Note * to the consolidated Ind AS financial statements, regarding outstanding fixed charge component of the tariff on the

increased capital cost for the years 1997-98 to 2000-01 aggregating to Rs. 3,597 lakhs considered recoverable from AP Transco in GVK Industries Limited, a subsidiary company; and

- ii. Note * to the consolidated Ind AS financial statements, regarding outstanding minimum alternate tax amounts claimed for reimbursement, disincentives recoverable and other receivable aggregating to Rs. 3,119 lakhs, Rs. 2,409 lakhs and Rs. 60 lakhs respectively considered recoverable from AP Transco and consequential impact on taxes in GVK Industries Limited and GVK Gautami Power Limited books, a subsidiary company and a jointly controlled entity.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances and legal interpretations as referred to in the relevant notes to the consolidated Ind AS financial statements referred above, accordingly no provision for any liability and/or adjustment that may result has been made in the consolidated Ind AS financial statements.

Note * as described above is reproduced as note 48(d) to the Consolidated Ind AS financial statements.

- b. We draw your attention to the following emphasis of matter paragraphs included in the audit reports on the Ind AS financial statements of GVK Ratle Hydro Electric Project Private Limited and GVK Bagodara Vasad Expressway Private Limited, the step down subsidiaries of the Holding Company issued by independent firms of Chartered Accountants vide its reports dated May 16, 2018 and May 14, 2018 respectively, reproduced by us as under:
 - i. We draw your attention to note * to the Ind AS financial statements, regarding termination of agreement, arbitration proceedings and other matters as explained in the aforesaid note in respect of hydro power project being executed by Company. The ultimate outcome of this matter for assets having carrying value of Rs. 126,923 lakhs cannot be presently determined pending arbitration proceedings and other uncertainties.
 - ii. We draw your attention to note * to the Ind AS financial statements, regarding termination of agreement, arbitration proceedings and other matters as explained in the aforesaid note in respect of toll road project being executed by Company. The ultimate outcome of this matter in relation to assets having carrying value of Rs. 69,499 lakhs cannot be presently determined pending arbitration proceedings and related uncertainties.

Note * as described above is reproduced as note 50 and 49 to the Consolidated Ind AS financial statements.

- c. draw your attention to note 47 to the Consolidated Ind AS financial statements, regarding material uncertainties being faced by GVK Coal Developers (Singapore) Pte. Limited, an associate company in which the Company has investments and has receivables aggregating to Rs. 69,414 lakhs and has provided guarantees and commitments for loans aggregating to Rs. 752,080 lakhs taken by GVK Coal Developers (Singapore) Pte. Limited and has undertaken to provide financial assistance of USD 7.83 million (Rs. 5,009 lakhs) as at March 31, 2018.
- d. We draw your attention to note 51 to the Consolidated Ind AS financial statements, regarding losses being incurred by the Group and accumulated losses as at March 31, 2018, defaults in repayment of loan and interest payments and material uncertainties faced by various projects being executed by the group entities, provided guarantees and commitments and/or has undertaken to provide financial assistance. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, the Consolidated Ind AS financial statements has been prepared on going concern basis for the reasons stated in the said note.

Our opinion is not qualified in respect of the above matters.

Other Matter

10. We did not audit the financial statements of 14 subsidiaries, whose financial statements reflect total assets of Rs. 573,532 lakhs and net assets of Rs. 38,991 lakhs as at March 31, 2018, total revenue of Rs. 47,340 lakhs and total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 15,048 lakhs and net cash flows amounting to Rs. 1,307 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.
11. The consolidated Ind AS financial statements also include the Group's share of total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 1,452 lakhs (profit) and Rs. 58,301 (loss) for the year ended March 31, 2018

as considered in the consolidated Ind AS financial statements, in respect of 3 associate companies and 9 joint ventures respectively whose financial information have not been audited by us.

The financial statements of joint ventures have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these joint ventures and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid joint ventures is based solely on the reports of the other auditors.

The financial information of associates are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our 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/ financial information certified by the Management.

12. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 24, 2017, expressed an modified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b. In our opinion, except for the indeterminate effects of the matters referred to in Basis for Qualified Opinion paragraph above, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and joint ventures incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and joint ventures incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- d. Except for the indeterminate effects of the matter referred to in Basis of 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.
- e. The matters described in Basis for qualified opinion paragraph and Emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, except for one director of the holding company and one director of subsidiary company who are disqualified due to non-filing of annual returns for continuous period of three financial years in another company where they are directors, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is 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 stated in the Basis of Qualified Opinion paragraph as referred to in paragraph 13(b) above and in Note 48 to the Consolidated Ind AS financial statements.
- h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company,

its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

- i. The respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group, its associates and joint ventures– Refer Note 44, 48, 49 and 50 to the consolidated Ind AS financial statements.
 - ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts as at March 31, 2018. The group, its associates and joint ventures did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Place: Hyderabad
Date: May 23, 2018

N.K. Varadarajan
Partner
Membership Number: 090196

ANNEXURE-A

Referred to in paragraph 13(h) of the Independent Auditors' Report of even date to the members of GVK Power and Infrastructure Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of GVK Power and Infrastructure Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls With reference to financial statements

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

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

Basis for Qualified Opinion

- 8 a. According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2018:

The Holding Company's internal financial controls over use of assumptions for analysis of asset impairments were not operating effectively which could potentially result in the Company not recognizing possible impairment losses.

- b. We draw your attention to the following qualification in the opinion of internal financial controls on the consolidated financial statements of GVK Energy Limited, a joint venture of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated May 21, 2018 reproduced by us as under:

"The Holding Company, three of the subsidiary companies and jointly controlled entity's internal financial controls over use of assumptions for analysis of asset impairments were not operating effectively which could potentially result in the Holding Company, subsidiary companies and jointly controlled entity not recognising possible impairment losses."

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, 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.

Qualified Opinion

10. In our opinion, except for possible effects of the material weakness described above, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated Ind AS financial statements of the Group for the year ended March 31, 2018, and the material weakness effects our opinion on the consolidated financial statements of the Group. (Refer the Basis for Qualified Opinion in our main audit report)

Other Matters

12. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 12 subsidiary companies, 2 associate companies and 9 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 090196

Place: Hyderabad
Date: May 23, 2018

Consolidated Balance Sheet

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	1,061,219	1,071,239
Capital work in progress	4	99,352	83,261
Investment Property	5	11,655	11,649
Goodwill	6	112,237	112,237
Other intangible assets	6	213,523	221,283
Intangible assets under development	7	60,853	59,354
Financial assets			
Investments	8	76,639	165,831
Loans	9	5	5
Trade receivables	10	22	33
Other financial assets	11	1,072	18,470
Tax assets		37,121	25,114
Deferred tax assets (net)	12	16,217	12,386
Other non-current assets	13	81,255	83,493
Total		1,771,170	1,864,355
Current Assets			
Inventories	14	1,015	1,069
Financial assets			
Investments	15	2,293	9,875
Trade receivables	16	41,855	44,385
Cash and cash equivalents	17	89,039	85,126
Other bank balances	18	48,308	17,657
Loans	19	36,629	10,770
Other financial assets	20	17,560	22,618
Current tax assets		1,202	880
Other current assets	21	18,114	6,388
Total		256,015	198,768
Total Assets		2,027,185	2,063,123
Equity and Liabilities			
Equity			
Equity share capital	22	15,792	15,792
Other equity		(99,918)	(45,475)
Equity attributable to owners of the Company		(84,126)	(29,683)
Non-controlling interests		156,872	140,564
Total Equity		72,746	110,881
Non-current liabilities			
Financial Liabilities			
Borrowings	23	1,069,327	1,051,151
Other financial liabilities	24	175,256	108,460
Provisions	25	1,197	1,344
Deferred tax liabilities, net	26	12,159	14,560
Other non-current liabilities	27	124,023	79,829
Total		1,381,962	1,255,344
Current liabilities			
Financial liabilities			
Borrowings	28	216,155	238,588
Trade payables	29	25,025	27,766
Other financial liabilities	30	272,261	376,049
Provisions	31	2,522	2,805
Current tax liabilities, net		17,049	9,378
Other current liabilities	32	39,465	42,312
Total		572,477	696,898
Total Equity and liabilities		2,027,185	2,063,123
Summary of significant accounting policies	1 & 2		

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 90196

Place: Hyderabad

Date: May 23, 2018

For and on behalf of the Board of Directors of

GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

A Issac George

CFO

G V Sanjay Reddy

Vice Chairman

DIN: 00005282

P V Rama Seshu

AVP & Company Secretary

Consolidated Statement of Profit and Loss

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from operations	33	386,321	351,647
Other income (net)	34	100,422	53,266
Total income		486,743	404,913
EXPENSES			
Employee benefits expense	35	20,130	20,119
Annual fee to Airport Authority of India		133,062	118,770
Finance costs	36	164,308	189,037
Depreciation and amortisation expense	37	72,460	66,867
Other expenses	38	77,514	97,126
Total expenses		467,474	491,919
Profit (loss) before exceptional items, share of profit from associate & joint venture and tax		19,269	(87,006)
Share of profit of associate		1,452	23,464
Share of profit of joint venture		(58,301)	(65,094)
Loss before tax		(37,580)	(128,636)
Tax expense	39		
Current tax		20,915	17,144
Deferred tax		(4,758)	(11,417)
Total tax expense		16,157	5,727
Loss for the year		(53,737)	(134,363)
Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		62	(169)
(b) Share of OCI from Associate/JV		-	(41)
(c) Income tax relating to items that will not be reclassified to profit or loss [includes deferred tax of Rs. 20 (March 31, 2017: Rs. 51)]		(20)	56
B. Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		337	(125)
(b) Share of OCI from Associate/JV		-	(8)
Total other comprehensive (expense)/income		379	(287)
Total comprehensive income/(loss) for the year		(53,358)	(134,650)
Profit for the year attributable to:			
- Owners of the Company		(56,167)	(130,228)
- Non controlling interests		2,430	(4,135)
		(53,737)	(134,363)
Other comprehensive income/(loss) for the year attributable to:			
- Owners of the Company		360	(287)
- Non controlling interests		19	-
		379	(287)
Total comprehensive income/(loss) for the year attributable to:			
- Owners of the Company		(55,807)	(130,515)
- Non controlling interests		2,449	(4,135)
		(53,358)	(134,650)
Earnings per equity share (Equity shares, par value of Re. 1 each)	40		
Basic earnings per share in Rs		(3.56)	(8.25)
Diluted earnings per share in Rs		(3.56)	(8.25)
Summary of significant accounting policies	1 and 2		

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership No. 90196

Place: Hyderabad
Date: May 23, 2018

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited

Dr. GVK Reddy
Chairman
DIN: 00005212

A Issac George
CFO

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

P V Rama Seshu
AVP & Company Secretary

Consolidated cash flow statement

(All amounts in INR lakhs, except share data and where otherwise stated)

		Year ended March 31, 2018	Year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(loss) before tax and after other comprehensive items		(37,181)	(128,979)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation (net)		72,460	66,867
Loss on sale of fixed assets (net)		-	5,053
Interest expense		164,308	189,037
Interest income		(21,961)	(14,433)
Liabilities written back		(1,660)	(474)
Income from investment		(588)	(400)
Gain on dilution/disposal of investment in associate/joint venture		(74,383)	(36,619)
Share of profit/loss and OCI from associate/joint venture		56,849	41,581
Fair value loss on investments in preference shares		8,861	22,498
Operating Profit before Working Capital Changes		166,705	144,131
Change in operating assets and liabilities			
(Decrease)/Increase in Provisions		(430)	586
Increase in Trade payables, other financial liabilities and current liabilities		92,011	29,366
Decrease/(Increase) in Financial Assets loans, others, other current and non-current assets		12,968	(3,929)
Decrease/(Increase) in trade receivables		2,541	(8)
Decrease/(Increase) in Inventories		54	(165)
Cash Generated from Operations		273,849	169,981
Income taxes paid (net of refunds)		(25,593)	(26,658)
Net Cash flow from Operating Activities	(A)	248,256	143,323
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES			
Purchase of fixed assets (including capital work in progress and capital advances)		(72,334)	(50,007)
Proceeds from sale of fixed assets		58	1,088
(Purchase) / proceeds from sale of current investments (net)		8,170	(7,487)
Purchase of non-current investments		(31,135)	(51,946)
Proceeds from sale of non-current investments		129,000	220,173
Loans (given) to / taken from related parties and others (net)		(25,859)	(8,289)
Movement of Non current bank balances		-	(13,900)
(Investment)/ Realization of bank deposits (having original maturity of more than 3 months)		(30,653)	(6,886)
Interest received		21,961	6,999
Net Cash flow from/(used in) Investing Activities	(B)	(792)	89,745

		Year ended March 31, 2018	Year ended March 31, 2017
CASH FLOW USED IN FINANCING ACTIVITIES			
Proceeds from Minority Interest		13,859	44,180
Proceeds from Long term Borrowings		146,858	199,613
Repayment of long term borrowings		(243,045)	(234,164)
Proceeds from short term borrowings (net)		(22,020)	(38,174)
Interest paid		(138,790)	(188,666)
Net Cash flow used in Financing Activities	(C)	(243,138)	(217,211)
Net Increase in Cash and Cash Equivalents	(A+B+C)	4,326	15,857
Cash and Cash Equivalents at the beginning of the year		84,713	68,856
Cash and Cash Equivalents at the end of the year		89,039	84,713
Components of cash and cash equivalents as per cash flow statement			
Balance with banks:			
Current accounts		64,563	35,146
Deposit accounts		24,085	49,859
Cash		141	121
Cheques		250	-
Bank overdraft		-	(413)
Total		89,039	84,713

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership No. 90196

Place: Hyderabad
Date: May 23, 2018

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited

Dr. GVK Reddy
Chairman
DIN: 00005212

A Issac George
CFO

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

P V Rama Seshu
AVP & Company Secretary

Consolidated Statement of changes in equity

(All amounts in INR lakhs, except share data and where otherwise stated)

a. Equity

Equity shares of INR 1 each issued, subscribed and fully paid	Number of shares	Rs. in Lakhs
Issued and Paid up Capital at April 1, 2016	1,579,210,400	15,792
Issued during the year	-	-
Balance at March 31, 2017	1,579,210,400	15,792
Issued during the year	-	-
At March 31, 2018	1,579,210,400	15,792

b. Other Equity

	Attributable to owners of GVK Power & Infrastructure Limited						Total Other Equity	Non Controlling Interests	Total
	Reserves and Surplus					Items of OCI			
	Loss on Treasury Shares	Capital Reserve	Securities premium reserve	General reserve	Retained earnings	Foreign Currency Translation Reserve			
As at April 01, 2016	(4,789)	39,351	215,935	952	(167,128)	7	84,328	100,520	184,848
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	44,179	44,179
Profit/(loss) for the year	711	-	-	-	(130,228)	-	(129,517)	(4,135)	(133,652)
Other comprehensive income	-	-	-	-	(162)	(124)	(287)	-	(287)
As at March 31, 2017	(4,078)	39,351	215,935	952	(297,518)	(117)	(45,475)	140,564	95,089
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	13,859	13,859
Profit/(loss) for the year	23	-	-	-	(56,167)	-	(56,144)	2,430	(53,714)
Additions during the year	-	1,343	-	-	-	-	1,343	-	1,343
Other comprehensive income	-	-	-	-	21	337	358	19	377
As at March 31, 2018	(4,055)	40,694	215,935	952	(353,663)	220	(99,918)	156,872	56,954

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

1 Corporate information

GVK Power & Infrastructure Limited ("Parent Company" or "the Company") is primarily engaged in the business of providing operation and maintenance services, manpower & consultancy services and incidental services to owners of power plants, airports and infrastructure companies. The Parent Company together with its subsidiaries, joint ventures and associates (collectively termed as "the Group") is engaged in constructing and operating power plants, highway projects, airports, exploration of oil and coal mines.

2 Significant accounting policies

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount.

- Certain financial instruments are measured either at fair value or amortized cost depending upon classification;
- Long term borrowings, are measured at amortized cost using effective interest rate method;
- Investment in joint venture which is accounted for using equity method."

2.2 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. 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.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The acquisition method of accounting is used to account for business combinations by the group.

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.

(ii) Associates

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. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

(iii) Joint arrangements

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. Interests in joint ventures accounted for using the equity method (see (iv) below), after initially being at cost consolidated sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment.

(v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

b. Fair value measurement

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, The 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. For the purpose of fair value disclosures, The Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c. Foreign currencies:

The financial statements are presented in Indian rupees lakhs, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates.

Transactions and balances

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

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

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

- 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.

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

d. 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 contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The Group evaluates whether it is acting as a principal or agent in all of its revenue arrangements based on the following criteria:

- (a) who has the primary responsibility for providing the goods or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer;
- (b) who has inventory risk before or after the customer order, during shipping or on return;
- (c) who has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services; and
- (d) who bears the customer's credit risk for the amount receivable from the customer

The Company recognises revenue on gross basis when it is determined that the Company is acting as a principal and on net basis when it is determined that the Company is acting as an agent

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

Rendering of services:

(i). Rendering of operation and maintenance services:

Revenues represent amounts billed or accrued for services rendered and expenses incurred in relation to such services, in accordance with the Operation and Maintenance agreement with its customer. As per the operations and maintenance agreements, the Holding Company's income comprises of (a) Operating fees and (b) Reimbursement of actual expenses. Operating fees are linked to generation of electricity including deemed generation and is subject to escalations.

(ii). Manpower and consultancy services:

Revenues for manpower services are recognised as and when services are rendered on time and material basis.

(iii). Aeronautical services:

One of the company in the group derives its revenues from providing services and facilities to airlines, passengers, other concessionaries and importers, exporters and their agents which mainly comprise of revenues from aeronautical, non-aeronautical and cargo services.

- (i) Revenue from aeronautical services (net of credit notes) includes landing and parking charges, aerobridge charges and user development fee (UDF) at the rates prescribed under State Support Agreement, as amended from time to time by Ministry of Civil Aviation, Government of India ("MoCA") / Airports Economic Regulatory Authority ("AERA"). Landing, parking and aerobridge charges are recognized, when such services are provided. UDF is recognized in respect of each embarking passenger at a specified rate. Passenger service fees – security component (PSF-SC) collected as per the terms of State Support Agreement and MoCA orders, is not recognized as revenue of the Company since the same is collected in a fiduciary capacity.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

- (ii) Revenue from non-aeronautical services (net of credit notes) consisting of concessions, rentals, public admission fees, hangar charges, car parking rentals, into plane, demurrage on cargo etc., is recognized as per terms of contracts when services are rendered.
- (iii) Revenue from cargo services (net of credit notes) is recognized as per the terms of the contract in case of concession contracts and for others as and when the related services are rendered.
- (iv) Income from Toll Operations
The revenue is recognised as and when traffic passes through toll - plazas.
- (v) Interest income:
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is included in finance income in the statement of profit and loss.
- (vi) Dividend Income
Revenue is recognised when the share holders'/unit holders' right to receive the payment is established, which is generally when shareholders approve the dividend.
- (vii) Guarantee commission
Revenue is recognised on a straight line basis taking into account the present value of the guarantee amount and the commission rate applicable.

e. 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 reduced from the related expense which it is intended to compensate. When the grant relates to an asset, a deferred income is recognised and is released to profit or loss on systematic basis over useful life of the asset and is reduced from the related depreciation and amortisation expenses.

f. Taxes

Current income tax:

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

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

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

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

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

g. Non-current assets held for sale

The Group classifies non-current assets and disposal groups (group of assets with directly associated liabilities) as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Non-current assets and disposal groups as held for sale/ distribution are sold /distributed within one year from the date of classification.

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

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

h. Property, plant and equipment

Property, plant and equipment including land are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction/erection period is capitalized as part of the construction/erection cost to the extent such expenditure is related to construction or is incidental thereto.

Subsequent expenditure incurred on existing property, plant and equipment is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Freehold land is not depreciated. The Company based on its technical assessment of usage pattern of assets believes that useful life of the following assets is different from those prescribed in Schedule II of the Companies Act, 2013 as given under:

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Asset Class	Useful Life
Buildings (other than factory buildings) other than RCC Frame Structure	5 to 30 years
Buildings - Temporary Structure	5 years
Runways, taxiways and aprons	3 - 30 years
Roads	5 - 10 years
Vehicles	11 Years
Electrical Installations & Equipment	5 - 10 years
Plant and Equipment	7.5 - 10 years
Furniture and fittings	10 years
Office Equipment - Mobile Phones	2 years

Further depreciation on assets covered under definition of "Generating Station" as defined in "Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014" is provided under Straight Line Method at the rates and the manner prescribed under the State Regulations if they prescribe rates and the manner of depreciation else on the basis of rates and manner prescribed in Central Regulations.

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 income statement when the asset is derecognised. 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. Spare parts, standby equipments and service equipments are recognised in accordance with Ind AS 16 'Property, Plant and Equipment', when they meet the definition of property, plant and equipment.

i. 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.

Intangible assets 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 are reviewed at least at the end of each reporting period. 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 is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

j. Investment property

Investment properties is property either to earn rental income or for capital appreciation or for both but not for sale in ordinary course of business, use in production or supply of goods or services or for administrative purpose. 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. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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.

k. Concession intangible and financial assets

Some companies in the Group constructs infrastructure (construction services) and operates and maintains that infrastructure (operation services) for a specified period of time.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the company bears the demand risk. The financial asset model is used when the company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. 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 company performs more than one service (i.e., construction or 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 services delivered, when the amounts are separately identifiable.

- An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered.
- The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised over the duration of the concession.
- In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method. Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire."

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

m. 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. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as finance lease."

Company as a lessee:

Operating lease

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a lessor:

Operating lease

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase.

n. Inventories

Inventories in the form of stores and spare parts held for use in rendering of services are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

o. Impairment of non-financial assets

Each Company in the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

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

p. Provisions

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 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. "

q. Retirement and other employee benefits

Defined Contribution plan

Retirement and other employee benefit in the form of provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution scheme and the Group recognizes contribution payable to the fund/ scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

The Company provides for retirement benefit in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

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

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

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

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under short term provision in the Balance Sheet. 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.

Compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss. The Group presents the leave as a provision in the balance sheet.

r. Financial instruments :

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

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, , in the case of financial assets not recorded at fair value through profit or loss.

Subsequent measurement:

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

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

- Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay."

Impairment of financial assets

" Each Company in the Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at FVTOCI;

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

Financial liabilities

Initial recognition and measurement:

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

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

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

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

Subsequent measurement:

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

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

- Loans and borrowings

After initial recognition, interest- bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition :

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

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. There are no reclassification of financial assets

The following table shows various reclassifications and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit & loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Original classification	Revised classification	Accounting treatment
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to profit & loss at the reclassification date.

s. Treasury shares:

The group has created GVK Employee Welfare Trust (EWT) for welfare of its employees. The EWT buys shares of the company from the market, for welfare of the employees. The group treats EWT as its extension and shares held by EWT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and are disclosed under other equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity.

t. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

u. Contingent Assets and Contingent Liabilities

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

The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

v. Trade Receivables

Receivables are initially recognized at fair value, which in most cases approximates the nominal value of consideration receivable. If there is a subsequent indication that those assets may be impaired, they are reviewed for impairment and an allowance is recognized.

w. Trade Payables

Trade Payables are recognized for amounts to be paid for goods or services acquired in the ordinary course of the business whether billed by the supplier/service provided or not. Trade payables are classified as current liabilities.

x. Earnings Per Share

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

Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

3. Property, plant and equipment and capital work -in-progress

Description of Assets	Freehold land	Buildings	Computers	Roads	Bridges	Runways, Taxiways and Apron	Tools and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Communication Equipment	Total
At Cost													
At April 1, 2016	21	694,264	7,189	8,651	53,805	174,373	138,271	668	44,625	51,381	295	4	1,173,547
Additions/Adjustments during the year	269	14,798	(38)	204	1,578	26,553	3,372	(345)	1,225	1,710	118	-	49,444
Disposals/Adjustments during the year	-	321	21	-	-	-	148	2	3	21	19	-	535
At March 31, 2017	290	708,741	7,130	8,855	55,383	200,926	141,495	321	45,847	53,070	394	4	1,222,456
Additions/Adjustments during the year	-	29,464	5,526	5,300	20	17,176	10,429	153	1,991	2,651	31	-	72,741
Disposals/Adjustments during the year	-	52	128	14	-	-	7	18	19	4	16	-	258
At March 31, 2018	290	738,153	12,528	14,141	55,403	218,102	151,917	456	47,819	55,717	409	4	1,294,939
Depreciation													
At April 1, 2016	-	25,377	1,547	1,597	2,050	9,178	21,114	205	4,828	5,411	27	2	71,336
Depreciation expense	-	27,347	1,866	1,401	1,999	13,650	22,609	(230)	5,331	6,018	58	1	80,050
Disposals/Adjustments during the year	-	56	19	-	-	-	64	1	1	11	17	-	169
At March 31, 2017	-	52,668	3,394	2,998	4,049	22,828	43,659	(26)	10,158	11,418	68	3	151,217
Depreciation expense	-	29,429	2,361	1,457	1,767	12,345	23,079	183	5,487	6,515	68	1	82,692
Disposals/Adjustments during the year	-	2	117	14	-	-	6	18	13	4	15	-	189
At March 31, 2018	-	82,095	5,638	4,441	5,816	35,173	66,732	139	15,632	17,929	121	4	233,720
Net Block													
At March 31, 2017	290	656,073	3,736	5,857	51,334	178,098	97,836	347	35,689	41,652	326	1	1,071,239
At March 31, 2018	290	656,058	6,890	9,700	49,587	182,929	85,185	317	32,187	37,788	288	-	1,061,219
Net book value					31-Mar-18	31-Mar-17							
Plant, property and Equipment					1,061,219	1,071,239							
Capital Work in progress					99,352	83,261							

(i) Certain tangible fixed assets comprising of buildings / improvements, roads, bridges and runways, taxiways and aprons are on land leased by Airports Authority of India ('AAI') to MIAL pursuant to terms of OMDA and Lease Deed between AAI and MIAL.

(ii) As per provisions of OMDA, the Transfer Assets created by the MIAL, will have to be mandatorily transferred to AAI upon expiry/ termination of OMDA against Transfer Payments to be made by AAI in accordance with the provisions of OMDA.

(iii) Bridges includes contribution towards elevated expressway to the Terminal 2 of MIAL.

4: Capital work in progress

Particulars	Capital work in progress	Expenditure incurred during construction period	Total
Opening balance as at April 01, 2016	91,355	192	91,547
Additions (refer note below)	-	3,154	3,154
Capitalised/written off during the year	(9,505)	(1,935)	(11,440)
Closing balance as at March 31, 2017	81,850	1,411	83,261
Additions (refer Note (refer note below)	13,867	7,100	20,967
Capitalised during the year	(2,761)	(2,115)	(4,876)
Closing balance as at March 31, 2018	92,956	6,396	99,352

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Expenditure incurred during construction period

Particulars	Additions FY 2017-18	Additions FY 2016-17
Personnel Expenses:		
Salaries, allowances and bonus	2,655	2,463
Staff welfare Expenses	23	27
Power, fuel and water charges	45	42
Rent	77	38
Communication costs	10	12
Travelling and conveyance	245	230
Legal and professional charges	3,801	254
Miscellaneous expenses	113	51
General and administration costs	95	35
Financial expenses		
a. Interest expenses	4	-
b. Finance charges	36	2
Sub Total (A)	7,104	3,154
Less: Other Income		
Income from current investments	4	-
Sub Total (B)	4	-
Total (C=A-B)	7,100	3,154

5. Investment property-Land

Particulars	Amount
Opening balance as at April 01,2016	11,649
Additions (subsequent expenditure)	-
Closing balance at March 31, 2017	11,649
Additions (subsequent expenditure)	6
Closing balance at March 31, 2018	11,655

The Group's investment properties consist of vacant land having an extent of about 2600 Acres acquired by GVKPSPL, in five villages Thirumanthurai, Eraiyur, Peraiyur, Pennakonam (North) and Pennakonam (South) in Perambalur district during the year 2007 and 2008 from local villagers. This property is located on the eastern side of NH-45 just after Thirumanthurai Toll Gate when we drive from Chennai to Trichy.

As at March 31, 2018 and March 31 2017 the fair values of the properties are Rs. 75,000 and Rs. 74,860 respectively. These valuations are based on valuations performed by Er.L.Balaji. an accredited independent valuer. Er.L.Balaji is a specialist in valuing these types of investment properties.

This investment property has been pledged as security against loans taken by the Group (Refer note 23 & 28).

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

6. Intangibles

Description of Assets	Goodwill	Computer software	Airport Grant		Toll collection right	Total
			Upfront fee	Other Compensation		
At Cost						
At April 1, 2016	112,237	2,179	10,800	25,177	197,344	347,737
Additions/Adjustments	-	(969)	-	-	1,066	97
Disposals	-	-	-	-	6	6
At March 31, 2017	112,237	1,210	10,800	25,177	198,404	347,828
Additions/Adjustments	-	363	-	-	381	744
Disposals/Adjustments	-	(13)	-	-	-	(13)
At March 31, 2018	112,237	1,586	10,800	25,177	198,785	348,585
Amortization and impairment						
At April 1, 2016	-	591	514	1,188	4,353	6,646
Amortisation	-	139	514	1,188	5,821	7,662
At March 31, 2017	-	730	1,028	2,376	10,174	14,308
Amortisation	-	382	514	1,188	6,433	8,517
At March 31, 2018	-	1,112	1,542	3,564	16,607	22,825
Net Block						
At March 31, 2017	112,237	480	9,772	22,801	188,230	333,520
At March 31, 2018	112,237	474	9,258	21,613	182,178	325,760
Net book value			31-Mar-18	31-Mar-17		
Goodwill			112,237	112,237		
Other intangible assets			213,523	221,283		

Notes

- (i) Other compensation under Airport Grant represents obligation towards Retirement Compensation as per terms of OMDA.
- (ii) The remaining amortisation periods for upfront fees and other compensation is 18 years as on March 31, 2018
- (iii) Goodwill recognised on account of acquisition is tested for impairment as at March 31, 2018. The recoverable amount has been determined based on a value in use by calculating cash flow projections from financial projects. It was concluded that the fair value exceeds the value in use.

7: Intangible assets under development

Particulars	Asset under construction	Expenditure incurred during construction period	Total
Opening balance as at April 01, 2016	11,606	41,424	53,030
Additions (refer note below)	449	5,939	6,388
Capitalised during the year	(64)	-	(64)
Closing balance as at March 31, 2017	11,991	47,363	59,354

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Asset under construction	Expenditure incurred during construction period	Total
Additions (refer note below)	1,499	-	1,499
Capitalised during the year	-	-	-
Closing balance as at March 31, 2018	13,490	47,363	60,853

Intangible assets under development

Particulars	Additions FY 2017-18	Additions FY 2016-17
Expenditure during construction period		
Personnel Expenses:		
Salaries, allowances and bonus	-	11
Legal and Professional Charges	-	20
Depreciation	-	8
Financial Expenses		
Interest Expenses	-	5,900
Total	-	5,939

8. Non-current investments

	As at March 31, 2018	As at March 31, 2017
A. Unquoted, in fully paid securities (at cost)		
Investment in associate company		
(i) Bangalore International Airport Limited		
Nil (March 31, 2017: 38,460,000) Equity shares of Rs. 10 each fully paid up	41,707	45,950
Add: Opening balance of accumulated profit	12,261	18,173
Add: Profit for the year	1,477	23,416
Less : Dividend income	-	(1,654)
Less : Reduction on account of sale of stake	(55,445)	(31,917)
	-	53,968
(ii) GVK Coal Developers (Singapore) PTE Limited		
50,000 (March 31, 2017: 50,000) equity shares of USD 1 each fully paid-up	25	25
Add: Loss for the year	(25)	-
17,03,60,918 (March 31, 2017: 76,127,540) non-cumulative redeemable preferential shares of USD 1 each fully paid-up at amortised cost	67,865	28,240
Share application money for purchase of non-cumulative redeemable preferential shares of USD 1 each (at amortised cost)	246	23,194
	68,111	51,459

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Investment in Joint venture		
(i) Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFPL)*		
41,888,750 (March 31, 2017: 38,271,250) Equity shares of Rs. 10 each fully paid up	3,377	3,377
Add: Investment during the year	362	-
Add: Opening balance of accumulated profit/(loss)	854	199
Less : Dividend received	(419)	-
Add: Profit for the year	1,180	655
	5,354	4,231
(ii) Mumbai Airport Lounge Services Private Limited		
88,97,980 (March 31, 2017: Nil) equity shares of Rs. 10 each fully paid-up	2,232	-
Add: Profit for the year	937	-
	3,169	-
(iii) GVK Energy Limited		
557,869,479 (March 31, 2017: 557,869,479) equity shares of Rs.10 each fully paid-up	114,014	114,014
Add : Profit on deemed dilution	34,964	34,964
Add: Opening balance of accumulated profit/(loss)	(93,042)	(27,293)
Add: Loss for the year	(55,936)	(65,749)
	-	55,936
A	76,634	165,594
B.Other		
National Savings Certificate (pledged with government authority)	5	237
B	5	237
	76,639	165,831
Aggregate market value of unquoted investments (A+B)	76,639	165,831

* The investment in equity shares of MAFFFPL is subject to restriction on transfer of shares for a lock-in-period of 5 years as per Shareholders Agreement dated March 06, 2014.

9. Loans

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Others	5	5
	5	5

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

10. Trade receivables

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	22	33
	22	33

11. Other financial assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2018	As at March 31, 2017
Deposits with remaining maturity of more than 12 months	-	13,900
Margin money deposit	-	63
Guarantee commission receivable	26	2,704
Financial guarantee assets	945	1,727
Interest accrued on bank deposits	-	6
Security deposits	101	32
Others	-	38
	1,072	18,470

12. Deferred tax assets (net)

	As at March 31, 2018	As at March 31, 2017
Deferred tax liabilities		
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment	882	1,130
Others	-	340
A	882	1,470
Deferred tax assets		
MAT Credit Entitlement	14,889	11,777
Indexation benefit on land	2,210	2,079
B	17,099	13,856
Deferred tax assets (net) (A-B)	16,217	12,386

13. Other non-current assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2018	As at March 31, 2017
Capital advances	71,680	76,388
Advances	-	5,524
Balance with government authorities	9,564	1,570
Others	11	11
	81,255	83,493

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

14. Inventories

	As at March 31, 2018	As at March 31, 2017
Stores, spares and consumables (at lower of cost and net realisable value)	1,015	1,069
Total	1,015	1,069

15. Current investments

	As at March 31, 2018	As at March 31, 2017
Investment carried at fair value through profit and loss		
Investments in units of Mutual funds	2,293	9,875
Total	2,293	9,875

16. Trade receivables

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	41,855	44,385
Doubtful	760	760
Total	42,615	45,145
Less: Allowance for doubtful debts	(760)	(760)
	41,855	44,385

MIAL has to recover Rs. 16,743 (March 31, 2017: Rs. 14,912) from Air India Limited (Air India) a Company wholly owned by Government of India, and its subsidiaries. Air India has been facing financial difficulties and has been settling its dues with delays. Air India has been consistently receiving budgetary support from the Central Government during the past few years which are expected to continue so as to enable it to turnaround. The Company accordingly considers its dues from Air India as good and recoverable.

17. Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Balances with Banks		
- On current accounts	64,563	35,146
- On deposit accounts	24,085	49,859
Cash on hand	141	121
Cheques in hand	250	-
Total Cash and cash equivalents	89,039	85,126

Balances with banks in current accounts includes balances of Rs. 1,646 (March 31, 2017: Rs. 1,703) on account of marketing fund collected from concessionaires which are to be utilised for specific purposes.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

18. Other bank balances

	As at March 31, 2018	As at March 31, 2017
Deposits with maturity of more than 3 months but less than 12 months	39,011	2,109
Deposits held as margin money with maturity of more than 3 months but less than 12 months	9,297	15,548
	48,308	17,657

Other bank balances include restrictive balances of Rs. 9,260 (March 31, 2017: Rs. 11,113) on account of margin money against guarantees given by banks.

19. Loans (Unsecured, considered good unless stated otherwise)

	As at March 31, 2018	As at March 31, 2017
Loans to related parties		
- Unsecured, considered good*	36,624	10,650
Loans to Others	5	120
	36,629	10,770

* Net of share of losses in joint venture to the extent of Rs.4,482 (March 31, 2017: NIL) Refer note 53(C)

20. Other financial assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2018	As at March 31, 2017
Unbilled revenue	7,248	10,963
Interest accrued	1,732	1,049
Advances	305	2,504
Security deposits	432	505
Development fee receivable		
- Billed and receivable from airlines (including interest accrued)	2,505	3,555
- Balance with banks under control of Airport Authority of India	2,640	1,054
Receivables on account of passenger service fee (security component), net	198	1,400
Guarantee Commission receivable	1,389	27
Financial guarantee assets	1,105	1,501
Others	6	60
	17,560	22,618

Break up of financial assets carried at amortised cost

	As at March 31, 2018	As at March 31, 2017
Non current investments	68,116	51,671
Loans	36,634	10,775
Trade receivables	41,877	44,418
Cash and cash equivalents	89,039	85,126
Other bank balances	48,308	17,657
Other financial assets	18,632	41,088
	302,606	250,735

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Break up of financial assets carried at fair value through statement of profit and loss (P&L)

	As at March 31, 2018	As at March 31, 2017
Current investments	2,293	9,875
Non current investments	-	25
Total financial assets carried at fair value through P&L	2,293	9,900

21. Other current assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	2,355	1,387
Advances	5,585	4,406
Balances with government authority	333	406
Other advances	9,841	189
	18,114	6,388

22. Equity share capital

	As at March 31, 2018	As at March 31, 2017
Authorised share capital:		
2,500,000,000 (March 31, 2017: 2,500,000,000) equity shares of Re. 1 each	25,000	25,000
Issued, subscribed and fully paid-up share capital		
1,579,210,400 (March 31, 2017: 1,579,210,400) equity shares of Re. 1 each	15,792	15,792

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

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Re. 1 each fully paid up				
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,579,210,400	15,792	1,579,210,400	15,792

b) Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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 shareholders.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

c) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No.	% of holding	No.	% of holding
Vertex Projects LLP (Formerly Vertex Infratech Private Limited)	732,893,902	46.41%	732,893,902	46.41%

23. Non-current borrowings

	Non-current portion		Current maturities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Secured:				
Term Loans from banks	907,593	850,928	177,025	143,593
Term Loans from financial institutions	128,416	158,119	-	146,458
Term Loans from Others	33,318	42,104	-	1,337
	1,069,327	1,051,151	177,025	291,388

Entity wise details of the above long term borrowings are as follows:

Name of the entities	Non-current portion		Current maturities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
1. Parent Company (The Company)	-	-	10,594	28,761
2. Mumbai International Airport Private Limited (MIAL)	777,226	808,820	52,427	63,411
3. GVK Airport Developers Limited (GVK ADL)	11,999	7,309	95,879	131,654
4. GVK Jaipur Expressway Private Limited (GVK JEPL)	61,021	72,005	17,421	15,082
6. GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL)	54,502	-	-	52,085
7. GVK Deoli Kota Expressway Private Limited (GVK DKEPL)	86,809	85,429	704	395
8. GVK Ratle Hydro Electric Project Private Limited (GVK RHEPPL)	77,770	77,588	-	-
	1,069,327	1,051,151	177,025	291,388

1. Parent Company (The Company)	As at March 31, 2018	As at March 31, 2017
Term Loans from banks (secured)	10,594	28,761

- a) Term loan aggregating to Rs. 9,745 (March 31, 2017: Rs. 13,805) (excluding Interest) is secured by first pari-passu charge on the current assets, present and future of the Company and pledge of 299,000 preference shares of GVK Airport Developers Limited out of which 239,800 preference shares are held by Sutara Roads & Infra Limited. The loan is further secured by subservient mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and carries an effective interest of 14.33% per annum. The loan is repayable in twenty four unequal monthly instalments after a moratorium of twelve months from the date of first drawdown viz. April 30, 2016.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

- b) Term loan aggregating to Rs. 849 (March 31, 2017: Rs. 14,956) (excluding Interest) is secured by mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and carries an effective interest of 14.50% per annum. The loan is repayable after a period of 35 months from the date of first drawdown viz. August 27, 2015.

2. MIAL	As at March 31, 2018	As at March 31, 2017
Term loans from		
Banks	566,476	368,073
Financial Institutions	24,269	32,988
Additional Term loan from		
Banks	-	125,017
Financial Institutions	-	28,850
Others	-	19,233
Term Loan on securitisation of Development Fees		
Banks	162,470	189,469
Others	21,319	24,208
Term Loan on securitisation of Real Estate Deposit		
Banks	60,853	62,500
Term Loan		
Loan from others	-	25,000
Less : Unamortised transaction cost	(5,734)	(3,107)
	829,653	872,231

Security:

a) Term loans from consortium of banks and financial institution are secured by way of:

- First charge on pari-passu basis with Working Capital Lenders on all bank accounts (presently or in the future) including the Surplus Account excluding amount pertaining to Airport Development Fee (ADF) and Real Estate Security Deposit (RES) to the extent permitted under OMDA.
- First mortgage and charge on pari-passu basis with working capital lenders on all the assets of the MIAL present and future, to the extent permitted under OMDA.
- First Charge on a pari-passu basis with ADF Lenders and Working Capital Lenders on pledge of the equity shares held by the Prime Members (i. GVK Airport Holdings Limited, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of MIAL.
- Undertaking from Prime Members (i.e. GVK Airport Holdings Limited, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) in proportion to their shareholding for meeting shortfall, if any, in the event of termination of Operations, Management and Development Agreement (OMDA), between total debt outstanding and the termination payments receivable as per OMDA from Airport Authority of India /Government of India.
- First Charge on a pari-passu basis with ADF Lenders on right of substitution of MIAL /step-in by the Lenders as provided under OMDA
- Security available with Lenders under this facility would be shared pari-passu with the Lenders to ADF loan in case of default under the ADF Loan facility.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

b) Term loans from banks and others on securitisation of Development Fee

- (i) First charge on the ESCROW (ADF) Account
- (ii) Second charge on pari-passu basis with Lenders of loan against RESD on all bank accounts (presently or in the future) including the Surplus Account excluding amount pertaining to Airport Development Fee (ADF) and RESD to the extent permitted under OMDA.
- (iii) Undertaking to extend first pari passu charge on security available to Project Term Loan Lenders in the event of default on and/or repayment of the entire project loan.
- (iv) Undertaking from Prime Members (i.e. GVK Airport Holdings Limited, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) in proportion to their shareholding for meeting shortfall, if any, in the event of termination of OMDA, between total debt outstanding and the termination payments receivable as per OMDA from Airport Authority of India /Government of India.
- (v) First Charge on a pari-passu basis with Project Term Loan Lenders and Working Capital Lenders on pledge of the equity shares held by the Prime Members (i.e. GVK Airport Holdings Limited, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of MIAL.
- (vi) First Charge on a pari-passu basis with Project Term Loan Lenders on right of substitution of MIAL /step-in by the Lenders as provided under OMDA.

c) Term loans from banks on securitisation of Real Estate Deposit (RE)

- (i) Second pari passu charge on cash flows of the MIAL.
- (ii) First pari-passu charge on Real Estate Security deposits i.e. Security Deposits paid/payable by the lessees to MIAL for the lease of land for development of Non Transfer Assets (as defined under the OMDA).
- (iii) MIAL shall maintain the Debt Service Reserve Account (DSRA) with Axis Bank. An amount equivalent of minimum of 3 months interest. The funds in DSRA will be permitted to be maintained in the form of Fixed deposits /liquid funds or any other manner acceptable to the Bank.

Terms of repayment and interest:

a) Term loans from consortium of banks and financial institution: repayable in 174 structured monthly instalments as per the schedule commencing from April 2017.

As per the Project term loan facility agreement entered with consortium of lenders, the applicable rate of interest is SBI 1 year MCLR (at the time of drawdown) plus 130 bps effective rate of 9.30% p.a. at monthly rests. The interest reset shall happen at the anniversary of drawdown every year. The spread will stand changed to 115 bps above SBI 1 year MCLR on improvement in rating from current rating to AA-. CRISIL and India Rating have upgraded the credit rating of MIAL to AA- in June 2017.

b) Term loan from banks and others on securitisation of Development Fee: Repayable in 70 structured quarterly instalments as per the schedule commencing from April 2017. The loan is repayable from collection of Development Fee receipts and repayment commitments are as per the ADF loan agreement. As per the ADF loan agreement entered with consortium of lenders, the applicable rate of interest is SBI 1 year MCLR (at the time of drawdown) plus 130 bps effective rate of 9.30% p.a. at monthly rests. The interest reset shall happen at the anniversary of drawdown every year. The spread will stand changed to 115 bps above SBI 1 year MCLR on improvement in rating from current rating to AA-. CRISIL and India Rating have upgraded the credit rating of MIAL to AA- in June 2017.

c) Term loan from banks and others on securitisation of Real Estate Deposit (RE): Loan of Rs. 300 crores from Axis Bank Limited is repayable at the end of 2 years from the date of first disbursement. Applicable rate of interest shall be Axis bank 3 month's MCLR plus 3.60%.

Yes Bank Loan of Rs. 325 crores is repayable in 24 structured quarterly instalments as per the schedule commencing from June 01, 2019. Applicable rate of interest shall be Yes Bank Base Rate plus 1%.

The rates of interest for the Term Loan, Term Loan on securitisation of Development Fee and Term Loan on securitisation of Real Estate Deposits at present range between 9.15% to 11.60%.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Refinance of Term Loans

During the year ended March 31, 2018, MIAL refinanced its credit facilities (Project Term Loan, ADF securitised Loan and working capital facility), and consequently, erstwhile IDBI led consortium was replaced with SBI led consortium effective April 28, 2017. As part of refinancing exercise, there were change in terms of the various credit facilities availed like repayment schedule, security conditions, financial covenants etc. Consequent to such refinancing, the range of rate of interest has been revised from 10.75% - 12.90% to 9.15% - 9.30%.

3.GVKADL	As at March 31, 2018	As at March 31, 2017
Term Loans from financial institutions (secured)	95,879	138,963
631 (March 31, 2017: Nil) 9% Compulsory convertible Preference Shares	11,999	-
	107,878	138,963

a. Compulsorily convertible preference shares (CCPS)

The CCPS have a par value of Rs. 10 per share. GVKADL declares and pays dividends in Indian rupees. CCPS carry a dividend rate of 9% p.a. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Preference shares are convertible into equity shares at the end of March 31, 2021 at the price to be determined at a future date based on the average valuation in the manner provided in binding term sheet between the GVKADL & preference share holder.

b. Term loans - Details of terms of repayment

The above term loans carry an interest rate of 11.75% payable on quarterly basis and principal is repayable at the end of July 05, 2022.

(i) Security:-

- 1) First ranking security interest by way of the pledge of 100% equity shares of GVKADL held by the company. Provided that the pledge of 16% of shares currently pledged for the benefit of Hancock Lenders shall be pledged immediately upon release of the same and the no objection certificate.
- 2) First ranking security interest by way of a pledge of 68% equity shares of GVK Airport Holdings Limited (GVK AHL), held by GVKADL.
- 3) First ranking security interest by way of a pledge of 100% equity shares of Bangalore Airport and Infrastructure Developers Limited (BAIDL) held by GVKADL.
- 4) First ranking security interest by way of a pledge of 100% of Compulsory Convertible instruments issued by Bangalore Airport and Infrastructure Developers Limited now transferred to GVKADL.
- 5) First ranking security interest by way of a Pledge of 59,200 Preference shares held by the Company. Provided that, these will be pledged on release of the same by Axis bank Limited.
- 6) First ranking security interest by way of a pledge of 9,40,800 preference shares of GVKADL, held by Sutara Roads and Infrastructure Limited. Provided that 239,800 of the preference shares will be pledged upon release of the same by Axis bank Limited.
- 7) A charge over
 - (a) The proceeds of any sale or transfer or other disposal of shares held by the Company in GVKADL including pursuant to any enforcement of pledge created over the shares of GVKADL.
 - (b) a designated account of the Company in which the amounts specified in (a) are to be deposited, and all amounts deposited in such account from time to time.
- 8) A charge over all the assets of GVKADL excluding the
 - a. GVKADL Hancock Lenders Designated account and the amounts deposited therein from time to time and any amounts to be deposited by GVKADL into GVKPIL Hancock Lenders Designated account.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

- b. The equity shares of GVK AHL required to be pledged for the benefits of the banks along with all rights including dividend relating to the equity shares of GVK AHL.
- c. The existing Company's loan Hancock Lenders - Portion and all rights and receivables of rights and receivables of GVKADL in relation thereto including:
 - (i) A designated account of GVKADL in which amounts corresponding to 68% (Percentage shall be revised from time to time to correspond to the percentage of equity capital of GVK AHL pledged for the benefit of the continuing airport lenders) of all dividends and distributions of any kind and any other sums received by GVKADL in its capacity as a shareholder of GVK AHL (including proceeds of any buy back, reduction of share capital or any other corporate reorganisation) and over all amounts deposited in such account from time to time.
 - (ii) Existing Company's Airport Lenders portion and all rights and receivables of GVKADL in relation to thereto.
- 9) A charge by GVK AHL over (a) A designated account of GVK AHL in which amount amounts corresponding to 68% of all dividends and distributions of any kind and any other sums received by GVK AHL in its capacity of a shareholder in Mumbai International Airport Limited (Including proceeds of buy back, Reduction of share capital or any corporate reorganisation (b) And also overall amounts deposited in such account from time to time.
- 10) A charge over all assets of BAIDL (excluding the BAIDL Hancock Lenders Designated Account and the amounts deposited there in from time to time.
- 11) Second Rank mortgage over the land owned by GVK Perambalur SEZ Private Limited.
- 12) Corporate Guarantee by the Company.

4. GVK BVEPL	As at March 31, 2018	As at March 31, 2017
Term Loans from banks (secured)	42,368	40,332
Term Loans from financial institutions (secured)	12,134	11,753
	54,502	52,085

Term loans from banks and financial institutions are secured by way of

- (i) First charge on all the present and future tangible moveable assets, machinery spares, tools and accessories etc, save and except the Project Assets as defined under the Rupee Loan agreement.
- (ii) First charge on all the bank accounts of GVKBVEPL including Debt Service Reserve Account/Escrow accounts/its sub accounts except the Distribution Sub account. Charge on the Escrow account shall be in a manner and only to the extent of order of priorities of payment as permitted under the Escrow agreement and supplementary Escrow agreement.
- (iii) First charge on all intangibles of GVKBVEPL including goodwill, rights, undertakings and uncalled capital both present and future save and except the Project Assets as defined under the Rupee Loan agreement.
- (iv) Assignment by way of security of the right, title, interests, benefits, claims and demands of GVKBVEPL in and under all the project documents, approvals, insurance contracts, letter of credit, guarantees, liquidated damages and performance bond. Provided however, that the assignment as mentioned above shall be in accordance with and to the extent provided under the Substitution agreement.
- (v) Pledge of 51% of voting equity share capital of GVKBVEPL held by the Sponsor's until the Commercial Operation Date (COD). Subject to there being no default, Pledge of shares will be gradually reduced to 33% from COD for a period of 3 years and thereafter to 26% till final settlement date.
- (vi) Provided further that the charges, assignment and pledge on the assets shall in all respect rank Pari Passu inter se the Lenders without any preference or priority to one over the other or others.
- (vii) Term loans carries interest rate @ 11.75% p.a.
- (viii) The repayment schedule for the term loans is shifted by 2 years, quarterly repayments commencing from December 31, 2017 ranging between Rs. 33 to Rs. 4,013, for which the Lead lender, Axis Bank, and the other Consortium Lenders Central Bank of India, Punjab and Sindh Bank, Oriental Bank of Commerce and India Infrastructure Finance Company Limited have given their sanctions as on the date of the Balance sheet. There is no change in the other terms and conditions. Sanction from State of Bank of India is awaited. On receipt of sanction from State Bank of India, necessary documentation will be executed to give effect to the shift in repayment schedule.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

5. GVK JEPL	As at March 31, 2018	As at March 31, 2017
Term Loans from banks (secured)	78,442	87,087

A. Term loans from banks amounting to Rs. 64,723 are secured by way of

- second charge by way of mortgage of entire immovable properties of GVKJEPL, save and except Project Assets, both present and future.
- second charge by way of hypothecation of entire movable properties of GVKJEPL, save and except Project Assets, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature.
- second charge on entire cash flows, receivables, book debts and revenues of GVKJEPL of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future.
- second charge on entire intangible assets of GVKJEPL, including but not limited to goodwill and uncalled capital, both present and future.
- Pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of GVKJEPL.
- first charge on the Surplus Cash flows, Surplus Account and the Surplus Debt Service Reserve of GVKJEPL.
- Rate of Interest: Interest payable at the rate of 10.25% per annum which is subject to reset once in every year.
- Terms of Repayment: Repayable in 120 monthly instalments from November 2011.

B. Term loans from banks amounting to Rs. 13,719 are secured by way of

- second charge by way of mortgage of entire immovable properties of the GVKJEPL, save and except Project Assets, both present and future.
- second charge by way of hypothecation of entire movable properties of GVKJEPL, save and except Project Assets, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature.
- second charge on entire cash flows, receivables, book debts and revenues of the GVKJEPL of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future.
- second charge on entire intangible assets of the GVKJEPL, including but not limited to goodwill and uncalled capital, both present and future.
- Pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of the GVKJEPL.
- first charge on the Surplus Cash flows, Surplus Account.
- Rate of Interest: Interest payable at the rate of 10.25% per annum which is subject to reset once in every year.
- Terms of Repayment: Repayable in 26 quarterly instalments from September 2016.

6. GVK DKEPL	As at March 31, 2018	As at March 31, 2017
Term Loans from banks (secured)	73,270	71,388
Term Loans from financial institutions (secured)	14,243	14,436
	87,513	85,824

Term loans from banks and financial institutions are secured by way of

- A first ranking pari passu charge on all the present and future immovable and moveable assets and intangible assets except the Project Assets as defined under the Rupee Loan agreement.
- A first ranking pari passu charge on all revenues and receivables of the Borrower from the Project or otherwise.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

- (iii) Pledge of 51% of the paid-up equity shares of GVK DKEPL held by GVKTPL (the "Sponsor") until the Commercial Operation Date and Pledge of 26% of the paid-up equity shares of the GVK DKEPL held by the Sponsor for a period of 2 years from Commercial Operation Date.
- (iv) A first ranking pari passu charge/assignment by way of security of all the project documents to the extent provided under the Substitution Agreement entered into by GVK DKEPL with the Rupee Lender and the NHAI.
- (v) A first ranking pari passu charge on all rights, title, interests, benefits, demands, and claims under the contractor guarantees, liquidated damages, any guarantees, letter of credit, or performance bonds provided by any counter party under any contract of GVK DKEPL, Insurance Contracts, and Insurance proceeds.
- (vi) Term loans (RTL I & RTL II) carries interest @ 11.50% p.a and RTL III carries interest @10.25 %
- (vii) The Rupee Term Loan I & II are repayable in 58 quarterly instalments starting from September 30, 2016 and September 30, 2018 respectively as per the Amendment Agreement to Common Loan Agreement. The quarterly instalment amounts are a percentage of the rupee loan disbursed and varies from 0.10% to 3.24% (maximum) as mentioned in the repayment schedule to the Rupee loan agreement.
- (viii) The Rupee Term Loan III are repayable in 59 quarterly instalments starting from June 30, 2023 as per the Rupee Loan Agreement. The quarterly instalment amounts are a percentage of the rupee loan disbursed and varies from 0.50% to 25.00% (maximum) as mentioned in the repayment schedule to the Rupee loan agreement.

7. GVK RHEPPL	As at March 31, 2018	As at March 31, 2017
Term Loans from financial institutions (secured)	77,770	77,588

1. Rupee term loan from financial institution is secured by

a) A first ranking Charge/Mortgage/ assignment/hypothecation on:

- i) all of the GVK RHEPPL immovable properties, present and future, except forest land, river bed area and land for realignment of National Highway - 1B, subject to the Transfer of Property Act of the State Government of Jammu & Kashmir and Right to Use Forest Land.
- ii) All of the GVK RHEPPL movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, present and future, intangible, goodwill, uncalled capital, present and future relating to the Project:
- iii) all book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, of the GVK RHEPPL present and future: and
- iv) the Debt Service Reserve Account, the Trust and Retention Account, any letter of credit and other reserves and any other bank accounts of GVK RHEPPL wherever maintained, present and future;

b) First ranking assignment of the following:

- i) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL in the Project Documents (including but not limited to Power Purchase Agreements/memorandum of understanding for sale of power, package/ engineering, procurement and construction contracts/Construction contracts, O & M Agreement, Land lease Agreements, etc.), if any, duly acknowledged and consented to by the relevant counter parties to such Project Documents, each as amended, varied or supplemented from time to time.
- ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the permits, approvals and Clearances pertaining to the Project:
- iii) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party under the Project Documents: and
- iv) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL under all Insurance Contracts / Insurance Proceeds.

c) As collateral Security, a first ranking pledge over shares held by GVK DPPL constituting 51% of the total issued shares, which may be reduced by the Rupee Lenders to a pledge over Shares constituting 30% of the total issued shares upon 75% of the Rupee Loans being repaid.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

2. Rupee Term Loan from financial institution is repayable in 80 quarterly unequal instalments commencing from July 15, 2019.

3. The Lenders, at their option, have a right to convert the whole or part of the Loan to equity, at par, in case of default in payment.

4. Coupon rate of interest varies from 13.5% to 13.75%

5. Sponsor Support undertaking from the Promoter Companies i.e. GVK PIL (the Company) and GVK DPPL for infusion of equity.

Net debt reconciliation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current borrowings	216,155	238,588
Non-current borrowings	1,246,352	1,342,539
Cash and cash equivalents	(89,039)	(85,126)
Liquid investments	(2,293)	(9,875)
Total	1,371,175	1,486,126

Particulars	Current borrowing	Non-current borrowings	Cash	Liquid investments	Total
Net debt as on March 31, 2017	238,588	1,342,539	(85,126)	(9,875)	1,486,126
Cash flows	(22,433)	(96,187)	(3,913)	8,170	(114,363)
Fair value adjustment - non cash movement	-	-	-	(588)	(588)
Total	216,155	1,246,352	(89,039)	(2,293)	1,371,175

24. Other non current financial liabilities

	As at March 31, 2018	As at March 31, 2017
Premium obligation/ Negative grant to NHAI	73,349	53,998
Security deposits	88,469	42,241
Resurfacing obligation	7,884	4,329
Unearned guarantee commission income on financial guarantees given to related parties	2,834	4,387
Retention monies	2,574	1,699
Retirement compensation payable to Airports Authority of India (AAI) under OMDA	146	1,806
	175,256	108,460

25. Long term provisions

	As at March 31, 2018	As at March 31, 2017
Provision for gratuity (refer note 41)	1,197	1,344
Total	1,197	1,344

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

26. Deferred tax liabilities (net)

	As at March 31, 2018	As at March 31, 2017
Deferred tax liabilities		
Accelerated depreciation for tax purposes	66,592	61,553
Share of profit of associate	-	2,675
Discounting of Security Deposits	1,101	700
A	67,693	64,928
Deferred tax assets		
Retirement compensation payable to AAI	635	1,166
Gratuity	1,261	1,403
Provision for doubtful debts	263	263
Carried forward losses including current year	44,692	39,111
Others	1,736	2,973
MAT Credit Entitlement	6,947	5,452
B	55,534	50,368
Deferred tax liabilities (net) (A-B)	12,159	14,560

27. Other non current liabilities

	As at March 31, 2018	As at March 31, 2017
Deferred lease income pertaining to security deposits from concessionaires	65,412	32,613
Deferred Income pertaining to Airport assets (Government Grant) (Refer note below)	57,620	45,316
Advance from customers	991	1,089
Others	-	811
	124,023	79,829

Government Grant (Airport Development Fees)	As at March 31, 2018	As at March 31, 2017
Opening balance	66,155	68,493
Grants during the year	28,851	18,500
Less: Taken to statement of profit and loss (Refer note 37)	(18,749)	(20,838)
Closing Balance	76,257	66,155

Particulars	As at March 31, 2018	As at March 31, 2017
Government grant		
Current Portion (Refer note 32)	18,637	20,839
Non-current Portion (Refer note 27)	57,620	45,316
	76,257	66,155

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

28. Borrowings

	As at March 31, 2018	As at March 31, 2017
Secured - at amortised cost		
Rupee loan from banks	78,771	106,034
Cash credit facilities from banks repayable on demand	20,096	24,431
Loans from financial institutions	22,395	-
A	121,262	130,465
Unsecured - at amortised cost		
Loans and advances from related parties repayable on demand	236	241
Loans repayable on demand (bank overdraft)	-	413
Cash credit from banks repayable on demand	27,571	40,261
Loans from Others	67,086	67,208
B	94,893	108,123
A+B	216,155	238,588

Entity wise details of the borrowings are as follows:

Name of the entities	As at March 31, 2018	As at March 31, 2017
GVK Airport Developers Limited (GVK ADL)	105,442	146,295
Mumbai International Airport Private Limited (MIAL)	20,096	24,431
GVK Transport Private Limited (GVK TPL) #	62,207	62,673
GVK Developmental Projects Private Limited (GVKDPPL)	25,870	5,183
GVK Perambalur SEZ Private Limited (GVKSEZ) #	2,540	-
GVK Oil & Gas Limited (GVKOGIL) #	-	6
	216,155	238,588

#.The said loans are unsecured and is repayable on demand.

GVK ADL

	As at March 31, 2018	As at March 31, 2017
Rupee loan from banks (Secured)	78,771	106,034
Cash credit from banks (Unsecured)	26,671	40,261
Total	105,442	146,295

A. Cash credit from banks are unsecured and carry an effective interest rate ranging from 9.50% p.a to 10.70% p.a. and is repayable on demand.

B. Rupee loans from banks currently carries an effective interest of 11% per annum and secured by

- First Pari passu charge on Loans and advances of the Company to GVKADL and/or charge on loans and advances provided by GVKADL to GVK Airport Holdings limited (GVK AHL) and/or charge on loans and advances provided by GVKADL to Bangalore Airport & Infrastructure Developers limited (BAIDL) such that Yes bank Limited has a total cover of 1.5x on the facility.
- Yes bank Limited to have charge on proportionate proceeds of Liquidity event of GVKADL, GVK AHL, and BAIDL.
- First pari passu charge on shares of GVKADL and BAIDL along with other lenders or any other lender representing atleast 61% of paid up capital of GVK AHL and BAIDL such that Yes Bank Limited share on pledge does not exceed 30% of the paid up share capital of GVKADL.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

- (iv) First pari passu charge on shares of GVK AHL and BAIDL along with HDFC bank or any other lenders representing atleast 61% paid up share capital of of the GVK AHL and BAIDL such that Yes Bank Limited share on Pledge does not exceed 30% of the paid up share capital of GVKADL.
- (v) Second pari passu charge on land of 2,685 acres located at Eraiyar and Periyar Villages in Veppanthattai Taluk, Thirumandurai Pennakonam North & Pennakonam South villages in Kunnamm Taluk, Perambalur District currently second charged to HDFC and first charged to Syndicate bank.
- (vi) Corporate guarantee by the Company.

MIAL

	As at March 31, 2018	As at March 31, 2017
Secured		
Cash credit facilities from banks (repayable on demand)	20,096	24,431

Cash Credit facility and loan from banks is secured by:

- a) First pari passu charge on all the amounts lying in certain designated bank accounts of MIAL.
- b) Charge on receivables including unbilled revenue, spares & tools and other current assets to the extent permitted under OMDA of MIAL.
- c) Pledge of equity shares of MIAL held by the prime members (i.e. GVK AHL, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of MIAL.

GVK TPL

	As at March 31, 2018	As at March 31, 2017
Unsecured		
Loans repayable on demand (bank overdraft)	900	413
Interest free loans and advances from others repayable on demand	61,307	62,260
	62,207	62,673

Unsecured borrowings - overdrafts carries interest rate in range of 10% to 11.5% p.a.

Unsecured borrowings from others is interest free and repayable on demand.

GVK SEZ

	As at March 31, 2018	As at March 31, 2017
Unsecured		
Loan from others	2,540	-
	2,540	-

Unsecured borrowings from others are interest free and repayable on demand

GVKDPPL

	As at March 31, 2018	As at March 31, 2017
Secured		
Loans from financial institutions	22,395	-
Unsecured		
Loans and advances from others repayable on demand	3,475	5,183
	25,870	5,183

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Secured loans from financial institutions

1. Pledge of 26% securities of GVK Energy Limited.
2. Pledge of 40% Securities of Alaknanda Hydro Power Company Limited.
3. Pledge of 49% securities of GVK Power (Goindwal Sahib) Limited.
4. Pledge of 49% securities of GVK Coal Tokisud Company Private Limited.
5. The loans are to be repaid ranging from 30 to 90 days from the date of disbursement.
6. Rate of interest is in the range of 18.1%.

Unsecured borrowings from others is interest free and repayable on demand.

29. Trade Payables

	As at March 31, 2018	As at March 31, 2017
Dues to micro enterprises and small enterprises	23	-
Dues to creditors other than micro enterprises and small enterprises	25,002	27,766
	25,025	27,766

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 120 day terms.

30. Other current financial liabilities

	As at March 31, 2018	As at March 31, 2017
Current maturities of Long term borrowings	177,025	291,388
Interest accrued and due on borrowings	42,725	18,875
Interest accrued but not due on borrowings	6,674	5,006
Unearned guarantee commission income on financial guarantees given to related parties	1,343	1,343
Security Deposit from concessionaires	13,930	14,892
Retirement compensation payable to Airports Authority of India under OMDA	1,660	1,534
Capital Creditors	21,904	18,185
Premium obligation/ Negative grant to NHAI	745	15,838
Retention monies	735	895
Others	5,520	8,093
	272,261	376,049

Breakup of financial liabilities carried at amortised cost

	As at March 31, 2018	As at March 31, 2017
Non current borrowings	1,069,327	1,051,151
Current maturities of non current borrowings	177,025	291,388
Short term borrowings	216,155	238,588
Trade Payables	25,025	27,766
Other financial liabilities	270,492	193,121
	1,758,024	1,802,014

31. Short term provisions

	As at March 31, 2018	As at March 31, 2017
Provision for Leave Encashment	2,191	2,645
Provision for gratuity (refer note 41)	331	160
	2,522	2,805

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

32. Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Toll Fee Received in Advance	80	86
Advance from customers	1,926	1,424
Statutory remittances	3,315	4,787
Deferred lease income pertaining to security deposits from concessionaires	5,732	547
Deferred Income pertaining to Airport assets (Government Grant)	18,637	20,839
Other Liabilities	9,775	14,629
	39,465	42,312

33. Revenue from operations

	Year ended March 31, 2018	Year ended March 31, 2017
Income from toll operations	42,027	36,597
Aeronautical	161,768	151,105
Non-aeronautical	140,182	121,366
Cargo operations	36,313	29,898
Construction & Real Estate revenue	1,839	1,592
Manpower and consultancy services	86	-
Operation and maintenance fees	4,106	11,089
	386,321	351,647

34. Other income (net)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest on		
Bank deposits	5,081	4,896
Other interest income	7,473	2,544
Unwinding interest income on Financial Assets, Debt Instruments & Deposits	9,407	6,993
Guarantee commission	1,284	1,259
Liabilities no longer required, written back	1,660	5
Income from investments	588	400
Miscellaneous income (net)	546	81
Unearned guarantee commission written back	-	469
Gain on dilution/disposal of investment in associate/subsidiaries	74,383	36,619
	100,422	53,266

Note:

Interest income of Rs. 4,727 (March 31, 2017: Rs. 5,293) represents unwinding of interest free security deposit which is accounted only to comply with the provisions of Ind AS. As per the provisions of Operation, Management and Development Agreement (OMDA) executed between MIAL and Airport Authority of India, MIAL has to pay revenue share by way of Annual Fee on projected revenue, to be ultimately adjusted based only on actual revenue on quarterly basis. MIAL has been legally advised that no Annual Fee is payable on this amount, being not actual revenue within the provisions of OMDA.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

35. Employee Benefits Expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages, including bonus	18,634	18,928
Contribution to provident and other funds	750	634
Retirement and other employee benefit expense	430	306
Staff welfare expenses	316	251
	20,130	20,119

36. Finance costs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	149,737	186,663
Other finance charges	14,571	2,374
	164,308	189,037

37. Depreciation and amortisation expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets	82,692	80,050
Amortization of intangible assets	8,517	7,662
Less: Transfer to expenditure incurred during construction period	-	(7)
Less: Amortization of Deferred income on Airport Assets (funded out of Government Grant-ADF)	(18,749)	(20,838)
Total	72,460	66,867

38. Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spares	799	1,005
Operating and maintenance expenses	45	125
NHAI share of toll fee	4,358	3,137
Airport operator's charges	889	883
Rent	1,132	949
Rates and taxes	4,664	2,627
Insurance	517	487
Resurfacing obligation	3,036	2,711
Repairs and maintenance		
- Buildings	2,509	2,466
- Roads	1,520	647
- Plant and machinery	7,925	7,187
- Others	751	777
Power and fuel	11,444	9,521

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(All amounts in INR lakhs, except share data and where otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Travel and conveyance	3,058	2,146
Communication	423	231
Printing and stationery	16	49
Advertisement	808	866
Legal and professional charges	6,055	16,124
Auditor's remuneration (refer note below)	66	51
Directors' sitting fee	32	31
Expenses for manpower services	100	150
Donation	2	169
Loss on disposal / write off of assets*	-	5,053
Contract services	15,471	15,614
Construction costs	1,499	1,362
Miscellaneous expenses	1,534	260
Fair value loss on investments in preference shares	8,861	22,498
	77,514	97,126

* Includes write off of Capital work in progress including expenditure incurred during construction period in GHPPL Rs. Nil (March 31, 2017: Rs. 4,847).

Auditors' remuneration (net of GST & service tax) comprises of:

	Year ended March 31, 2018	Year ended March 31, 2017
As Auditor:		
Audit Fee	63	44
Limited review	2	5
In other capacity:		
Other services	1	1
Reimbursement of expenses	0	1
Total	66	51

39. Taxes

(a) Income tax expense:

The major components of income tax expenses are as follows:

Profit or loss section

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax	20,915	17,144
Deferred tax	(4,758)	(11,417)
Total income tax expense recognised in statement of Profit & Loss	16,157	5,727

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

(b) Reconciliation of effective tax rate:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Loss before tax (A)	(37,580)	(128,636)
Enacted tax rates in India (B)	34.608%	34.608%
Expected tax expenses (C = A*B)	(13,006)	(44,518)
Deferred tax asset not recognised on share of loss from Joint Venture	20,909	22,754
Deferred tax asset not recognised on losses	13,490	9,359
Tax effect on sale of Investment taxed at different rates	(13,670)	(3,188)
Effect of non-deductible expenses	10,193	23,750
Effect of non-taxable incomes	(1,659)	(979)
Effect of items taxed at a lower rate/exempted income	-	(1,283)
Others	(100)	(167)
Net tax expense recognised in statement of Profit & Loss	16,157	5,727

40. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company 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, if any.

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Loss after taxation considered for calculation of basic and diluted earnings per share	(56,167)	(130,228)
Weighted average number of equity shares considered for calculation of basic and diluted EPS	1,579,210,400	1,579,210,400
Earnings per share		
- Basic and diluted	(3.56)	(8.25)

41. Employee benefits

(a) Defined Contribution Plans

a. Provident Fund/ Employees' Pension Fund

b. Employees' State Insurance

The Group has recognised following amounts as Expense in the Statement of Profit and Loss :

	31-Mar-18	31-Mar-17
Included in Contribution to Provident and Other Funds		
Employer's Contribution to Provident Fund	719	618
Employees' State Insurance	20	4

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

(b) Defined Benefit Plans

a. Gratuity :

The Group operates one defined plan, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on retirement or termination at 15 days of last drawn salary for each completed year of service. The scheme is funded for all significant subsidiaries except for MIAL.

b. Compensated Absences :

Compensated benefits is payable to all the eligible employees of the Group on any type of separation from the Company on the leave balance as per the Company Rules subject to a maximum of 120 days. Benefits would be paid at the time of separation based on last drawn basic salary.

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

Particulars	31-Mar-18	31-Mar-17
I Change in present value of defined benefit obligation during the year		
1. Present Value of defined benefit obligation at the beginning of the year	1,610	1,318
2. Interest cost	111	96
3. Current service cost	233	218
4. Past service cost	91	-
5. Liability Transferred out / Divestment	(20)	-
6. Benefits paid directly by employer	(348)	(191)
7. Actuarial changes arising from changes in financial assumptions	(59)	101
8. Actuarial changes arising from changes in experience adjustments	0	68
Present Value of defined benefit obligation at the end of the year	1,618	1,610
II.Changes in fair value of plan assets	31-Mar-18	31-Mar-17
Opening fair value of plan assets	106	96
Expected return	1	8
Return on plan assets, excluding amounts included in interest expense/(income)	7	-
Contributions by employer	1	2
Plan assets of the Company recognised only to the extent of obligation	(25)	-
Closing fair value of plan assets	90	106
III Net (asset) / liability recognised in the balance sheet	31-Mar-18	31-Mar-17
1. Present Value of defined benefit obligation at the end of the year	1,618	1,610
2. Fair value of Plan Assets	90	106
3. Net (liability)/ asset- recognised in the balance sheet	1,528	1,504
Recognised under:		
Current (refer note 31)	331	160
Non-Current (refer note 25)	1,197	1,344
IV Expenses recognised in the statement of profit and loss for the year	31-Mar-18	31-Mar-17
1. Current service cost	233	218
2. Past Service cost	91	-
3. Expected return on plan assets	-	(8)
4. Interest cost on benefit obligation (Net)	106	96
5. Total expenses included in employee benefits expense	430	306

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

V Recognised in other comprehensive income for the year	31-Mar-18	31-Mar-17
1. Actuarial changes arising from changes in financial assumptions	(49)	101
2. Actuarial changes arising from changes in experience adjustments	9	68
3. Return on plan assets, excluding amounts included in interest expense/(income)	(22)	-
4. Recognised in other comprehensive income	(62)	169
VI Maturity profile of defined benefit obligation	31-Mar-18	31-Mar-17
1. Within the next 12 months (next annual reporting period)	338	167
2. Between 2 and 5 years	793	419
3. Between 6 and 10 years	634	536
4. Beyond 10 years	837	2,646

The weighted average duration to the payment of these cash flows is 5.25 years (31 March 2017: 9.62 years).

VII Quantitative sensitivity analysis for significant assumption is as below:

	Gratuity	
	31-Mar-18	31-Mar-17
(a) Effect of 0.5% to 1% change in assumed discount rate		
- increase	(48)	(11)
- decrease	51	13
(b) Effect of 0.5% to 1% change in assumed salary escalation rate		
- increase	49	11
- decrease	(46)	(10)
VIII Actuarial assumptions		
1. Discount rate	7.5% to 7.6%	7.2% to 7.8%
2. Salary escalation	7 % to 8 %	7 % to 10 %
3. Mortality rate during employment	Indian Assured lives Mortality (2006-08) Ult table	Indian Assured lives Mortality (2006-08) Ult table

Notes :

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

42. 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 amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

i) Provisions and Contingency

The contingencies and commitments are discussed in more details in note 44 and 45. It is not practical to state the timing of the judgement and final outcome. The management has assessed the probable unfavourable outcomes and creates provisions where necessary and where these are assessed as not probable, they are disclosed as contingent liability.

ii) Non-Applicability of Service Concession Arrangement Accounting in MIAL

Appendix A of Ind AS 11 "Service Concession Arrangements" applies to public-to-private service concession arrangements if certain conditions as provided in clause 5 are fulfilled namely that the Grantor Controls or Regulates What services the operator must provide, to whom and what prices. Further, the grantor must control through ownership, beneficial entitlement or otherwise any significant residual interest in Infrastructure at the end of Concession arrangement.

Application Guidance on Appendix A clarifies applicability of Appendix A under AG7 sub-clause (b), where it provides for situations where the use of Infrastructure is partly regulated and partly unregulated. It states that for applying control test when purely ancillary activities are unregulated, the control test shall be applied as if those services did not exist.

MIAL business activities and operations are governed by Operations, Management & Development Agreement (OMDA) under an initial Concession term effective from May 03, 2006 for 30 years which is extendable by another 30 years. The Management of Company has conducted a detailed analysis to determine the applicability of Ind AS in light of the following:

- MIAL uses common infrastructure in generating both Aeronautical and Non-Aeronautical revenue and the Infrastructure assets are inseparable and not capable of operating Independently;
- Aeronautical services are regulated while there is no control over determination of prices for non-aeronautical services. Charges of Non-Aeronautical services are determined at the sole discretion of MIAL and regulator does not decide and control the prices of non-aeronautical services.
- The non-aeronautical revenue is not ancillary revenue and is significant to the overall revenue of MIAL.

Hence Management of MIAL has concluded that accounting as per Appendix A of Ind AS 11 "Service Concession Arrangement" is not applicable to MIAL.

iii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. As assessed, there is reasonable certainty of utilising losses and accordingly deferred tax asset of Rs. 44,692 (March 31, 2017: Rs. 39,111) has been recognised by certain components of the group. Group has Minimum Alternate Credit (MAT) of Rs. 21,836 (March 31, 2017: Rs. 17,229) as at the reporting date which can be utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, Group has assessed that the entire MAT credit can be utilised.

iv) 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.

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The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note 41.

v) Impairment of non-financial assets

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

Refer note 47, 48, 49 and 50 regarding assessment on carrying values of certain assets.

vi) Impairment of financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities disclosed in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. The Group has considered Weighted Average Cost of Capital (WACC) rate of respective periods in which transaction had occurred for measuring deposit, being financial liabilities, at amortised cost.

viii) Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

ix) Determination of control and accounting thereof

As detailed in the accounting policy, principles under Ind AS are different from the previous GAAP, especially with respect to assessment of control of subsidiaries. Accordingly certain entities like GVK Energy Limited, where the Company has majority shareholding, they have been accounted as joint venture entity on account of certain participative rights granted to other partners/ investors under the shareholding agreements. Further, investments in GVK Coal Developers (Singapore) Pte. Ltd has been accounted as associate since the company participates in all significant financial and operating decisions. The Company has therefore determined that it has significant influence over this entity, even though it only holds 10% of the voting rights. Under Ind AS, joint ventures are accounted under equity method as per Ind AS 28 against the proportionate line by line consolidation under previous GAAP.

x) Also refer note 51 on significant judgements on going concern ability of the Company.

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43. Segment Reporting

For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- Power segment, which is engaged in the construction and operation of power plants.
- Roads segment, which is engaged in the construction and operation of highway projects.
- Airport segment, which is engaged in the construction and operation of domestic and international airports.
- Other segments, which is engaged in exploration of oil and gas, SEZ and other investments.

The Board of directors of the Company monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements

Year ended March 2018

Particulars	Power	Roads	Airports	Others	Unallocated	Total segments	Eliminations	Consolidated
Revenue								
External customers	-	43,527	342,393	401	-	386,321	-	386,321
Inter Segment	-	-	-	1,253	-	1,253	(1,253)	-
Total Revenue	-	43,527	342,393	1,654	-	387,574	(1,253)	386,321
Income/ (expenses)								
Depreciation and amortization	9	6,467	65,971	14	-	72,460	-	72,460
Share of profit of an associate and a joint venture. (note 53 and 54)	(60,418)	-	3,569	-	-	(56,849)	-	(56,849)
Segment profit	(60,611)	22,075	62,923	(9,129)	(52,838)	(37,580)	-	(37,580)
Total assets	126,992	261,033	1,348,327	15,613	275,220	2,027,185	-	2,027,185
Total liabilities	722	101,282	321,560	8,356	1,522,519	1,954,439	-	1,954,439
Other Disclosures								
Investment in associate and a joint venture (note 53 and 54)	68,111	-	8,523	-	-	76,634	-	76,634
Capital Expenditure	-	1,894	89,181	-	-	91,075	-	91,075

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Year ended March 2017

Particulars	Power	Roads	Airports	Others	Unallocated	Total segments	Eliminations	Consolidated
Revenue								
External customers	-	37,959	312,127	1,561	-	351,647	-	351,647
Inter Segment	-	-	-	1,255	-	1,255	(1,255)	-
Total Revenue	-	37,959	312,127	2,816	-	352,902	(1,255)	351,647
Income/ (expenses)								
Depreciation and amortization	12	7,699	59,143	13	-	66,867	-	66,867
Share of profit of an associate and a joint venture.(note 53 and 54)	(65,749)	-	24,119	-	-	(41,630)	-	(41,630)
Segment profit	(65,942)	20,484	45,957	(26,848)	(102,287)	(128,636)	-	(128,636)
Total assets	127,458	266,919	1,300,331	18,702	349,713	2,063,123	-	2,063,123
Total liabilities	4,081	93,448	227,025	9,325	1,618,363	1,952,242	-	1,952,242
Other Disclosures								
Investment in associate and a joint venture (note 53 and 54)	55,936	-	58,199	-	-	114,135	-	114,135
Capital Expenditure	184	7,412	44,864	-	-	52,460	-	52,460

Particulars	March 31, 2018			March 31, 2017		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	3,704	382,617	386,321	9,529	342,118	351,647
Non-current operating assets	7	1,640,087	1,640,094	10	1,642,506	1,642,516

44 Contingent Liabilities

A) Parent Company

1. Direct and Indirect Taxes

- Income tax demand for assessment year 2009-10 Rs. 10 (March 31, 2017: Rs. 10), for assessment year 2010-11 for Rs. 279 (March 31, 2017: Rs. 279), for assessment year 2011-12 for Rs. 11 (March 31, 2017: Rs. 11) and for assessment year 2012-13 Rs. 44 (March 31, 2017: 44).
- The Company has received a notice dated February 04, 2008 from the office of the District Registrar of Assurances, Hyderabad demanding payment of stamp duty of Rs. 2,829 on transfer of shares to the shareholders of GVK Industries Limited vide the scheme of arrangement approved by Andhra Pradesh High court. The Company has received favorable order from the Hon'ble High court of Andhra Pradesh dated July 06, 2017 that stamp duty is not applicable on the above transfer of shares, hence the order has been set aside. Contingent liability in this regard is Rs. Nil (March 31, 2017: Rs. 2,829).

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2. Security against loan taken by others

- (i) The Company had provided security by way of pledge of 230,960,770 (March 31, 2017: 230,960,770) shares of GVK Energy Limited for loans taken by the aforesaid joint venture entity.
- (ii) The Company has provided security by way of corporate guarantees amounting to Rs. 6,413 (March 31, 2017: Rs. 28,230) to joint venture entity and Rs. Nil to an associate (March 31, 2017: Rs. 1,441) for various fund and nonfund based facility availed by them.
- (iii) The Company has provided security by way of guarantee amounting to Rs. 368,519 (March 31, 2017: Rs. 368,534) for securing loans obtained by GVK Coal Developers (Singapore) Pte Limited, an associate company. Management is of the opinion that the aforesaid companies will be able to meet their obligations as they arise and consequently no adjustment provision is required to be made to the carrying value of the security and guarantees provided.

B) Subsidiary companies

I. GVKADL

The subsidiary company has pledged 79,999,968 (March 31, 2017: 79,999,968) equity shares of GVK AHL for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an associate entity.

Management is of the opinion that the aforesaid company will be able to meet its obligation as they arise and consequently no adjustment provision is required to be made to the carrying value of the security.

II. MIAL

A) Claims against MIAL not acknowledged as debts:

- i). Income tax amounting to Rs. 13,943 (March 31, 2017: Rs. 13,837) demanded by the concerned authorities in respect of expense disallowed for various assessment years starting from AY 2010-11 and AY 2012-13 up to AY 2014-15 against which MIAL has filed an appeals with Hon'ble High Court/ Income Tax Appellate Tribunal /Commissioner of Income Tax (Appeals), Mumbai, which are pending as of date, of this, the department has adjusted refund from earlier assessment years of Rs. 6,065 (March 31, 2017: Rs. 1,000 was paid by MIAL) towards demand.
- ii) Claims for utilization of Cenvat Credit in relation to construction activities amounting to Rs. 3,680 (March 31, 2017: Rs. 3,680) contested by MIAL on the grounds that the restriction of utilization of Cenvat Credit are not applicable to Airport Services as defined under clause (zzm) of Section 65 (105) of the Finance Act, 1994.
- iii) The Ministry of Civil Aviation issued a Order No. AV. 13024/03/2011-AS dated February 18, 2014 regarding expenditure out of Passenger Service Fee (Security Component) [PSF (SC)] wherein all airport operators were directed to reverse/reimburse back to the PSF(SC) the total amount spent on capital costs/expenditure towards procurement and maintenance of security system/equipment and on creation of fixed assets out of PSF(SC). During current financial year, MIAL has reversed and reimbursed Rs. 2,069 which represents amount spent on capital expenditure out of PSF (SC) fund from the date of aforesaid order till March 31, 2018. Up to March 31, 2018 the funds spent on such expenditure by MIAL is Rs. 31,547 (March 31, 2017: Rs. 33,670). MIAL has challenged the said order before the Hon'ble Bombay High Court by way of writ petition. Hon'ble Bombay High Court vide its order dated April 17, 2014, has stayed the recovery against MIAL. Based on an internal assessment and aforesaid order of Hon'ble Bombay High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in financial statements.
- iv) Other claims from Airports Authority of India of Rs. 12,349 (March 31, 2017: Rs. 11,434) and from Customer and Others Rs. 569 (March 31, 2017 : Rs. 569) respectively.
- b) MIAL is a party to various land litigations with respect to the land demised to it pursuant to entering into OMDA and Lease Deed with AAI. Based on the internal legal assessment, the management is confident that these litigations would not result into any liability to MIAL and as such no provision has been made in the financial statements.
- c) Demand notice received from Tahsildar (Andheri) for net amount of Rs. 9843 for alleged arrears of Non Agricultural tax for the period from August 01, 1996 to July 31, 2018 which includes the period until May 02, 2006, during which Airport Authority of India was the airport operator of CSIA. While MIAL has denied the appropriateness and leviability of this demand, it has paid Rs. 7,200 under protest during financial year 2017-18 to prevent any coercive action from the authorities. Management will continue to contest the case and is confident of recovering this amount paid under protest.
- d) Disputed interest on term loan Rs. Nil (March 31, 2017: Rs. 200)

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(All amounts in INR lakhs, except share data and where otherwise stated)

III.GJEPL

	March 31, 2018	March 31, 2017
On account of guarantees issued by banks	-	925
Disputed income tax demands*	6,887	3,909
Interest debited by lenders not acknowledged as debt*	-	15
Entry tax*	-	39
Claim made by NHAI for share in revenue shortage which is disputed by GJEPL and not acknowledged as debt*	959	-

*Management based on its internal assessment and/or legal advice is confident that the matter will be decided in its favour.

IV.GVKDEPL

NHAI had vide its notice dated February 09, 2011 sought to recover damages from GVKDEPL to the tune of Rs. 157 on alleged delay by GVKDEPL in achieving financial closure by 53 days. NHAI had vide its demand letter dated April 23, 2013 sought to recover the said damages from GVKDEPL's Escrow account. GVKDEPL disputed the claim of NHAI and in its defense submitted that it was ready and able to complete the financial close within the prescribed period of 180 days from the execution of the concession agreement dated May 17, 2010, and that the delay was on the part of NHAI (i) in achieving its conditions precedent (ii) in reverting with its comments on the financing documents, and therefore the time taken by GVKDEPL beyond the stipulated contractual date for achieving financial close was for holding discussions with NHAI, its financial consultant and lenders to get the execution versions of the financing documents consented to by all the parties. Accordingly there was no breach by GVKDEPL, and therefore NHAI is not entitled to recover any damages from GVKDEPL. GVKDEPL filed Section 9 petition dated May 09, 2013 under the Arbitration and Conciliation Act, 1996 with the Hon'ble High Court of Delhi and the court was pleased to issue interim injunction against NHAI vide its order dated May 23, 2013 restraining NHAI from recovering the said amount from GVKDEPL. GVKDEPL thereafter issued notice dated November 17, 2014 referring the dispute to arbitration in terms of the Concession agreement.

The award is declared on November 27, 2017 and arbitral tribunal has quashed the demand of NHAI for the payment of damages of Rs. 157 and has upheld GVKDEPL's contention that there is no delay in financial closure. (Contingent liability Rs. Nil (March 31, 2017: Rs. 157).

V.GVKSDPEL

	March 31, 2018	March 31, 2017
Bank guarantee given to NHAI*	2,815	2,815

*The subsidiary company has filed an application before the Honorable Delhi High Court, praying for relief from possible invocation of the performance security by NHAI and the Honorable Delhi High Court has granted interim injunction against invocation and encashment of performance security and referred the matter for Arbitration under the provisions of the concession agreement. The proceedings before the Arbitral Tribunal are in progress. The interim orders of the Honorable High Court of Delhi to maintain status quo on the performance security is in force as on the date of the balance sheet. As requested by NHAI, without prejudice to the pending litigation, the subsidiary company submitted a proposal to NHAI asking for various concessions and reliefs which include compensation for increase in capital cost, site mobilization cost, tolling the existing 2-lane highway during construction period, premium re-schedulement etc. if the subsidiary company were to take up the project. Pending proceedings before the Arbitration tribunal, the subsidiary company is yet to receive response from NHAI on the said proposal. NHAI has also filed its statement of defense along with counter claim of Rs. 45,374 as against the Subsidiary Company's claim statement of Rs. 4,551 and demand for return of performance security. The subsidiary company's application for revision of its claim statement was allowed by the Tribunal vide Order dated September 29, 2015 and accordingly the subsidiary company filed its revised claim statement totaling to Rs. 55,058. NHAI filed application expressing its intention to revise their claims against the Subsidiary Company, which is yet to be heard by the Tribunal. The subsidiary company is confident that the matter will be decided in its favour.

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(All amounts in INR lakhs, except share data and where otherwise stated)

VI.GVKDPPL

	March 31, 2018	March 31, 2017
On account of guarantees issued by banks	-	5,200

VII.GVKRHEPPL

	March 31, 2018	March 31, 2017
On account of guarantees issued by banks	-	98

VIII. GVKTPL

	March 31, 2018	March 31, 2017
Disputed income tax demands*	657	657
Service tax	55	61

*Management based on its internal assessment and/or legal advice is confident that the matter will be decided in its favour.

C) Joint Ventures (to the extent of shareholding therein)

a) GVKIL

	March 31, 2018	March 31, 2017
On account of Guarantees issued by banks	80	80
Service tax demand on operator of the power plant*	-	1,785
Income tax demands pending in appeals*	4,652	4,652
Claims not acknowledged as debts- electricity duty*	1,171	1,171
Refund of duty drawback under deemed export scheme*	941	941
Towards difference in import of energy charges*	89	-

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKIL's favour.

- (i) AP Transco has filed petition before APERC to consider interest on working capital charged by State Bank of India to its most credit worthy customers for the purpose of determining tariff for the year 2003-04. GVKIL is contesting the contention of AP Transco and is confident that the matter will be decided in its favour
- (ii) As per the terms of contract with Bharat Petroleum Corporation Limited (BPCL) for supply of Naphtha, GVKIL has to pay for 80,000 MT @ Rs. 38.45 as 'Minimum off Take charges. GVKIL is negotiating with BPCL to reduce the Minimum off Take quantity from 80,000 MT to 40,000 MT, which is under consideration by BPCL. Pending such acceptance by BPCL, no provision is made in the books for the requested reduction of 40,000 MT. The contract with BPCL expired on January 29, 2012. Liability on account of this as at March 31, 2018 is Rs. 74 (March 31, 2017: Rs. 74).
- (iii) AP State Load Dispatch Centre (APSLDC) has filed petitions before the Andhra Pradesh Electricity Regulatory Commission (APERC) for appointment of adjudicating officer for assessment of charges to be levied for non-adherence to backing down instructions by GVKPIL, operator of the power plant of GVKIL. APSLDC has claimed an amount of Rs. 829 (March 31, 2017: Rs.829) for the aforesaid non- compliance. APERC has appointed adjudicating officer to conduct an enquiry into the matter. Management based on its internal assessment is confident that the matter will be decided in GVKIL's favour.
- (iv) GVKIL approached AP Transco for new connection while constructing its new power plant upon which AP Transco raised demand of Rs. 256 (March 31, 2017: Rs. 256) towards minimum monthly charges regarding electricity connection taken earlier which was surrendered on October 7, 1996. GVKIL filed petition before the APERC claiming levy of demand as arbitrary, which was disposed directing GVKIL to approach Consumer Grievance Redressal Cell as dispute is not in connection with power purchase agreement. GVKIL has filed a writ petition before the High Court of Andhra Pradesh contesting that the matter is within ambit of PPA. The High Court of Andhra Pradesh has issued stay on demand. Management based on its internal assessment/ legal advice is confident that the matter will be decided in GVKIL's favour.

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(All amounts in INR lakhs, except share data and where otherwise stated)

b) AHPCL

	March 31, 2018	March 31, 2017
Disputed income tax demands (Rs. 63 paid under protest)*	116	116
Claims not acknowledged as debts	6,944	4,952

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the AHPCL's favour.

c) GVKPGSL

	March 31, 2018	March 31, 2017
On account of Guarantees issued by banks	904	3,448
Claims against the Company not acknowledged as debts*	3,056	2,712

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKPGSL's favour.

d) GVKGPL

	March 31, 2018	March 31, 2017
Service Tax demand on operator of the power plant*	269	847
Claims not acknowledged as debts- electricity duty*	1,388	1,388
Claims against the company not acknowledged as debts*	175	84
Disputed income tax demands*	1,133	-

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKGPL's favour.

Other litigations

1. GVKEL has pending litigations with service tax authorities amounting to Rs.454(March 31, 2017 Rs.498).

2. GVKPGSL

a. GVKPGSL engaged Bharat Heavy Electricals Limited ("BHEL") for execution BTG works along with associated auxiliaries, control & instrumentation works and electrical package in respect of Goindwal Sahib project ("Works"). In execution of these Works, certain disputes arisen between parties. Whilst the discussions for settlement of disputes are going on, GVKPGSL sought BHEL to renew the Bank Guarantees (BGs) worth approximately Rs. 11,000. BHEL filed the captioned petition u/s 9 of the Arbitration and Conciliation Act, 1996 before Commercial Court, Hyderabad and obtained stay against GVKPGSL from invoking the BGs. BHEL has extended the bank guarantees till July 28 2018. BHEL has initiated arbitration proceedings and has filed claims against GVKPGSL who in turn has filed counter claims before Arbitration and currently the hearings are in progress. Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKPGSL's favour.

b. GVKPGSL engaged Punj Lloyd Limited ('PLL') for execution of Balance of plant works in respect of Goindwal Sahib project ("Works"). In execution of these works certain disputes arisen between parties. GVKPGSL issued a notice dated December 24, 2014 to PLL levying liquidated damages and other claims for (a) defaults committed by PLL under the agreement for supply (steel & cement), agreement for supply (ex- works) and an agreement for services dated September 14, 2009; and (b) for delay caused by it in completion of the project on time. GVKPGSL has encashed bank guarantees amounting to Rs. 14,460 in respect of the above works for the non-performance of contractual obligations by PLL. These proceeds were deposited with TRA - IDBI Bank. However, IDBI Bank being the Lenders Agent has kept the said fund in a suspense account as per the consortium lenders decision.

PLL and GVKPGSL had nominated their choices of arbitrators. But, the presiding arbitrator could not be appointed due to non-cooperation of PLL. Subsequently PLL had filed three applications u/s. 11(5) & 11 (6) of the Arbitration & Conciliation Act, 1996 bearing nos. 146/17, 147/17 & 148/17 seeking the Court to appoint a Presiding Arbitrator so as to complete

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

the constitution of three (03) members Arbitral Tribunal to adjudicate the claims and disputes between GVKGPSL and PLL, arising out of the above referred agreements. Matters are yet to be listed for hearing. Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKGPSL's favour.

3. GVKRHEPPL has initiated an arbitration process in respect of hydro power project being executed by the Company and the process is in its initial stages. In the arbitration GVKRHEPPL has made a claim of Rs 520,000 and J&K Power Development Department (JKPDD) has made a counter claim of Rs 540,000. Refer note 50 for further details.
4. Gujarat State Road Development Corporation (GSRDC) has issued a termination and arbitration notice as per which GSRDC has terminated the concessionaire agreement and also has claimed an amount of Rs. 54,092. In response to such notice GVK BVEPL has written to GSRDC denying the claim from GSRDC and termination of agreement and has also stated that the delay is due to the default from GSRDC. Refer note 49 for further details.

D. Associate Companies (to the extent of shareholding)

BIAL (BIAL was an associate Company till July 13, 2017)

(a) The associate company has issued bank guarantee to Customs authorities aggregating to Rs. Nil (March 31, 2017: Rs. 137) with respect to grant of project import license to extend concessional rate of duty for import of certain eligible equipment's for use in Kempegowda International Airport terminal I expansion project.

(b) The associate company has filed an application to get itself impleaded as one of the aggrieved party against an appeal filed by the State of Karnataka, challenging the order of the Karnataka High Court, issued in April, 2007, quashing the levy of Special Entry Tax of Rs. Nil (March 31, 2017: Rs. 21).

(c) The associate company has received demand orders from Commissioner of service tax for the periods 2005-09, 2009-10, 2010-11, October 2009 to March 2012 and October 2013 to March 2016 for payment of service tax of Rs. Nil (March 31, 2017: Rs. 36) as a recipient of service towards reimbursement of salary costs to Zurich Airport. The interest and penalty as per the above demand orders till March 31, 2018 amounts to Rs. Nil (March 31, 2017: Rs. 50) and Rs. Nil (March 31, 2017: Rs. 43) respectively. Further, a show cause notice has been issued for period 2012-13 for a sum of Rs. Nil (March 31, 2017: Rs. 3) [net of payment made amounting to Rs. Nil (March 31, 2017: Rs. 12)] and April 2013 to September 2014 for a sum of Rs. Nil (March 31, 2017: Rs. 5) on the same account and few other matters respectively which has been confirmed by a formal demand. These payments related to salaries of expatriates who were seconded to the associate company. The associate company had preferred an appeal against demand orders in original before the Customs, Excise, and Service Tax Appellate Tribunal ("CESTAT") and challenged the show cause notice which is not confirmed by a formal demand as at the reporting date. During the previous year, the associate company had obtained stay orders from the CESTAT on the demand orders in original and is presently awaiting disposal on merits. The associate company had challenged the demands based on the judicial precedence on the matter and was confident of non-applicability of service tax since the payment relates to salary costs to expatriate employees of the associate company which cannot be treated as services received by the associate company. In view of the management, Zurich Airport was only a remitter of the foreign currency remuneration as is evidenced by Expatriate Remuneration Reimbursement Agreement between the associate company and Zurich Airport. The associate company had accounted these payments as salaries and discharged appropriate TDS as the economic employer of the said expatriates.

(d) The Income Tax Department has filed an appeal in the Karnataka High Court against the Income Tax Appellate Tribunal (ITAT) order regarding the Tax Deducted at Source (TDS) on the reimbursement of development costs to overseas promoters. The associate company had earlier paid the TDS amount of Rs. Nil (March 31, 2017: Rs. 59) under protest before getting the relief from ITAT. This was refunded to the associate company along with the interest of Rs. Nil (March 31, 2017: Rs. 9) as a result of favourable ITAT Order. The High Court heard the case on July 01, 2014 and remanded it back to Tribunal for reconsideration. The Income Tax Tribunal resumed the case on January 7, 2015 and had posted the matter for further hearing on February 16, 2016 and dismissed appeal on technical grounds. BIAL had preferred an appeal before the High Court for relief on August 05, 2016.

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(All amounts in INR lakhs, except share data and where otherwise stated)

(e) The associate company received an Income-tax assessment order for assessment year 2010-11 in March 2013 from Deputy Commissioner of Income Tax, Bangalore for the assessment year 2010-11 with a net demand of Rs. Nil (March 31, 2016: Rs. 156). The associate company preferred Rectification and Appeal before Commissioner of Income Tax (Appeals) and successfully obtained partial relief at the appellate stage. The net demand was reduced to Rs. Nil (March 31, 2017: Rs. 27) which was fully covered by the pre-deposit and refunds due to the associate company from the Department. The associate company approached the Income Tax Appellate Tribunal ("ITAT") for the balance relief and the department had also challenged the Commissioner of Income Tax (Appeals) Order. The case was adjudicated by the ITAT in October, 2016 and partial reliefs were granted and few issues were remanded to the AO for verification of facts and reconsideration. The associate company had taken up the matter with the AO. The group had also preferred an Appeal before the High Court for relief regarding depreciation on intangibles on February 22, 2017.

45. Capital Commitments

A) Parent Company

Other Commitments

a) The company has given undertaking to infuse equity aggregating to Rs. 383,561 (March 31, 2017: Rs. 383,576) in GVK Coal Developers (Singapore) Pte. Limited (GVK CDSL), towards shortfall, if any, of its loan repayment obligations. Further, the Company has pledged 155,587,500 (March 31, 2017: 155,587,500), 22,495,000 (March 31, 2017: 22,495,000) and 48,000,000 (March 31, 2017: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK CDSL, an associate company. Management believes that GVK CDSL will be able to meet its obligations.

b) During the year ended March 31, 2011, the Company, GVK Energy Limited (jointly controlled entity) and certain private equity investors ('investors') had entered into an investment agreement pursuant to which the Company has undertaken to conduct an initial public offering of the GVK Energy Limited's equity shares ('Qualified IPO' or 'QIPO') within 72 months from the date of investment agreement (preferred listing period). If the GVK Energy Limited does not make a QIPO during the preferred listing period and no offer for sale or demerger takes place within 12 months of the preferred listing period, then, at any time thereafter, the investors will have a put option with respect to all of the securities held by the Investor ("Put Right") on the Company and the GVK Energy Limited at the higher of i) 20% IRR from the date of investment to the date of receipt of proceeds from the investor ("Put IRR") and ii) the fair market value of the investor's shares. Provided the Put IRR shall be reduced to 15%, if at least 3 private sector initial public offerings with an issue size of Rs.100,000 or more each have not taken place in India between the 48th month to the 72nd month from date of investment agreement.

The Company based on legal advice believes that the put option with guaranteed return is not enforceable in view of the regulations of Reserve Bank of India and hence no liability towards the same has been accounted in the financial statements.

B) Subsidiary companies

- i. As at March 31, 2018 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 70,938 (March 31, 2017: Rs 345,011).
- ii. During the current financial year, the subsidiary Navi Mumbai International Airport Private Limited (NMIA) has entered into a concession agreement with City and Industrial Development Corporation (CIDCO) to undertake the implementation, operation and maintenance of the NMIA.

C) Joint Ventures (to the extent of shareholding therein)

As at March 31, 2018 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 237 (March 31, 2017: Rs. 266).

D) Associate (to the extent of shareholding therein)

As at March 31, 2018 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. Nil (March 31, 2017: Rs. 3,217).

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46. Fair Values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

-The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

Financial instruments by category

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

	Carrying Values		Fair Values	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
At fair value through profit and loss				
Current investments	2,293	9,875	2,293	9,875
Non current investment	-	25	-	25
	2,293	9,900	2,293	9,900
At amortised cost				
Non current investment	68,116	51,671	68,116	51,671
Loans	36,634	10,775	36,634	10,775
Trade receivables	41,877	44,418	41,877	44,418
Cash and cash equivalents	89,039	85,126	89,039	85,126
Other bank balances	48,308	17,657	48,308	17,657
Other financial assets	18,632	41,088	18,632	41,088
	302,606	250,735	302,606	250,735
Financial liabilities				
At amortised cost				
Floating rate Borrowings (including current maturities)	1,462,507	1,556,127	1,462,507	1,556,127
Fixed rate Borrowings (including current maturities)	-	25,000	-	24,145
Security deposits	102,399	57,133	102,927	57,738
Retirement compensation payable to AAI	1,806	3,340	1,806	3,340
Other financial liabilities	166,287	132,648	166,287	132,648
Trade payables	25,025	27,766	25,025	27,766
	1,758,024	1,802,014	1,758,552	1,801,764

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(All amounts in INR lakhs, except share data and where otherwise stated)

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value after initial recognition.

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Fair value of financial assets disclosed					
Current investments*	31-Mar-18	2,293	2,293	-	-
Current investments*	31-Mar-17	9,875	9,875	-	-
Non current investment **	31-Mar-18	-	-	-	-
Non current investment **	31-Mar-17	25	-	25	

* The Group has used quoted market price for determining fair value of current investments.

** The Group has determined fair value using discounted cash flow of future projection of cash flow.

There are no financial instruments which require recurring fair value measurements and are classified as Level 3 of the fair value hierarchy.

47 The company has an investment in GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) which is assessed as an associate to the Company. The Company exercises significant influence on GVK Coal as per Ind AS 28.

The Company has made investments and has receivables aggregating to Rs. 69,414 (March 31, 2017: Rs. 51,815) and provided guarantees and commitments for loans amounting Rs. 752,080 (March 31, 2017: Rs. 752,110) taken by GVK Coal, and has undertaken to provide financial assistance of USD 7.83 million (Rs. 5,009) as at March 31, 2018, an entity whose current liabilities exceeds current assets by USD 2,151 million (Rs. 1,398,927) as at March 31, 2018 and has incurred losses of USD 77 million (Rs. 50,189) for the year ended March 31, 2018, and based on the unaudited financial statements is witnessing material uncertainties. The prices of the coal have fallen since GVK coal had acquired stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal. Further, certain lenders of GVK Coal have classified the loan as non- performing and the lenders had an option to curtail the rights of the company on various assets either on October 2015 or every year thereafter. The lenders have not yet exercised this option.

GVK coal is in discussion with non- controlling shareholders to realign the option exercise dates, looking for additional funding from potential investors and working with lenders to reach to optimal solution. Management believes that while the prices of coal have fallen, the fall in prices of other commodities and services would offset the impact of fall in coal prices on the project by reducing capital and operating cost requirements and hence, GVK Coal would be able to ultimately establish profitable operations, meet its obligations and its current liabilities being in excess of current assets is temporary in nature. The coal prices have also shown an increasing trend in the recent past. The management further believes that even though there are material uncertainties in the short to medium term around achieving appropriate solutions with lenders, non-controlling share-holders and on funding the project, considering the prospects in the long term, presently no adjustment is required to receivables and , investments, and the Company considers the same as fully recoverable once the operations are established. Further, the management believes that considering the active discussions with the lenders, it is not probable that guarantees and commitments will be invoked. In the unlikely situation that the guarantees and commitments were to be invoked, the company will be required to arrange cash flows to service the guarantees and commitments. Such outflow which will be accompanied by acquisition of additional interest in the assets of the GVK coal and hence it is unlikely to have any significant adverse impact on the statement of profit and loss.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

48 Certain subsidiaries and jointly controlled entity (group companies) of GVK Energy Limited ('GVKEL'), a jointly controlled entity are facing uncertainties as detailed below:

- a) There has been uncertainty regarding supplies/availability of gas to power plants of GVK Industries Limited (GVKIL), subsidiary company, and GVK Gautami Power Limited (GVKGPL), jointly controlled entity. These group companies have made losses of Rs. 36,736 (March 31, 2017: Rs. 26,729). The lenders have classified the loan balances of these group companies as non-performing assets. The Company is confident that Government of India will continue to take necessary steps/initiatives to improve the situation of natural gas. However in the interim these group companies are working with the lenders for one time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to APDISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that these group companies continue to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one time settlement proposal. GVKEL has given corporate guarantee for the loan taken by GVKGPL. The Company accordingly believes that no provision for impairment/diminution is required towards carrying value of assets aggregating to Rs. 59,304 of GVKIL and Rs. 118,500 of GVKGPL respectively and also no provision towards corporate guarantee given to GVKGPL is necessary.
- b) Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 402,550 (March 31, 2017: Rs. 422,510) of GVK Power (Goindwal Sahib) Limited ('GVKPGSL'), subsidiary company, towards supply of fuel consequent to de-allocation of coal mine. Management has filed petition with Punjab State Electricity Regulatory Commission (PSERC) for re-negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal, approval for completed capital cost, etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. Pending determination of final tariff, PSERC in its interim order has allowed the subsidiary company to run the plant on imported fuel for up to two and half years within which GVKPGSL should make arrangements for coal on long term basis. In the interim Punjab State Power Corporation Limited ('PSPCL') has made certain deductions aggregating to Rs. 15,267 while approving the revenue claimed by GVKPGSL pursuant to the aforesaid interim order. GVKPGSL has also filed petitions with PSERC for the aforesaid deductions made by PSPCL.

In February' 2018, GVKPGSL has obtained long term coal linkage through Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI scheme) for significant part of its capacity. Further in March'2018, PSERC has approved a provisional fixed charges of Rs 2.20 per unit till the final capital cost is determined.

GVKPGSL was unable to run the plant at optimal capacity during financial year 2016-17 and 2017-18 primarily on account of low availability of fuel and hence defaulted on repayment of dues to lenders. Consequently the lenders have classified the loan balances of GVKPGSL as non-performing assets. GVKPGSL is currently working with lenders towards the resolution plan as required by the RBI notification dated February 12, 2018 on resolution of stressed assets. If a resolution plan is not implemented as per the timelines specified in the aforesaid notification, lenders shall file insolvency application, singly or jointly, under the Insolvency and Bankruptcy Code 2016 within 15 days from the expiry of the said timeline.

Management based on internal assessment/legal advice believes that the aforementioned petitions will be decided in its favor and hence cancellation of coal mine will not impact the operations of the power project and it is also confident of receiving approval from the lenders for resolution plan and also implementing the same within the specified timelines. Accordingly, management is of the view that no provision is required to be made to assets with carrying value of Rs. 417,818.

- c) The Hon'ble Supreme Court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Company Private Limited ('GVKCTPL'), subsidiary company, and Nominated Authority had offered compensation of Rs. 11,129 as against carrying value of assets of Rs. 31,113 as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015 and subsequently GVKCTPL submitted its claim for the balance compensation claim of Rs. 19,882 to the aforesaid authority. Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mine and accordingly no provision is required to be made to the carrying value of assets.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

(d) Trade receivable of GVKIL, include accruals towards reimbursement of fixed charges for the financial year 1997-1998 to 2000-2001, on increased capital cost worked out as per ratios set out in the PPA aggregating to Rs. 3,597 (March 31, 2017: Rs. 3,212) by GVKIL, disincentive recoverable aggregating to Rs. 2,409 (March 31, 2017: Rs. 2,151), minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2000-2001 up to the financial year 2010-2011, aggregating to Rs. 3,119 (March 31, 2017: Rs. 2,945) and other receivables of Rs. 60 (March 31, 2017: Rs.54) which are being refuted by AP Transco/subject to approvals.

The company based on the above assessments believes that it is appropriate to recognize investments and loans and advances given to GVK Energy Limited aggregating to Rs. 36,460 at carrying value and no provision for diminution for such investments and loans is necessary and also no provision is required for corporate guarantees given by the company amounting to Rs. 10,298 as at March 31, 2018.

49 GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL) step subsidiary of the Company has entered into a concessionaire agreement with Gujarat State Road Development Corporation (GSRDC) for construction of road in the state of Gujarat on build, operate and transfer basis (BOT). GVK BVEPL has spent an amount of Rs 69,499 (March 31, 2017: Rs. 69,506) on various works under this concessionaire agreement. During the course of construction, there has been significant delays in fulfilling the obligations from GSRDC like providing right for path, shifting of utilities etc., which has resulted in significant delays in construction also. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the concessionaire agreement and also has claimed an amount of Rs. 54,092 . In response to such notice GVK BVEPL has written to GSRDC denying the claim from GSRDC and termination of agreement and has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement will be as per the concessionaire agreement and GVK BVEPL will be appointing an arbitrator for the purpose of dispute settlement. In addition to the above, management is currently in discussion with various parties for a substitution arrangement as per which GVK BVEPL will be able to sell the project without any material losses. Even though there are uncertainties management based on its internal assessment/legal advice is confident that it will be able to recover the amounts spent on the project till date and is also confident that claims made by GSRDC will be withdrawn and accordingly management believes that it is appropriate to recognize total assets aggregating to Rs. 69,499 (March 31, 2017 Rs. 69,506) at carrying value and no provision for diminution is necessary.

50 GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL), step subsidiary of the Company has entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVKRHEPPL has spent an amount of Rs 126,923 (March 31, 2017: Rs. 127,326) on this project for various works. There has been a significant delay in the construction of the project due to the impediments like land acquisition and execution of land leases, issues in relation to working conditions, disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc., GVKRHEPPL has offered for an amicable settlement and requested for the termination of concession agreement, but JKPDD rejected such settlement stating that the delays tantamount to event of default from GVKRHEPPL. Subsequent to this GVKRHEPPL has initiated the arbitration process and the process is in its initial stages. In the arbitration GVKRHEPPL has made a claim of Rs 520,000 and JKPDD has made a counter claim of Rs 540,000 . Even though there are uncertainties management based on its internal assessment/legal advice is confident that it will be able to recover the amounts spent on the project till date and is also confident that claims made by JKPDD will be withdrawn and accordingly management believes that it is appropriate to recognize fixed assets aggregating to Rs. 126,923 (March 31, 2017 : Rs. 127,326) at carrying value and no provision for diminution is necessary.

51 As at March 31, 2018, the Group had accumulated losses and the Group has incurred losses during the preceding years. The Company has delayed payment of loans and interest and certain loan accounts have been classified as non-performing by banks. The Company has provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 47, 48, 49 and 50 (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Ratle Hydro Electric Project Private Limited) uncertainties are being faced by various projects such as delays in development of coal mines in an overseas project where the Company has provided guarantees and commitments for the borrowings, losses incurred by gas

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

based plants in the absence of gas and litigations on rights to claim capacity charge, re-negotiation of terms of PPA of coal based plant and litigations on determination of tariff of hydro power project, arbitration on delay of commencement of road project and hydro based plant. These factors may indicate significant doubt on going concern. Notwithstanding the above, the financial statement of the Group have been prepared on going concern basis as management believes that the Group would be able to ultimately establish profitable operations, meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required despite current macro-economic environment challenges. Also, the group's projects i.e., Mumbai International Airport Private Limited and GVK Jaipur Expressway Private Limited are operating satisfactorily. The group has also won the bid for Navi Mumbai International Airport and is in the process of achieving financial closure.

52.a) Group Information

The consolidated financial statements of the Group includes subsidiaries, associates and jointly controlled entities (JCE) listed in the table below:

Name	Nature of interest	Country of incorporation	% effective equity interest	
			March 31, 2018	March 31, 2017
GVK Developmental Projects Private Limited (GVKDPPL)	Subsidiary	India	100%	100%
GVK Energy Ventures Private Limited (GVKEVPL)	Subsidiary	India	0%	100%
GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL)	Subsidiary	India	100%	100%
GVK Bagodara Vasad Expressway Private Limited (GVKBVEPL)	Subsidiary	India	100%	100%
GVK Oil & Gas Limited (GVKOGIL)	Subsidiary	India	0%	100%
GVK Perambalur SEZ Private Limited (GVKPSPL)	Subsidiary	India	100%	100%
Goriganga Hydro Power Private Limited (GHPPL)	Subsidiary	India	0%	100%
GVK Airport Services Private Limited (GVKASPL)	Subsidiary	India	100%	100%
GVK Transportation Private Limited (GVKTPL)	Subsidiary	India	100%	100%
GVK Jaipur Expressway Private Limited (GJEPL)	Subsidiary	India	100%	100%
Sutara Roads & Infra Limited (SRIL)	Subsidiary	India	100%	100%
GVK Deoli Kota Expressway Private Limited (GVKDKEPL)	Subsidiary	India	100%	100%
GVK Shivpuri Dewas Expressway Private Limited (GVKSDEPL)	Subsidiary	India	100%	100%
GVK Energy Limited (GVKEL)	JCE	India	62.80%	62.80%
GVK Industries Limited (GVKIL)	Subsidiary of JCE	India	62.80%	62.80%
GVK Gauthami Power Limited (GVKGPL)	JCE of JCE	India	39.94%	39.94%
Alaknanda Hydro Power Company Limited (AHPCL)	Subsidiary of JCE	India	62.80%	62.80%
GVK Power (Goindwal Sahib) Limited (GVKPGSL)	Subsidiary of JCE	India	62.80%	62.80%
GVK Coal (Tokisud) Company Private Limited (GVKCCPL)	Subsidiary of JCE	India	62.80%	62.80%

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Name	Nature of interest	Country of incorporation	% effective equity interest	
			March 31, 2018	March 31, 2017
GVK Power (Khadur Sahib) Private Limited (GVKPKSPL)	Subsidiary of JCE	India	62.80%	62.80%
Seregraha Mines Limited(SML)	Associate of JCE	India	29.87%	29.87%
GVK Airport Developers Limited (GVKADL)	Subsidiary	India	100%	100%
GVK Airport Holdings Limited (GVKAHL)	Subsidiary	India	100%	100%
Mumbai International Airport Private Limited (MIAL)	Subsidiary	India	50.5%	50.5%
Navi Mumbai Airport Developers Private Limited (NMADPL)	Subsidiary	India	37.37%	50.5%
Mumbai Aviation Fuel Farm Facility Private Limited (MAFFPL)	JCE	India	12.63%	12.63%
Mumbai Airport Lounge Services Private Limited (MALSPL)	JCE	India	13.13%	0%
Bangalore Airport & Infrastructure Developers Limited (BAIDL)	Subsidiary	India	100%	100%
Bangalore International Airport Limited (BIAL)	Associate	India	0%	10%
GVK Airport International Pte limited (GVKA IPL)	Subsidiary	Singapore	100%	100%
PT GVK Indonesia (PTGVKS)	Subsidiary	Indonesia	97%	97%
GVK Coal Developers (Singapore) Pte. Ltd	Associate	Singapore	10%	10%

*JCE refers to Joint Venture

b) Additional information required by Schedule III

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
GVK Power and Infrastructure Limited								
Balance as at March 31, 2018	238%	173,110	6%	(3,607)	0%	-	6%	(3,607)
Balance as at March 31, 2017	159%	176,717	21%	(27,101)	0%	(1)	21%	(27,102)
Subsidiaries incorporated in India								
GVK Airport Developers Limited								
Balance as at March 31, 2018	-217%	(157,734)	66%	(37,033)	0%	-	66%	(37,033)
Balance as at March 31, 2017	-109%	(120,701)	29%	(37,616)	0%	-	29%	(37,616)
GVK Airport Holdings Limited								
Balance as at March 31, 2018	31%	22,772	0%	(1)	0%	-	0%	(1)

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Balance as at March 31, 2017	21%	22,773	0%	(1)	0%	-	0%	(1)
Mumbai International Airport Private Limited**								
Balance as at March 31, 2018	268%	195,075	-9%	4,948	10%	38	-9%	4,986
Balance as at March 31, 2017	166%	184,246	6%	(8,300)	34%	(97)	6%	(8,397)
Bangalore Airport and Infrastructure Developers Limited								
Balance as at March 31, 2018	163%	118,713	-121%	67,998	0%	-	-122%	67,998
Balance as at March 31, 2017	46%	50,711	-31%	40,226	0%	-	-31%	40,226
GVK Airport Services Private Limited								
Balance as at March 31, 2018	0%	76	-0%	59	0%	-	-0%	59
Balance as at March 31, 2017	0%	17	0%	(2)	0%	-	0%	(2)
GVK Transportation Private Limited								
Balance as at March 31, 2018	-28%	(20,060)	0%	(24)	0%	-	0%	(24)
Balance as at March 31, 2017	-18%	(20,036)	-1%	1,116	0%	-	-1%	1,116
GVK Jaipur Expressway Private Limited								
Balance as at March 31, 2018	85%	61,945	-23%	12,834	-0%	(0)	-23%	12,833
Balance as at March 31, 2017	44%	49,117	-6%	8,119	-5%	16	-6%	8,134
Sutara Roads and Infra Limited								
Balance as at March 31, 2018	133%	96,677	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2017	85%	94,084	0%	(0)	0%	-	0%	(0)
GVK Deoli Kota Expressway Private Limited								
Balance as at March 31, 2018	-4%	(3,190)	28%	(15,584)	1%	5	28%	(15,579)
Balance as at March 31, 2017	5%	5,387	11%	(14,631)	-0%	1	11%	(14,630)

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
GVK Shivpuri Dewas Expressway Private Limited								
Balance as at March 31, 2018	-0%	(11)	0%	(101)	0%	-	0%	(101)
Balance as at March 31, 2017	-0%	(10)	0%	(56)	0%	-	0%	(56)
GVK Bagodara Vasad Expressway Private Limited								
Balance as at March 31, 2018	11%	7,982	12%	(6,531)	0%	-	12%	(6,531)
Balance as at March 31, 2017	13%	14,506	0%	-	0%	-	0%	-
GVK Developmental Projects Private Limited								
Balance as at March 31, 2018	41%	30,139	4%	(2,313)	0%	-	4%	(2,313)
Balance as at March 31, 2017	4%	4,340	1%	(930)	0%	-	1%	(930)
GVK Ratle Hydro Electric Project Private Limited								
Balance as at March 31, 2018	23%	16,666	26%	(14,450)	0%	-	26%	(14,450)
Balance as at March 31, 2017	23%	25,764	9%	(11,397)	0%	-	9%	(11,397)
GVK Energy Ventures Private Limited								
Balance as at March 31, 2018	0%	-	0%	-	0%	-	0%	-
Balance as at March 31, 2017	0%	0	0%	(0)	0%	-	0%	(0)
Goriganga Hydro Power Private Limited								
Balance as at March 31, 2018	0%	0.00	0%	(1)	0%	-	0%	(1)
Balance as at March 31, 2017	-0%	(-35)	0%	(32)	0%	-	0%	(32)
GVK Perambalur SEZ Private Limited								
Balance as at March 31, 2018	3%	2,148	-0%	125	0%	-	-0%	125
Balance as at March 31, 2017	4%	4,523	-0%	146	0%	-	-0%	146
GVK Oil & Gas Limited								
Balance as at March 31, 2018	0%	-	-0%	56	0%	-	-0%	56
Balance as at March 31, 2017	-1%	(754)	-0%	3	0%	-	-0%	3

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
GVK Employee Welfare Trust								
Balance as at March 31, 2018	0%	2	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2017	0%	-	0%	(0)	0%	-	0%	(0)
Subsidiaries incorporated outside India								
GVK Airport International Pte. Ltd.								
Balance as at March 31, 2018	0%	11	0%	(8)	0%	-	0%	(8)
Balance as at March 31, 2017	0%	18	0%	(8)	0%	-	0%	(8)
PT GVK Services, Indonesia								
Balance as at March 31, 2018	10%	7,138	-3%	1,907	0%	-	-3%	1,907
Balance as at March 31, 2017	5%	5,420	0%	(404)	0%	-	0%	(404)
Non Controlling Interests in all subsidiaries								
Balance as at March 31, 2018	216%	156,872	-4%	2,430	5%	19	-4%	2,449
Balance as at March 31, 2017	127%	140,564	3%	(4,135)	0%	-	3%	(4,135)
Investment as per equity method								
Associates incorporated in India								
Bangalore International Airport Limited								
Balance as at March 31, 2018	0%	-	-3%	1,477	0%	-	-3%	1,477
Balance as at March 31, 2017	49%	53,968	-18%	23,464	17%	(48)	-18%	23,416
GVK Coal Developers (Singapore) Pte Limited								
Balance as at March 31, 2018	94%	68,111	0%	(25)	0%	-	0%	(25)
Balance as at March 31, 2017	0%	-	0%	-	0%	-	0%	-
Jointly controlled entities incorporated in India								

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
GVK Energy Limited								
Balance as at March 31, 2018	0%	-	108%	(60,418)	0%	-	108%	(60,418)
Balance as at March 31, 2017	50%	55,936	50%	(65,749)	0%	-	50%	(65,749)
Mumbai Aviation Fuel Farm Facility Private Limited								
Balance as at March 31, 2018	7%	5,354	-2%	1,180	0%	-	-2%	1,180
Balance as at March 31, 2017	4%	4,231	-1%	655	0%	-	-1%	655
Mumbai Airport Lounge Services Private Limited								
Balance as at March 31, 2018	4%	3,169	-2%	937	0%	-	-2%	937
Balance as at March 31, 2017	0%	-	0%	-	0%	-	0%	-
Consolidation adjustments								
Balance as at March 31, 2018	-979%	(712,217)	18%	(10,384)	83%	299	18%	(10,085)
Balance as at March 31, 2017	-577%	(639,907)	26%	(33,594)	55%	(157)	26%	(33,752)
Total								
Balance as at March 31, 2018	100%	72,746	100%	(56,167)	100%	360	100%	(55,807)
Balance as at March 31, 2017	100%	110,881	100%	(130,228)	100%	(287)	100%	(130,515)

*Net assets means total assets minus total liabilities excluding minority and equity.

**Includes net assets and losses of its subsidiaries and joint venture

53. Interest in joint venture

A.MAFFPL

MIAL has 25% interest in MAFFPL, a joint venture with the object to create, establish, design, construct, develop, upgrade, modernize, integrate, optimize and modify, operate fueling facilities for the Chhatrapati Shivaji International Airport (CSIA), Mumbai, including upgrading of existing facilities and development of new facilities at the airport as well to operate, manage and to provide services (including Into-Plane Services) in relation to, the Fueling Facilities for the CSIA, Mumbai by itself or through or in association with, other parties in India. The Group's interest in MAFFPL is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	March 31, 2018	March 31, 2017
Current assets, including cash and cash equivalents and prepayments	2,131	4,651
Non-current assets	39,353	32,597
Current liabilities	(4,759)	(2,616)
Non-current liabilities including deferred tax liabilities	(14,002)	(16,058)
Equity	22,723	18,574
Proportion of the Group's ownership	25%	25%
Group's ownership in equity	5,681	4,644
Less: Inter Company profit elimination	(327)	(413)
Carrying amount of the investment	5,354	4,231
Reconciliation of carrying amounts		
Group's share in net assets	4,231	3,576
Investment during the year	362	-
Add: Share in Profit of JV	1,180	665
Less: Inter Company profit elimination	(419)	(10)
Net Share	5,354	4,231
Carrying amount of the investment	5,354	4,231

Summarised statement of profit and loss of the MAFFPL

	March 31, 2018	March 31, 2017
Revenue	13,209	11,955
Other Income	729	805
Fuel farm and ITP operating expenses	(2,148)	(1,835)
Depreciation & amortization	(3,062)	(4,024)
Finance cost	(732)	(1,543)
Employee benefit	(215)	(164)
Other expense	(877)	(807)
Profit before tax	6,904	4,387
Income tax expense	(2,181)	(1,729)
Profit for the year	4,723	2,658
Total comprehensive income for the year	4,723	2,658
Group's share of comprehensive income for the year	1,180	665

The group had no contingent liabilities or capital commitments relating to its interest in MAFFPL as at March 31, 2018. MAFFPL cannot distribute its profits until it obtains the consent from the other venture partners.

B.MALSPL

MIAL has 26% interest in MALSPL, a jointly controlled entity, that manages Lounge Services at Mumbai International and Domestic Airport (CSIA). The Group's interest in MALSPL is also accounted for using the equity method in the consolidated financial statements. Summarised financial information of the jointly controlled entity, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised financial information of the joint venture based on its Ind AS financial statements is set out below:

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	March 31, 2018
Current assets, including cash and cash equivalents	8,429
Non-current assets	7,250
Current liabilities	(1,808)
Non-current liabilities, including deferred tax liabilities	(2,169)
Equity	11,702
Proportion of the Group's ownership	26%
Group's ownership in equity	3,042
Add: Console Adjustments	127
Carrying amount of the investment	3,169
Reconciliation of carrying amounts	
Group's share in net assets	
Investment made during the year	2,232
Add: Share in Profit of JV	937
Net Share	3,169
Carrying amount of the investment	3,169

Summarised statement of profit and loss of the MAL SPL

	March 31, 2018
Revenue	15,579
Other Income	281
Purchase of stock-in-trade	(1,919)
Changes in inventories of stock-in-trade	44
Employee benefits expense	(1,129)
Depreciation and amortisation expense	(992)
Finance Cost	(239)
Other expense	(5,877)
Profit before tax	5,748
Income tax expense	(2,145)
Profit for the year	3,603
Other Comprehensive Income	-
Total comprehensive income for the year	3,603
Proportion of the Group's ownership	26%
Group's share of profit for the year	937

The group had no contingent liabilities or capital commitments relating to its interest in MAL SPL as at March 31, 2018. MAL SPL cannot distribute its profits until it obtains the consent from the other venture partners.

C.GVKEL

The Holding Company, has 62.8% interest in GVKEL, a joint venture with the object to provide operation and maintenance services to the owners of the power plants and also acquire ownership in power generating assets. GVKEL through its subsidiaries is engaged in the business of construction of power plants, generation of power and exploration of Coal. The Group's interest in GVKEL is accounted for using the equity method in the consolidated financial statements.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

During the previous year, the group has sold certain assets in GVK Industries Limited ('GVKIL'), a subsidiary company of GVK Energy Limited (GVKEL), a jointly controlled entity, for a value of Rs. 26,127 to AP Transco on exercise of buyout option as per power purchase agreement. During the previous year, the group has recorded a profit of Rs. 9,743 on such sale.

Based on the rights available to the investors, the Management has considered GVKEL as jointly controlled entity under IND - AS 28 "Investment in associate and joint venture".

Summarised financial information of the joint venture based on its Ind AS financial statements is set out below:

	March 31, 2018	March 31, 2017
Current and non current assets, including cash and cash equivalents	1,056,742	1,089,322
Current and non-current liabilities	(1,079,254)	(1,004,357)
Equity	(22,512)	84,965
Proportion of the Group's ownership	62.80%	62.80%
Carrying amount of the investment*	-	53,358

Group's ownership in equity is different than carrying value of investment in joint venture due to capital reserve on acquisition and consolidation adjustments.

Summarised statement of profit and loss of the GVKEL

	March 31, 2018	March 31, 2017
Revenue	153,415	76,764
Other income	17,810	17,417
Cost of fuel	(63,558)	(10,091)
Depreciation & amortization	(48,250)	(47,835)
Finance cost	(131,273)	(120,386)
Employee benefit	(3,084)	(2,849)
Other expense	(30,833)	(15,070)
Loss before tax	(105,773)	(102,050)
Share of loss from joint venture of GVKEL	(1,305)	(2,266)
Income tax expense	(564)	(572)
Loss for the year	(107,643)	(104,888)
Other Comprehensive Income	90	-
Total comprehensive income for the year	(107,551)	(104,888)
Proportion of the Group's ownership	62.80%	62.80%
Group's share of loss for the year before inter company elimination*	(60,418)	(65,870)
Less: Inter company elimination	-	(121)
Group's share of loss for the year	(60,418)	(65,749)

* Losses recognised to the extent of carrying value of investment and loans and advances given. Unrecognised share of losses is Rs. 7,124 (March 31, 2017: Nil)

Refer note 44 and 45 for the details of contingent liabilities and capital commitments relating to its interest in GVKEL. GVKEL cannot distribute its profits until it obtains the consent from the other venture partners.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

54. Investment in an associate

A. BIAL

During the year the Group has further divested 10% of its stake in BIAL, to Fairfax India Holdings Corporation ('Fairfax') for an aggregate amount of Rs. 129,000 and accordingly accounted for profit amounting to Rs. 73,555. The group's stake in BIAL has come down to Nil (March 31, 2017: 10%) on divestment of the aforesaid stake.

During the previous year, the Group has divested 33% of its stake in BIAL, to Fairfax India Holdings Corporation ('Fairfax') for an aggregate amount of Rs. 220,200 and accordingly accounted for profit amounting to Rs. 36,619. The Group's stake in BIAL came down to 10% on divestment of the aforesaid stake. However pursuant to agreement with Fairfax the Group had power to appoint two directors on the board of BIAL one of whom shall be a Managing Director. Thereby Management believed, it continued to have significant influence over BIAL even after stake sale and hence it treated the investment as an associate under IND - AS 28 "Investment in associate and joint venture".

Summarised financial information of the associate based on its Ind AS financial statements is set out below:

	March 31, 2017
Current assets including cash and cash equivalents	73,485
Non-current assets	417,865
Current liabilities	(38,736)
Non-current liabilities	(282,947)
Equity	169,667
Proportion of the Group's ownership	10%
Group's ownership in equity	16,967

Group's ownership in equity was different than carrying value of investment in associate due to goodwill on acquisition and consolidation adjustments.

	March 31, 2017
Revenue	135,775
Other income	3,072
Food and Beverages consumed	(291)
Employee benefits expense	(12,413)
Finance costs	(19,008)
Depreciation and amortisation expense	(23,020)
Other expenses	(27,905)
Profit before income tax	56,210
Income tax expense	(1,645)
Profit for the year	54,565
Other comprehensive income for the year, net of income tax	(113)
Total comprehensive income for the year	54,452
Group's share of comprehensive income for the year	23,414

Refer note 44 and 45 for the details of contingent liabilities and capital commitments relating to its interest in BIAL. BIAL cannot distribute its profits until it obtains the consent from the shareholders.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

B. GVK CDSL

The Holding Company, has 10% interest in GVK CDSL which is assessed as an associate to the Company. The Company exercises significant influence on GVK CDSL as per Ind AS 28.

Summarised financial information of the associate based on its Ind AS financial statements is set out below:

	March 31, 2018
Current assets including cash and cash equivalents	8,610
Non-current assets	1,120,887
Current liabilities	(1,407,537)
Non-current liabilities	(304,200)
Equity	(582,241)
Proportion of the Group's ownership	10%
Group's ownership in equity*	-

Group's ownership in equity was different than carrying value of investment in associate due to goodwill on acquisition and consolidation adjustments.

	March 31, 2018
Revenue	-
Other Income	14,400
Employee benefits expense	(9)
Finance costs	(55,190)
Depreciation and amortisation expense	(535)
Other expenses	(1,664)
Profit before income tax	(42,998)
Income tax expense	(4,754)
Profit for the year	(47,752)
Other comprehensive income for the year, net of income tax	(2,387)
Total comprehensive income for the year	(50,140)
Group's share of comprehensive income/(loss) for the year	(25)

* Company has recognised loss on investment in equity shares of Rs. 25 (March 31, 2017: Rs. Nil) to the extent of equity shareholding in GVK CDSL. Unrecognised share of losses for the current year is Rs. 4,989 and cumulative share of unrecognised losses is Rs. 58,199.

55. Financial risk management objectives and policies

The Group is exposed to market risk (fluctuations in foreign currency exchange rates and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following types of risk: currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings and trade receivables.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. As the Group has significant debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

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 profit before tax	
	March 31, 2018	March 31, 2017
Change in interest rate		
-increase by 50 basis points	(5,216)	(6,255)
-decrease by 50 basis points	5,216	6,255

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

Foreign Currency exchange rate 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's investment in foreign entity, financial asset/liability in relation to foreign entity in respect of financial guarantee and trade/other payables. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group's exposure to foreign currency changes for all other currencies is not material. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Group has not entered into derivative instruments during the year.

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.

	Increase/(decrease) in profit before tax	
	March 31, 2018	March 31, 2017
Change in USD		
- 5% increase	3,294	2,526
- 5% decrease	(3,294)	(2,526)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Price Risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of change in market prices of Investments. The Group has no exposure to the equity securities price risk and is not exposed to commodity price risk.

Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Regarding credit exposure from customers, the Group has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances. The securities held by the Group are in the form of cash deposits and bank letter of guarantee.

The carrying amount of trade receivables, loans, advances, deposits, guarantee commission receivable, cash and bank balances, bank deposits and interest receivable on deposits represents Group's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

Exposure to credit risk:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associated with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. At March 31, 2018, the Group had 16 customers (March 31, 2017: 17 customers) that owed approximately 79% (March 31, 2017: 81%) of all the receivables outstanding.

Trade receivables, loans, advances, and guarantee commission receivable:

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group also holds deposits as security from customers to mitigate credit risk.

Liquidity Risk

Liquidity risk is the risk that the Group will have difficulty in raising the financial resources required to fulfil its commitments. Liquidity risk is held at low levels through effective cash flow management and availability of adequate cash. Cash flow forecasting is performed internally by rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and debt and to comply with loan covenants.

The Group primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short term borrowings to fund its ongoing working capital requirements and growth needs.

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

Particulars	On Demand	Within 12 months	After 12 months	Total
Year ended March 31, 2018				
Borrowings	47,667	345,513	1,069,327	1,462,507
Other financial liabilities	42,725	36,921	86,641	166,287
Trade payables	-	25,025	-	25,025

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	On Demand	Within 12 months	After 12 months	Total
Security Deposit	-	13,930	88,469	102,399
Retirement compensation payable to Airports Authority of India under OMDA	-	1,660	146	1,806
Financial guarantee contracts*	372,546	-	-	372,546
	462,938	423,049	1,244,583	2,130,570
Year ended March 31, 2017				
Borrowings	213,400	210,542	1,157,185	1,581,127
Other financial liabilities	18,875	49,360	64,413	132,648
Trade payables	-	27,766	-	27,766
Security Deposit	-	14,892	42,241	57,133
Retirement compensation payable to Airports Authority of India under OMDA	-	1,534	1,806	3,340
Financial guarantee contracts*	369,975	-	-	369,975
	602,250	304,094	1,265,645	2,171,989

* Based on maximum amount that can be called for under the financial guarantee contract.

56. Capital Management

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

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. 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 includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and cash equivalent.

	March 31, 2018	March 31, 2017
Borrowings including interest accrued on borrowings	1,511,906	1,605,008
Trade payables	25,025	27,766
Other liabilities	260,558	211,552
Less: Cash and cash equivalents (Note 17)	(89,039)	(85,126)
Net debt	1,708,450	1,759,200
Equity	15,792	15,792
Other Equity	(99,918)	(45,475)
Non controlling interest	156,872	140,564
Total Equity	72,746	110,881
Gearing ratio (Net Debt/ Total Equity)	23.49	15.87

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 certain banks to immediately call loans and borrowings.

The Group has delayed repayment of dues to banks and financial institutions during the year. The following are the summary of delays company wise

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

GVKPIL

Particulars	Year ended March 31, 2018	Delay in days
Interest on loans from banks	1,679	1 - 275
Principal payment on loans from banks	4,587	1 - 222
Interest on loans from banks	4,322	1 - 729
Principal payment on loans from banks	10,635	1 - 729
Principal payment on loans from banks	10,594	Unpaid as at March 31, 2018

GVKDKEPL

Particulars	Year ended March 31, 2018	Delay in days
Payment of interest to banks	4,124	1-30
Payment of interest to banks	2,636	31-60
Payment of principal to Bank	46	1-30
Payment of principal to Bank	68	31-60
Payment of interest to financial institutions	410	1-30
Payment of interest to financial institutions	997	31-60
Payment of interest to financial institutions	138	61-90
Payment of principal to financial institutions	15	1-30
Payment of principal to financial institutions	15	31-60

GVKBVEPL

Particulars	Year ended March 31, 2018	Delay in days
Payment of interest to banks	875	1-30
Payment of interest to banks	1172	31-60
Payment of interest to banks	379	61-90
Payment of interest to banks	1978	91-180
Payment of interest to banks	633	181 & Above
Payment of interest to financial institutions	122	1-30
Payment of interest to financial institutions	232	31-60
Payment of interest to financial institutions	121	61-90
Payment of interest to financial institutions	477	91-180
Payment of interest to financial institutions	488	181 & Above

GVKJEPL

Particulars	Year ended March 31, 2018	Delay in days
Payment of interest on term loans from banks	212	31 days

GVKRHEPPL

Particulars	Year ended March 31, 2018	Delay in days
Payment of interest on loans from banks	2,823	0-30
Payment of interest on loans from banks	2,823	31-91
Payment of interest on loans from banks	2,823	92-183

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2018	Delay in days
Payment of interest on loans from banks	2,823	184-365
Payment of interest on loans from banks	20,539	366 and above

GVKADL

Particulars	Year ended March 31, 2018	Delay in days
Payment of interest on loans taken from banks	4,612	Unpaid as at March 31, 2018

GVKDPPL

Particulars	Year ended March 31, 2018	Delay in days
Payment of interest on loans	1,895	1-187
Payment of principal to financial institutions	20,500	1-187

Year ended March 31, 2017

GVKPIL

Particulars	Year ended March 31, 2017	Delay in days
Payment of interest on loans from banks	691	61 - 149
Payment of interest on loans from banks	1,170	29 - 121
Payment of interest on loans from banks	802	27 - 87
Payment of principal to banks	2,050	30 - 153
Payment of principal to banks	2,460	28 - 90
Payment of interest on loans from banks	915	318 - 440
Payment of interest on loans from banks	2,523	21 - 415
Payment of principal payment on loans from banks	14,956	Unpaid as at March 31, 2017

GVKDKEPL

Particulars	Year ended March 31, 2017	Delay in days
Payment of interest to banks	1,042	1-30
Payment of interest to banks	2,418	31-60
Payment of interest to banks	3,360	61-90
Payment of principal to Bank	54	1-30
Payment of principal to Bank	54	31-60
Payment of principal to Bank	54	61-90
Payment of interest to financial institutions	489	31-60
Payment of interest to financial institutions	696	61-90
Payment of interest to financial institutions	284	91-120
Payment of principal to financial institutions	12	1-30
Payment of principal to financial institutions	12	31-60
Payment of principal to financial institutions	12	61-90
Payment of principal to Bank	54	Unpaid as at March 31, 2017
Payment of interest to financial institutions	139	

GVKBVEPL

Particulars	Year ended March 31, 2017	Delay in days
Payment of interest to banks	1,318	1-30

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Payment of interest to banks	1,047	31-60
Payment of interest to banks	1,072	61-90
Payment of interest to banks	105	91-120
Payment of interest to financial institutions	218	1-30
Payment of interest to financial institutions	451	31-60
Payment of interest to financial institutions	211	61-90
Payment of interest to financial institutions	111	91-120
Payment of interest to financial institutions	109	121-150
Payment of interest to financial institutions	105	181-210
Payment of interest to banks	764	Unpaid as at March 31, 2017
Payment of interest to financial institutions	119	

GVKRHEPPL

Particulars	Year ended March 31, 2017	Delay in days
Payment of interest on loans from banks	2,773	0-180
Payment of interest on loans from banks	5,577	181-352
Payment of interest on loans from banks*	11,685	353-777

*Includes Rs. 2,200 remitted after 399 days.

GVKTPL

Particulars	Year ended March 31, 2017	Delay in days
Payment of interest on loans taken from banks	1,620	1-30
Payment of interest on loans taken from banks	1,086	31-60
Payment of interest on loans taken from banks	293	61-120
Payment of principal on loans taken from banks	3,828	1-30
Payment of principal on loans taken from banks	5,161	31-60

GVKADL

Particulars	Year ended March 31, 2017	Delay in days
Payment of interest on loans taken from banks	3,445	1-30
Payment of interest on loans taken from banks	2,857	31-60
Payment of interest on loans taken from banks	734	61-120
Payment of interest on loans taken from financial institutions	11,477	57-150
Payment of interest on loans taken from financial institutions	9,353	57-150
Payment of principal on loans taken from banks	2,868	1-10
Payment of principal on loans taken from banks	1,103	44-54

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

57. Additional Disclosures

i. Passenger Service Fee (Security Component)

In MIAL, one of the Step down Subsidiaries of the Parent company, Ministry of Civil Aviation ("MoCA"), has issued a Standard

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Operating Procedure ("SOP") for Accounting / Audit of Passenger Service Fee (Security Component) [PSF (SC)] according to which, amounts collected towards PSF (SC) are held in fiduciary capacity by MIAL for Government of India. PSF (SC) so collected is kept separately in an escrow account and is utilized to meet the security related expenses of the Airport. It is also stipulated in the Escrow Account Agreement that MoCA will have supervening powers to direct the Escrow Bank on the issues regarding operations as well as withdrawals from the escrow account. The PSF (SC) accounts are required to be maintained separately in accordance with the procedures laid down in SOP and are subject to audit by the Comptroller & Auditor General of India ("CAG"). In terms of the SOP, the income from the security component of PSF (SC) after adjusting for expenses are offered to tax along with MIAL's own income. Such taxes are to be paid out of income from PSF (SC) in terms of the SOP.

- ii) In MIAL, one of the Step down Subsidiaries of the Parent company, Applicability of service tax on the rent / license fee / lease being charged by MIAL has been disputed by certain airlines and concessionaries who have not paid the service tax on such services and most of them have obtained stay order from various Courts. However some of these concessionaires who are members of Retailers Association of India ("RAI") have deposited the arrears of Service tax due for the period prior to September 30, 2011 with the Court as per the order given by the Hon'ble Supreme Court. The matter is currently subjudice and necessary action will be taken by MIAL once the matter is decided by the Courts. However, in the opinion of MIAL, this would not have any impact on the financial results of the Group as the same is recoverable from the said parties if it becomes payable by MIAL.
- iii) MIAL has paid Annual Fee to Airport Authority of India on interest recovered from its customers (other than Air India) on delayed payment under protest. The applicability of Annual Fee on such interest is disputed by MIAL as the Annual Fee on related revenues has already been paid in time as per OMDA even though such dues are not collected from customers in time and the interest recovered is primarily to compensate for MIAL's own borrowing cost.
- iv) In terms of Airports Economic Regulatory Authority (AERA) order dated December 21, 2012, MIAL is allowed to collect Development Fee (DF) up to Rs. 340,000 (excluding Rs.1,33,050 towards interest on loan taken against securitisation of DF (DF Loan) which is to be utilised exclusively for development of Aeronautical assets and to meet the funding gap of the project.

Following transactions have taken place during the year on account of DF:

- a) Billed to airlines - Rs. 48,016 (March 31, 2017: Rs. 45,144).
- b) Interest incurred and loan processing charges - Rs. 19,234 (March 31, 2017: Rs. 26,829).
- c) Interest earned on unutilised funds and on delayed payments by airlines - Rs. 67 (March 31, 2017: Rs. 38).
- v) MIAL had approached the AERA for approving the funding of two Metro rail stations in CSI Airport area for Rs. 51,800 through levy of Development Fees (DF).

AERA by its Order dated January 28, 2016 allowed funding the cost of 2 metro stations aggregating Rs. 51,800 through DF. In terms of the said Order, AERA determined a MDF (Metro Development Fees) levy of Rs. 20/- per embarking domestic passenger and Rs. 120/- per embarking international passenger. This levy is exclusive of statutory taxes.

The MDF levy is required to be used to contribute towards 2 metro stations coming up in the CSI airport area, as per the MoU entered between Mumbai Metro Rail Corporation Limited (MMRC) and MIAL.

AERA had permitted MIAL to securitise the MDF levy to the extent of shortfall in contribution to be paid to MMRC. In case of a surplus collection of MDF, AERA expects Airports Authority of India to prudently invest the surplus amount.

- vi) The Comptroller and Auditor General of India (CAG) has conducted the performance audit of Public Private Partnership (PPP) project of AAI at Chhatrapati Shivaji International Airport (Mumbai Airport) for the period 2006 to 2012. The CAG Report has been laid on the table of the Parliament House on July 18, 2014 wherein they have made certain observations on MIAL project and the Public Accounts Committee has also made certain observations in the Parliament. The management is of the opinion that the observations in the CAG report do not have any financial impact on the financial statements of MIAL.
- vii) MIAL collects "Marketing Fund" at a specified percentage from various concessionaires as per respective concession agreements, to be utilized towards sales promotion activities as defined in such agreements. As on March 31, 2018, MIAL has an accumulated amount of Rs. 2,999 (March 31, 2017: Rs. 2,447) towards such fund.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

58. Related Parties

(a)	Enterprises over which Key Managerial Personnel exercise significant influence
1	Crescent EPC Projects and Technical Services Limited (Formerly GVK Projects and Technical Services Limited)
2	GVK Technical & Consultancy Services Pvt Ltd
3	GVK Novopan Industries Limited
4	GVK Airport Foundation
5	GVK Emergency Management and Research Institute (a society registered under Societies Registration Act)
6	GVK Employee welfare trust
7	GVK Foundation
8	Orbit Travels & Tours Private Limited
9	Paigah House Hotel Private Limited
10	Pinakani Share and Stock Broker Limited
11	TAJ GVK Hotels & Resorts Limited
12	Krishna enterprises
13	Ubiquitous Construction LLP
14	Ybrant Engineering and Construction Private Limited
15	GVK Bio Sciences Private Limited
16	Green Wood Palaces & Resorts Private Limited
17	Adaa Traders Private Limited
18	Cygnus Real Estates Private Limited
(b)	Key Managerial Personnel
1	Dr. G V K Reddy
2	Mr. G V Sanjay Reddy
3	Mr. Krishna Ram Bhupal
4	A Issac George
(c)	Jointly Controlled Entities
1	GVK Energy Ltd
2	Alaknanda Hydro Power Company Limited
3	GVK Coal (Tokisud) Co. Pvt. Ltd.
4	GVK Gautami Power Limited
5	GVK Industries Limited
6	GVK Power (Goindwal Sahib) Limited
7	GVK Power (Khadur Sahib) Private Limited
8	Mumbai Aviation Fuel Farm Facility Private Limited
9	Mumbai Airport Lounge Services Private Limited
(d)	Associates
1	Bengaluru International Airport Limited (till July 13, 2017)
2	GVK Coal Developers (Singapore) Pte Ltd
3	Seregraha Mines Limited
(e)	Entities having significant influence over MIAL
1	Airport Authority of India
2	ACSA Global Limited, Mauritius (AGL)

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Details of related party transactions during the year:

	March 31, 2018	March 31, 2017
Services received		
Airport Authority of India	36	45
ACSA Global Limited, Mauritius (AGL)	887	879
Crescent EPC Projects and Technical Services Limited	2,189	4,126
GVK Technical and Consultancy Services Private Limited	624	2,123
Orbit Travels and Tours Private Limited	19	11
TAJ GVK Hotels and Resorts Limited	9	5
Green wood Palaces and Resorts Private Limited	156	95
GVK Energy Limited	9	-
Remuneration to key managerial personnel		
Dr. G V K Reddy#	437	444
Mr. A Issac George	49	-
Mr. G V Sanjay Reddy#	890	1,252
Mr. Krishna R Bhupal	342	428
Rent		
Paigah House Hotel Private Limited	56	55
Donation		
GVK Foundation	50	219
Excess provision written back		
GVK Foundation	169	-
Loans given		
GVK Energy Limited	30,516	18,263
GVK Industries Limited	1	-
GVK Coal Developers (Singapore) Pte Limited	-	205
Alaknanda Hydro Power Company Limited	-	2
Bangalore International Airport Limited	-	4
Loans recovered		
GVK Energy Limited	61	-
GVK Coal Developers (Singapore) Pte Limited	555	-
Services rendered		
Services rendered (including service tax and corporate guarantee commission income)		
Mumbai Aviation Fuel Farm Facility Private Limited	1,265	1,042
Mumbai Airport Lounge Services Private Limited	4,288	-
Green wood Palaces and Resorts Private Limited	805	450
GVK Coal Developers (Singapore) Pte Limited	1,167	1,112

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	March 31, 2018	March 31, 2017
GVK Energy Limited	92	126
ADAA Traders Private Limited	738	940
GVK Gautami Power Limited	301	1,150
Crescent EPC Projects and Technical Services Limited	58	-
Loans/ Advances taken		
Crescent EPC Projects and Technical Services Limited	953	-
GVK Energy Limited	161	9,481
Cygnus Real Estates Private Limited	2,540	-
GVK Industries Limited	-	1
Ybrant Engineering and Construction Private Limited	-	43,343
Loans repaid		
Ybrant Engineering and Construction Private Limited	953	-
GVK Energy Limited	-	541
GVK Employee Welfare Trust	-	443
Alaknanda Hydro Power Company Limited	-	75
Bangalore International Airport Limited	-	1
Reimbursement of expenses		
Airport Authority of India	43	-
GVK Gautami Power Limited	101	412
Mumbai Aviation Fuel Farm Facility Private Limited	121	1
Annual fees		
Airport Authority of India	133,062	118,770
Disposal of assets		
Airport Authority of India	45	83
Advances given		
Crescent EPC Projects and Technical Services Limited	193	194
GVK Industries Limited	-	2
Advances recovered		
Crescent EPC Projects and Technical Services Limited	124	194
GVK Industries Limited	-	5
Advances Written Off		
GVK Coal Developers (Singapore) Pte Limited	8,861	22,498
GVK Employee welfare trust	-	1,055
GVK Energy Limited	4,482	-

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	March 31, 2018	March 31, 2017
Retention money retained		
Crescent EPC Projects and Technical Services Limited	68	13
Corporate guarantee released		
GVK Energy Limited	21,817	-
Crescent EPC Projects and Technical Services Limited	-	2,006
GVK Coal Developers (Singapore) Pte Limited	-	8,493
GVK Power (Goindwal Sahib) Limited	4,050	-
Seregraha Mines Limited	1,441	-
Share application money repaid		
Ubiquitous Construction LLP	2,500	-
Share application money given		
GVK Coal Developers (Singapore) Pte Limited	21,672	26,058
Transfer of Assets		
Mumbai Aviation Fuel Farm Facility Private Limited	-	925
Investment in Equity/Preference Shares allotted during the year		
GVK Coal Developers (Singapore) Pte Limited	61,303	26,479
GVK Energy Limited	-	5,118**
Other income		
Crescent EPC Projects and Technical Services Limited	-	3
GVK Coal Developers (Singapore) Pte Limited	2,740	2,151
GVK Energy Limited	60	15
Investment pledges made (Number of shares)		
GVK Coal Developers (Singapore) Pte Limited	-	74,439,264
GVK Energy Limited	-	143,050,182
Year end balances (Payables)/ receivables		
Mr. Krishna R Bhupal	(284)	(289)
Crescent EPC Projects and Technical Services Limited	68,752	67,631
GVK Technical and Consultancy Services Private Limited	(1,635)	(2,784)
Orbit Travels and Tours Private Limited	(0)	(36)
GVK Coal Developers (Singapore) Pte Limited	67,082	51,614
Cygnus Real Estates Private Limited	(2,540)	-
ADAA Traders Private Limited	(107)	58
Green wood Palaces and Resorts Private Limited	221	311
Pinakani Share and Stock Broker Limited	(6)	(6)
GVK Energy Limited	36,400	10,409

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	March 31, 2018	March 31, 2017
GVK Industries Limited	139	137
GVK Gautami Power Limited	(14)	715
Mumbai Aviation Fuel Farm Facility Private Limited	165	13
Mumbai Airport Lounge Services Private Limited	73	-
Airport Authority of India	(1,740)	(4,215)
ACSA Global Limited, Mauritius	(791)	(386)
GVK Power (Goindwal Sahib) Limited	23	25
TAJ GVK Hotels and Resorts Limited	(3)	(4)
Ybrant Engineering and Construction Private Limited	(61,071)	(62,024)
Bangalore International Airport Limited	-	4
Seregraha Mines Limited	-	6
Corporate Guarantee (Outstanding loan balance)		
GVK Coal Developers (Singapore) Pte Limited	368,519	368,534
GVK Energy Limited	6,413	30,950
GVK Power (Goindwal Sahib) Limited	-	4,050
Seregraha Mines Limited	-	1,441
Pledge of investment (number of shares)		
GVK Coal Developers (Singapore) Pte Limited	226,082,500*	226,082,500*
GVK Energy Limited	230,960,770	230,960,770

Note:

- Refer note 44 and 45 for commitments given by the Company.
- *Pledge of 155,587,500 (March 31, 2017: 155,587,500) shares of GVK Energy Limited, 22,495,000 (March 31, 2017: 22,495,000) shares of GVK Transportation Private Limited and 48,000,000 (March 31, 2017: 48,000,000) shares of GVK Airport Developers Limited.
- Refer note 23 and 28 for security provided by subsidiaries for loans availed by the Company.
- The advances/ loans and guarantees have been provided to meet normal business needs of respective entity.
- ** Nil (March 31, 2017: 5,117,647) 0.001% Compulsorily Convertible Debentures of Rs. 100 each were converted into 1 fully paid up equity share.
- # includes Rs. 809 relating to arrears of FY 2014-15 and FY 2015-16, recorded in the books and paid based on approval received from Central Government.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

59. Service concession arrangement

All the below service concession arrangement have been accounted under intangible asset model

(i) GVKDKEPL

Description of the arrangement	Significant terms of the arrangement	
GVKDKEPL had entered into a Concession Agreement with National Highway Authority of India (NHAI) on May 17, 2010 pursuant to which, NHAI has awarded the project of four laning of Deoli-Kota Section of National Highway No. 12 (NH -12) from Km 165.00 to Junction of NH -76 on Kota Bypass (approximately 83.04 Km) in the State of Rajasthan on Build, Operate and Transfer (BOT) basis, on design, build, finance, operate and transfer (DBFOT) Pattern under NHDP Phase III.	Period of concession:	January 5, 2011 to January 05, 2037 (Including 2.5 year construction period)
	Remuneration:	GVKDKEPL has received the right to charge users a fee for using the toll road, which the GVKDKEPL will collect and retain till the end of the concession period.
	Investment grant from concession grantor	Nil
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to the GVKDKEPL
	Re-pricing dates :	Yearly reset of toll rates
	Basis upon which re-pricing or re-negotiation is determined	Inflation
	Premium payable to grantor :	Rs 4,860 increasing by an additional 5% as compared to the immediately preceding previous year.

During the year, GVKDKEPL has recorded revenue of Rs. 8,454 (March 31, 2017: Rs. 7,764) consisting of Rs. 1,499 (March 31, 2017: Rs. 1,363) on construction and Rs 6,955 (March 31, 2017: Rs. 6,401) on operation of the toll road. The revenue recognised in relation to construction represents the fair value of the construction services provided in constructing the toll road.

(ii) GVKBVEPL

Description of the arrangement	Significant terms of the arrangement	
GVKBVEPL has entered into a Concession Agreement with Gujarat State Road Development Corporation Limited (GSRDC), a Government of Gujarat undertaking on February 21, 2011 pursuant to which, GSRDC has awarded the project of six laning of Bagodara – Wataman – Tarapur – Vasad road on State Highway no.8 from km.0/0 to km 101/9 in the state of Gujarat on Build, Operate and Transfer (BOT) basis.	Period of concession:	November 11, 2011 to November 11, 2038
	Remuneration:	GVKBVEPL has received the right to charge users a fee for using the toll road, which the GVKBVEPL will collect and retain till the end of the concession period.
	Investment grant from concession grantor	Nil
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to the GVKBVEPL
	Re-pricing dates :	Yearly reset of toll rates
	Basis upon which re-pricing or re-negotiation is determined	Inflation
	Premium payable to grantor :	Fee equal to 15.0192% of the total Realisable fee during that year; and for each subsequent year of the concession period, the premium shall be determined by increasing the proportion of premium to the total Realisable fee in the respective year by an additional 1 % as compared to the immediately preceding year.

During the year, GVKBVEPL has recorded revenue of Nil (March 31, 2017: Rs. 39) on construction. The revenue recognised in relation to construction represents the fair value of the construction services provided in constructing the toll road.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

(iii) GVKJEPL

Description of the arrangement	Significant terms of the arrangement	
GVKJEPL has entered into Concession Agreement dated May 08, 2002 with the National Highways Authority of India ("NHAI") for construction and Operation of 6 Lane Highway of 90.385 KM between Jaipur and Kishangarh on Build-Operate-Transfer ("BOT")	Period of concession:	20 years from the date of Financial Closure March 17, 2003.
	Remuneration:	GVKJEPL has received the right to charge users a fee for using the toll road, which the GVKJEPL will collect and retain till the end of the concession period.
	Investment grant from concession grantor	Rs. 21,100 by way of equity support for meeting the total project cost
	Share of NHAI in Revenue	As per clause 7.2 of the concession agreement the concessionaire shall share with NHAI, any fees that it actually receives in any Accounting Year which are in excess of the projected fees for the Accounting Year commencing from the year in which Commercial Operations Date ("COD") shall occur, as set out in Schedule Y (the "Projected Fee") for such Accounting Year ("Excess Fee" / "Share of NHAI in Revenue") in accordance with the terms of agreement.
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to the GVKJEPL
	Re-pricing dates :	Yearly reset of toll rates
	Basis upon which re-pricing or re-negotiation is determined	Inflation

During the year, GVKJEPL has recorded revenue of Rs. 35,073 (March 31, 2017: Rs. 30,196) on operation of the toll road.

60. MSME

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Group, 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.

61 Specified Bank Notes

Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 08, 2016 to December 30, 2016.

Particulars	SBN	Other denomination notes	Total
Closing cash on hand on November 08, 2016	176	16	192
Add: Permitted receipts	753	1,683	2,436
Less: Permitted payments	-	(10)	(10)
Less: Amount deposited in banks	(929)	(1,557)	(2,486)
Closing cash on hand on December 30, 2016	-	-	132

* Specified bank notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated November 08, 2016.

Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

62. Standards issued but not yet effective

The impact of standards 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 this standard when it becomes effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 01, 2018. There are no standards, changes in standards and interpretations that are not in force up to reporting period that the Group expects to have a material impact arising from its application in this financial statements.

i) IndAS 115- Revenue from Contracts with customers

Ind AS 115, is effective for periods beginning on or after April 01, 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is transferred to the customer. The core principle in that framework is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the company expects to be entitled in exchange for those goods or services.

The management is in process of quantifying the effect of this standard.

ii) IndAS 21- The Effect of changes in exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The management is in process of quantifying the effect of this standard.

iii) IndAS 12 - Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the assets tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- The estimate of future taxable profit may include the recovery of some an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

The management is in process of quantifying the effect of this standard.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 90196

Place: Hyderabad

Date: May 23, 2018

For and on behalf of the Board of Directors of

GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

A Issac George

CFO

G V Sanjay Reddy

Vice Chairman

DIN: 00005282

P V Rama Seshu

AVP & Company Secretary

Independent Auditor's Report

To The Members Of Gvk Power & Infrastructure Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of GVK Power & Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

8. We draw your attention to note 44 of the Standalone Ind AS financial statements with regard to multiple material uncertainties being faced by certain subsidiaries and a jointly controlled entity of GVK Energy Limited, a jointly controlled entity of the company, in relation to non-availability of fuel, outstanding application for increasing tariff including on account of approval of additional capital cost, unconcluded discussions/applications in relation to one time settlement proposals, compensation in relation to deallocated coal mine etc. Pending resolutions of these uncertainties we are unable to comment on the extent

Independent Auditor's Report

To The Members Of Gvk Power & Infrastructure Limited

of eventual recoverability of the investment and loans in such jointly controlled entity aggregating to Rs. 112,643 lakhs and the provisions if any, required for the corporate guarantees given to the jointly controlled entity amounting to Rs. 10,298 lakhs. The impact of adjustments, if any, on the Standalone Ind AS financial statements is presently not ascertainable.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required except for the indeterminate effects of the matter referred to in Basis for Qualified Opinion paragraph above, 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, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

10. We draw your attention to note 43 to the Standalone Ind AS financial statements, regarding material uncertainties being faced by GVK Coal Developers (Singapore) Pte. Limited, an associate company in which the Company has investments and has receivables aggregating to Rs. 69,414 lakhs and to whom it has provided guarantees and commitments for loans aggregating to Rs. 752,080 lakhs and has undertaken to provide financial assistance of USD 7.83 million (Rs. 5,009 lakhs) as at March 31, 2018.
11. We draw your attention to note 45 to the Standalone Ind AS financial statements, regarding losses being incurred by the Company and significant accumulated losses as at March 31, 2018, defaults in repayment of loan and interest payments and material uncertainties faced by various projects in which the Company has made investments, provided guarantees and commitments and/or has undertaken to provide financial assistance. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the standalone Ind AS financial statements has been prepared on going concern basis for the reasons stated in the said note.

Our opinion is not qualified in respect of the above matters.

Other Matter

12. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Act who, vide their report dated May 24, 2017, expressed a modified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, except for the indeterminate effects of the matter referred to in Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

Independent Auditor's Report

To The Members Of Gvk Power & Infrastructure Limited

- d. Except for the indeterminate effects of the matter referred to in Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statement comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. The matters described in Basis for Qualified Opinion paragraph, Emphasis of Matter paragraph and paragraph (viii) to the Statement on the matters specified in paragraph 3 and 4 of the Order above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, except for one director who is disqualified due to non-filing of annual return for continuous period of three financial years in another company where he is a director, none of the directors are 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 stated in the Basis of Qualified Opinion paragraph above as referred to in paragraph 14(b) above and in note 44 to the Standalone Ind AS financial statements.
- h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 32(c);
 - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses and did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 090196

Place: Hyderabad
Date: May 23, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(h) of the Independent Auditors' Report of even date to the members of GVK Power & Infrastructure Limited on the standalone financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of GVK Power & Infrastructure Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(h) of the Independent Auditors' Report of even date to the members of GVK Power & Infrastructure Limited on the standalone financial statements for the year ended March 31, 2018

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Basis for Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2018:

The Company's internal financial controls over use of assumptions for analysis of asset impairments were not operating effectively which could potentially result in the Company not recognizing possible impairment losses.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, 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.

Qualified Opinion

10. In our opinion, except for possible effects of the material weakness described above, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2018, and the material weakness affects our opinion on the standalone financial statements of the Company. (Refer the Basis for Qualified Opinion in our main audit report)

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 090196

Place: Hyderabad
Date: May 23, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of GVK Power and Infrastructure Limited on the standalone financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties as disclosed in Note 3 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has granted unsecured loans, to 11 companies covered in the register maintained under Section 189 of the Act. There are no firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - (b) In respect of the aforesaid loans, no schedule for repayment of principal has been stipulated by the Company. Therefore, in absence of stipulation of repayment terms we do not make any comment on the regularity of repayment of principal and payment of interest.
 - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service tax	169	April 1, 2014 to March 31, 2015	Commissioner of Central Excise and customs – Visakhapatnam II
The Finance Act, 1994	Service tax	503	April 1, 2015 to June 30, 2017	Commissioner of Customs and Central Tax, Visakhapatnam II
Income Tax Act, 1961	Income tax	10	AY 2009-10	Commissioner of Income Tax (Appeals) – Visakhapatnam
Income Tax Act, 1961	Income tax	11*	AY 2011-12	Commissioner of Income Tax (Appeals) – Visakhapatnam
Income Tax Act, 1961	Income tax	44*	AY 2012-13	Commissioner of Income Tax (Appeals) – Visakhapatnam

* Paid under protest/ refund adjusted.

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of GVK Power and Infrastructure Limited on the standalone financial statements as of and for the year ended March 31, 2018

- viii. According to the records of the Company examined by us and the information and explanations given to us, except for loans or borrowings from banks aggregating Rs. 10,644 lakhs, as described below, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

Name of the lender	Nature of dues	Period of default	Amount of default (Rs. in lakhs)
Syndicate Bank Limited	Principal	August 2017 to March 2018	849
Axis Bank Limited	Principal	Since August 2015	9,795

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. No managerial remuneration is paid or payable during the year under review. Accordingly the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

N.K. Varadarajan

Partner

Membership Number: 90196

Place: Hyderabad

Date: May 23, 2018

Balance sheet as at March 31, 2018

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Notes	March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	35	48
Financial assets			
Investments	4	233,969	214,365
Loans	5	5	5
Other financial assets	6	971	4,469
Non Current tax assets (net)	7	13	302
Other non-current assets	8	13	25
		235,006	219,214
Current assets			
Financial assets			
Investments	9	1,647	872
Trade receivables	10	130	916
Cash and cash equivalents	11	56	16
Loans	12	6,156	3,357
Other financial assets	13	2,500	1,528
Other current assets	14	11	65
		10,500	6,754
Total		245,506	225,968
Equity and Liabilities			
Equity			
Equity share capital	15	15,792	15,792
Other equity		157,317	160,925
		173,109	176,717
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	-
Unearned financial guarantee income	17	5,262	5,574
		5,262	5,574
Current liabilities			
Financial liabilities			
Borrowings	18	43,692	8,620
Trade payables	19		
• Total outstanding dues of micro enterprises and small enterprises		-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		191	433
Other financial liabilities	20	18,704	30,890
Provisions	21	2	23
Current tax liabilities	22	4,508	3,683
Other current liabilities	23	38	28
		67,135	43,677
General information and significant accounting policies	1&2		
Total		245,506	225,968

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

As per our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

per **N.K. Varadarajan**
Partner
Membership No. 090196

Place: Hyderabad
Date: May 23, 2018

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. GVK Reddy
Chairman
DIN: 00005212

A Issac George
CFO

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

P V Rama Seshu
AVP & Company Secretary

Statement of profit and loss for the year ended March 31, 2018

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Notes	March 31, 2018	March 31, 2017
Income			
Revenue from operations	24	1,654	2,816
Other income	25	7,560	5,151
Total revenue		9,214	7,967
Expenses			
Employee benefit expenses	26	91	248
Other expenses	27	9,221	28,335
Depreciation expenses	28	13	13
Finance costs	29	2,361	5,176
Total expenses		11,686	33,772
Loss before tax		(2,472)	(25,805)
Tax expense			
Current tax	30	1,136	1,296
Total tax expense		1,136	1,296
Loss for the year		(3,608)	(27,101)
Other Comprehensive Income (OCI)			
Items that may be reclassified to profit or loss		-	-
Items that will not to be reclassified to profit or loss			
Re-measurement losses on employee defined benefit plans (net of tax)		-	(1)
Other comprehensive income for the year, net of tax		-	(1)
Total comprehensive income for the year		(3,608)	(27,102)
General information and significant accounting policies	1 & 2		
Earnings/(Loss) per equity share:	31		
Basic		(0.23)	(1.72)
Diluted		(0.23)	(1.72)
Nominal value per equity share		1.00	1.00

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

As per our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

per **N.K. Varadarajan**
Partner
Membership No. 090196

Place: Hyderabad
Date: May 23, 2018

For and on behalf of the Board of Directors of
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DIN: 00005212

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Vice Chairman
DIN: 00005282

P V Rama Seshu
AVP & Company Secretary

Cash flow statement for the year ended March 31, 2018

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

			March 31, 2018	March 31, 2017
1	CASH FLOW FROM OPERATING ACTIVITIES			
	Net loss before tax		(2,472)	(25,805)
	Adjustments to reconcile loss before tax to net cash flows			
	Depreciation expense		13	13
	Loss on sale of property, plant and equipment		-	1
	Advances and investments written off		-	5,174
	Fair value loss on investments in preference shares		8,861	22,498
	Gain on sale of current investments (net)		(82)	(29)
	Unrealised foreign exchange (gain)/loss		13	19
	Interest expense		2,663	5,166
	Unwinding Interest income on financial guarantees and debt instruments		(4,680)	(3,440)
	Interest income on income tax and service tax refund		(180)	-
	Unearned guarantee commission written back		-	(469)
	Notional commission on guarantees given to subsidiaries		(779)	(593)
	Operating profit before working capital changes		3,357	2,535
	Movement in working capital:			
	Decrease/(Increase) in trade receivables		786	(184)
	Decrease in other current/non current assets		1,395	1,493
	(Decrease) in trade payables, current liabilities and provisions		(66)	(1,275)
	Cash generated from operations		5,472	2,569
	Taxes paid (net of refunds)		(22)	879
	Net cash generated from operating activities	(A)	5,450	3,448
2	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of current investments		(2,099)	(1,337)
	Proceeds from sale of current investments		1,407	599
	Proceeds from sale of non-current investments		6	19,976
	Investments in subsidiaries/associates/related party including share application money		(28,465)	(52,556)
	Loans made to subsidiaries/related party		(2,799)	(43,467)
	Proceeds from sale of property, plant and equipment		-	1
	Loans/Share application repaid by subsidiaries/related party		-	76,862
	Interest received		6,817	3
	Net Cash (used in)/ generated from Investing Activities	(B)	(25,133)	81
3	CASH FLOW FROM FINANCING ACTIVITIES			
	Repayment of long term borrowings		(15,189)	(6,488)
	Proceeds from short term borrowings (net)		35,072	8,620
	Interest paid		(160)	(5,734)

Cash flow statement for the year ended March 31, 2018

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

		March 31, 2018	March 31, 2017
Net Cash generated from/(used in) Financing Activities	(C)	19,723	(3,602)
Net increase/ (decrease) in Cash and Cash Equivalents	(A+B+C)	40	(73)
Cash and Cash Equivalents at the beginning of the year		16	89
Cash and Cash Equivalents at the end of the year		56	16
Components of cash and cash equivalents			
Balance with banks:			
Current accounts		56	16
Total cash and cash equivalents (refer note 11)		56	16
General information and significant accounting policies	1 & 2		

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

As per our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

per **N.K. Varadarajan**
Partner
Membership No. 090196

Place: Hyderabad
Date: May 23, 2018

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. GVK Reddy
Chairman
DIN: 00005212

A Issac George
CFO

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

P V Rama Seshu
AVP & Company Secretary

Standalone Statement of Changes in Equity

a) Equity share capital

	Number of Shares	Rs. In Lakhs
As at April 01, 2016	1,579,210,400	15,792
Issued during the year	-	-
At March 31, 2017	1,579,210,400	15,792
Issued during the year	-	-
At March 31, 2018	1,579,210,400	15,792

b) Other Equity

	Reserves and Surplus			Items of OCI	Total
	Retained Earnings	Securities premium	General reserve	FVTOCI	
As at April 01, 2016	(28,036)	215,935	127	1	188,027
Add: Re-measurement losses on employee defined benefit plans	-	-	-	(1)	(1)
Add: Loss for the year	(27,101)	-	-	-	(27,101)
At March 31, 2017	(55,137)	215,935	127	-	160,925
Add: Loss for the year	(3,608)	-	-	-	(3,608)
At March 31, 2018	(58,745)	215,935	127	-	157,317

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

1 Corporate information

GVK Power & Infrastructure Limited ('the Company' or 'GVKPIL') provides operation and maintenance services, manpower and consultancy services and incidental services to owners of power plants, airports etc. The Company has also acquired substantial ownership interest into power companies, airports, roads and companies providing infrastructure facilities. The registered office of the company is located at 'Paigah House', 156-159 Sardar Patel Road Secunderabad, Telangana- 500003.

2. Statement of significant accounting policies

2.1 Basis of preparation

i. Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act., 2013 (the Act), read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- certain financial assets and liabilities are measured at fair value
- defined benefit plans - plan assets are measured at fair value.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(b) Foreign currencies

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in foreseeable future is considered as part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

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

(c) Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

(d) 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 credit risks.

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

Sale of services

Rendering of operation and maintenance services:

Revenues represent amounts billed or accrued for services rendered and expenses incurred in relation to such services, in

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

accordance with the Operation and Maintenance agreement with its customer. As per the operations and maintenance agreements, the Company's income comprises of (a) Operating fees (b) Incentive fees and (c) Reimbursement of actual expenses. Operating fees are fixed per annum subject to escalations. The Company is eligible to receive incentive fees, if the actual annual availability and/ or if the actual generation of power are higher than the defined levels.

Manpower and consultancy services:

Revenues for manpower services are recognised as and when services are rendered on time and material basis.

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 (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Guarantee commission

Revenue is recognised on a straight line basis taking into account the present value of the guarantee amount and the commission rate applicable.

(e) Income tax

Current income tax

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

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

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

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

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

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised 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 recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

Furniture and fittings	- 10 years
Office equipment	- 5 years
Vehicles	- 10 years
Data processing equipment	- 3 years

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.

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.

(g) 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.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. 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. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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.

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

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are not recognised for future operating losses.

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.

(k) Retirement and other employee benefits

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

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

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

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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

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

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

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

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

(I) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, other receivables and loans.

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

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

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

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

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Derecognition

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

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
- c) Loan commitments which are not measured as at FVTPL.
- d) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the Balance Sheet ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the company does not reduce impairment allowance from the gross carrying amount.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

Subsequent measurement

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer Note 16 and 18.

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.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

Derecognition

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

(m) Cash and cash equivalents

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

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

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(o) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

(p) New standards and interpretations not yet adopted

The impact of standards 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 this standard when it becomes effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018.

i) IndAS 115- Revenue from Contracts with customers

Ind AS 115, is effective for periods beginning on or after April 01, 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is transferred to the customer. The core principle in that framework is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the company expects to be entitled in exchange for those goods or services.

The management is in process of quantifying the effect of this standard.

ii) IndAS 21- The Effect of changes in exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

There would be no significant impact of this standard on the financials of the Company

iii) IndAS 12 - Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the assets tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

- The estimate of future taxable profit may include the recovery of some an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

The management is in process of quantifying the effect of this standard.

3. Property, plant and equipment

	Furniture and fittings	Office equipment	Vehicles	Data processing equipment	Total
At Cost					
As at April 1, 2016	1	2	75	1	79
Additions	-	-	-	-	-
Deletions	-	-	3	-	3
At March 31, 2017	1	2	72	1	76
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
At March 31, 2018	1	2	72	1	76
Accumulated depreciation					
At April 1, 2016	1	1	14	-	16
Charge for the year	-	1	12	-	13
Deletions	-	-	1	-	1
At March 31, 2017	1	2	25	-	28
Charge for the year	-	-	12	1	13
Deletions	-	-	-	-	-
At March 31, 2018	1	2	37	1	41
Net Block					
At March 31, 2017	-	-	47	1	48
At March 31, 2018	-	-	35	-	35

Notes: Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil. (March 31, 2017: Rs. Nil)

4. Investments

	March 31, 2018	March 31, 2017
a. Unquoted, in fully paid equity shares (at cost)		
In subsidiaries		
300,000,000 (March 31, 2017: 300,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Limited	30,000	30,000
37,700,000 (March 31, 2017: 37,700,000) equity shares of Rs.10 each fully paid-up in GVK Transportation Private Limited	3,770	3,770
Nil (March 31, 2017: 10,000) equity shares of Rs.10 each fully paid-up in Gorigan-ga Hydro Power Private Limited	-	1
10,000 (March 31, 2017: 10,000) Equity shares of Rs.10 each fully paid-up in GVK Perambalur SEZ Private Limited	1	1

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	March 31, 2018	March 31, 2017
10,000 (March 31, 2017: 10,000) equity shares of Rs.10 each fully paid-up in GVK Developmental Projects Private Limited	1	1
190,000 (March 31, 2017: 190,000) equity shares of Rs.10 each fully paid-up in GVK Airport Services Private Limited	19	19
Sub Total	33,791	33,792
In Joint Ventures		
557,869,479 (March 31, 2017: 557,869,479) equity shares of Rs.10 each fully paid-up in GVK Energy Limited	108,323	108,323
Sub Total	108,323	108,323
Share application money given to subsidiaries		
GVK Perambalur SEZ Private Limited	4,999	4,999
GVK Developmental Projects Private Limited	1	1
Sub Total	5,000	5,000
A	147,114	147,115
b. Unquoted, in fully paid non-cumulative redeemable preference shares (at amortised cost)		
In subsidiary		
59,200 (March 31, 2017: 59,200) non-cumulative redeemable preference shares of Rs. 10,000 each fully paid-up in GVK Airport Developers Limited	2,924	2,426
B	2,924	2,426
c. Unquoted, in fully paid equity shares (at fair value) and preference shares (at amortised cost)		
In Associate		
50,000 (March 31, 2017: 50,000) equity shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.	25	25
17,03,60,918 (March 31, 2017: 76,127,540) non-cumulative redeemable preference shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.	67,865	28,240
Share application money for purchase of non-cumulative redeemable preference shares of USD 1 each (at amortised cost) in GVK Coal Developers (Singapore) Pte. Ltd.	246	23,195
C	68,136	51,460
d. Loan given to subsidiaries classified as equity (at cost)		
GVK Oil & Gas Limited	-	3
GVK Perambalur SEZ Private Limited	4,229	4,251
D	4,229	4,254
e. Deemed investment in subsidiaries		
GVK Transportation Private Limited	946	946
GVK Airport Developers Limited	7,922	5,466
GVK Jaipur Expressway Private Limited	2,284	2,284
GVK Ratle Hydro Electric Project Private Limited	414	414
E	11,566	9,110
Aggregate carrying value of unquoted investments (A+B+C+D+E)	233,969	214,365

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

5. Loans

	March 31, 2018	March 31, 2017
Unsecured, considered good:		
- Security deposits	5	5
Total	5	5

6. Other financial assets

	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Guarantee Commission receivable	26	2,704
Financial guarantee assets	945	1,727
Unbilled revenue	-	38
Total	971	4,469

7. Non current tax assets (net)

	March 31, 2018	March 31, 2017
Advance income-tax (net of provision for taxation)	13	302
Total	13	302

8. Other non-current assets

	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Balance with government authorities	13	25
Total	13	25

9. Current investments

	March 31, 2018	March 31, 2017
Quoted mutual funds at fair value through statement of profit and loss		
4,027,056 (March 31, 2017: 3,729,922 units) of Rs. 10 each fully paid-up of Franklin India Ultra Short Bond Fund – Super Institutional Growth plan	972	830
Nil (March 31, 2017: 167,174 units) of Rs. 10 each fully paid-up of LIC Mutual Fund Savings Plus Fund – Regular Growth Plan Short term Growth plan	-	42
3,325,467 (March 31, 2017: Nil) units of Rs. 10 each fully paid-up of Franklin India Low Duration Fund – Direct-Growth	675	-
Total	1,647	872
Aggregate carrying and market value of quoted investments	1,647	872

10. Trade receivables

	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Receivables from related parties	130	916
Total	130	916

Trade receivables are non-interest bearing and are generally on terms of less than 1 year.

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.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

11. Cash and cash equivalents

	March 31, 2018	March 31, 2017
Balance with banks:		
- In current accounts	56	16
Total	56	16

There are no repatriation restrictions on the usage of Cash and Bank Balances

12. Loans

	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Loans to related parties receivable on demand	6,156	3,357
Total	6,156	3,357

13. Other financial assets

	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Guarantee commission receivable	1,389	27
Financial guarantee assets	1,105	1,501
Other receivables	6	-
Total	2,500	1,528

14. Other current assets

	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Advances recoverable in cash or kind	10	46
Prepayments	1	17
Retirement benefits (refer note 33)	-	2
Total	11	65

15. Equity share capital and other equity**(A) Equity share capital**

	March 31, 2018	March 31, 2017
Authorised Share Capital		
2,500,000,000 (March 31, 2017: 2,500,000,000) equity shares of Rs. 1 each	25,000	25,000
Issued, subscribed and fully paid-up share capital		
1,579,210,400 (March 31, 2017: 1,579,210,400) equity shares of Rs. 1 each	15,792	15,792

a.Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2018		March 31, 2017	
	No.	Amount	No.	Amount
Equity shares of Rs. 1 each fully paid up				
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,579,210,400	15,792	1,579,210,400	15,792

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

b. Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Rs.1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends 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 shareholders.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote..

c. Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	March 31, 2018		March 31, 2017	
	No.	% of holding	No.	% of holding
Vertex Projects LLP (Formerly Vertex Infratech Private Limited)	732,893,902	46.41%	732,893,902	46.41%

(B) Reserves and surplus

	March 31, 2018	March 31, 2017
Retained Earnings	(58,745)	(55,137)
Securities premium	215,935	215,935
General reserve	127	127
Total reserves and surplus	157,317	160,925

(i) Retained Earning

	March 31, 2018	March 31, 2017
Opening balance	(55,137)	(28,036)
Loss for the year	(3,608)	(27,101)
Closing balance	(58,745)	(55,137)

(ii) Securities premium

	March 31, 2018	March 31, 2017
Opening balance	215,935	215,935
Movement during the year	-	-
Closing balance	215,935	215,935

(iii) General reserve

	March 31, 2018	March 31, 2017
Opening balance	127	127
Movement during the year	-	-
Closing balance	127	127

16. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
From Banks (Secured)				
Indian rupee loans	-	-	10,594	25,495
	-	-	10,594	25,495
Amount disclosed under the head "Other financial liabilities" (refer note 20)	-	-	(10,594)	(25,495)
	-	-	-	-

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

- a) Term loan aggregating to Rs. 9,745 (March 31, 2017: Rs. 11,276) (excluding Interest) is secured by first pari-passu charge on the current assets, present and future of the Company and pledge of 299,000 preference shares of GVK Airport Developers Limited out of which 239,800 preference shares are held by Sutara Roads & Infra Limited. The loan is further secured by subservient mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and carries an effective interest of 14.33% per annum. The loan is repayable in twenty four unequal monthly instalments after a moratorium of twelve months from the date of first drawdown viz. April 30, 2016 (Refer note 39).
- b) Term loan aggregating to Rs. 849 (March 31, 2017: Rs. 14,012) (excluding interest) is secured by mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and carries an effective interest of 14.50% per annum. The loan is repayable after a period of 35 months from the date of first drawdown viz. August 27, 2015 (Refer note 39).

Net debt reconciliation

This Section sets out an analysis of net debt and the movement in net debt for the period presented

	March 31, 2018		March 31, 2017	
Current maturities of non-current borrowings (refer note 16)	10,594		25,495	
Current Borrowings (refer note 18)	43,692		8,620	
Total	54,286		34,115	

	Liabilities from Financing Activities		Other assets		Total
	Non-Current Borrowings	Current Borrowings	Liquid investments	Cash and cash equivalents	
Net Debt as at March 31, 2017	25,495	8,620	872	16	35,003
Cash flows	-15,189	35,072	692	40	20,615
Add: Fair value adjustments	-	-	82	-	82
Net Debt as at March 31, 2018	10,306	43,692	1,646	56	55,700

17. Unearned financial guarantee income

	March 31, 2018	March 31, 2017
Unearned guarantee commission income on financial guarantees given to related parties	5,262	5,574
Total	5,262	5,574

18. Short-term borrowings

	March 31, 2018	March 31, 2017
Unsecured:		
Loans from related parties repayable on demand (refer note 36)	43,692	8,620
Total	43,692	8,620

19. Trade payables

	March 31, 2018	March 31, 2017
- Outstanding dues to micro enterprises and small enterprises (refer note 34)	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises	191	433
Total	191	433

Terms and conditions of the above financial liabilities.

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

20. Other financial liabilities

	March 31, 2018	March 31, 2017
Current maturities of long-term borrowings (refer note 16)	10,594	25,495
Interest accrued but not due on borrowings	-	3,548
Interest accrued and due on borrowings	5,763	-
Unearned guarantee commission income on financial guarantees given to related parties	2,347	1,847
Total	18,704	30,890

21. Provisions

	March 31, 2018	March 31, 2017
Provision for compensated absences (refer note 33)	2	23
Total	2	23

22. Current tax liabilities

	March 31, 2018	March 31, 2017
Opening balance	3,683	2,387
Add: Current tax payable for the year	1,136	1,296
Less: Refunds received	(311)	-
Closing balance	4,508	3,683

23. Other current liabilities

	March 31, 2018	March 31, 2017
Statutory liabilities	38	28
Total	38	28

24. Revenue from operations

	March 31, 2018	March 31, 2017
Sale of services		
- Operation and maintenance services	401	1,562
- Manpower and consultancy services	1,253	1,254
Total	1,654	2,816

25. Other income

	March 31, 2018	March 31, 2017
Income from current investments	82	29
Commission on financial guarantees	2,496	1,852
Unwinding Interest income on financial guarantees and debt instruments	4,680	2,801
Interest on income tax and service tax refund	180	-
Miscellaneous income	122	-
Unearned guarantee commission written back	-	469
Total	7,560	5,151

26. Employee benefit expense

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	77	219
Contribution to provident and other funds	5	13
Retirement and other employee benefit expense (refer note 33)	3	5
Staff welfare expenses	6	11
Total	91	248

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

27. Other expenses

	March 31, 2018	March 31, 2017
Rent (refer note 32A)	11	12
Communication costs	22	43
Travelling and conveyance	19	39
Operating and maintenance expenses	45	109
Repairs and maintenance- others	9	11
Legal and professional charges	35	107
Rates and taxes	55	84
Printing and stationery	4	41
Insurance	6	6
Remuneration to statutory auditors (refer note below)	25	20
Directors' sitting fees	7	8
Expenses for manpower	100	150
Loss on sale of property, plant and equipment	-	1
Advances and investments written off	-	5,174
Foreign exchange loss (net)	13	19
Miscellaneous expenses	9	13
Fair value loss on investment in preference shares	8,861	22,498
Total	9,221	28,335

Payment to auditor

	March 31, 2018	March 31, 2017
As auditor:		
Audit fee	23	13
Limited review	2	5
In other capacity:		
Other services	-	1
Reimbursement of expenses	-	1
Total	25	20

28. Depreciation expense

	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment	13	13
Total	13	13

29. Finance costs

	March 31, 2018	March 31, 2017
Interest expense	2,356	5,166
Bank charges	5	10
Total	2,361	5,176

30. Taxes**a. Income tax expense**

	March 31, 2018	March 31, 2017
Current tax	1,136	1,296

b. Significant estimates

In calculating the tax expense for the current and previous period, the company has treated finance costs as non deductible expense for tax purposes. However, the tax legislation in relation to these expenditures is not clear and the company has on prudent basis, considered the same as non-deductible expense and the income tax assessments of the company are under

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

dispute with Income Tax Authorities with respect to this matter. If the ruling should be in the favor of the Company, this would reduce the current tax payable and current tax expense by Rs. 817 (March 31, 2017: Rs. 1,296).

c. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	March 31, 2018	March 31, 2017
Loss before taxes	(2,472)	(25,805)
Enhanced tax rates in India	27.553%	34.608%
Expected tax expense	(681)	(8,931)
Add: Effect of non-deductible expenses:		
Advances and investments written off	-	5,174
Fair value loss on investments	8,861	22,498
Finance costs	2,361	5,176
Less: Effect of non-taxable incomes:		
Interest income on financial guarantees and debt instruments	(4,680)	(2,801)
Unearned guarantee commission written back	-	(469)
Others	54	(27)
Effect of non-deductible expenses (net)	6,596	29,551
Tax effect on the above	1,817	10,227
Net current tax expense recognised in Statement of Profit and Loss	1,136	1,296

31. Earning per equity share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. There are no potentially dilutive equity shares in the Company.

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

	March 31, 2018	March 31, 2017
Loss after tax	(3,608)	(27,102)
Weighted average number of Equity Shares considered for calculation of basic and diluted earnings per share	1,579,210,400	1,579,210,400
Earnings/ (loss) per share		
- Basic and diluted	(0.23)	(1.72)

32. Commitments and Contingencies

A. Leases

a. Operating lease commitments - Company as lessee

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at the option of either of the parties. The Company has not entered into any non-cancellable leases.

There is no escalation clause in the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments recognised in the Statement of Profit and Loss is Rs. 11 (March 31, 2017: Rs. 12).

The Company has not recognised any contingent rent as expense in the Statement of Profit and Loss.

B. Capital and other commitments

i) Capital Commitments

The Company does not has any outstanding capital commitments as at year end. (March 31, 2017: Nil)

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

ii) Other Commitments

- a) The Company has outstanding equity commitments to fund subsidiaries under construction stage aggregating to Rs. Nil (March 31, 2017: Rs. 114,910).
- b) The company has given undertaking to infuse equity aggregating to Rs. 383,561 (March 31, 2017: Rs. 383,576) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations. Further, the Company has pledged 155,587,500 (March 31, 2017: 155,587,500), 22,495,000 (March 31, 2017: 22,495,000) and 48,000,000 (March 31, 2017: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an entity in which Company has 10% stake. Management believes that GVK Coal Developers (Singapore) Pte. Limited will be able to meet its obligations.
- c) During the year ended March 31, 2011, the Company, GVK Energy Limited (jointly controlled entity) and certain private equity investors ('investors') had entered into an investment agreement pursuant to which the Company has undertaken to conduct an initial public offering of the GVK Energy Limited's equity shares ('Qualified IPO' or 'QIPO') within 72 months from the date of investment agreement (preferred listing period). If the GVK Energy Limited does not make a QIPO during the preferred listing period and no offer for sale or demerger takes place within 12 months of the preferred listing period, then, at any time thereafter, the investors will have a put option with respect to all of the securities held by the Investor ("Put Right") on the Company and the GVK Energy Limited at the higher of i) 20% IRR from the date of investment to the date of receipt of proceeds from the investor ("Put IRR") and ii) the fair market value of the investor's shares. Provided the Put IRR shall be reduced to 15%, if at least 3 private sector initial public offerings with an issue size of Rs.100,000 or more each have not taken place in India between the 48th month to the 72nd month from date of investment agreement.

The Company based on legal advice believes that the put option with guaranteed return is not enforceable/ in view of the regulations of Reserve Bank of India and hence no liability towards the same has been accounted in the financial statements.

C. Contingent liabilities

Direct and indirect taxes

- (i) Income tax demand for assessment year 2009-10 Rs. 10 (March 31, 2017: Rs. 10), for assessment year 2010-11 for Rs. 279 (March 31, 2017: Rs. 279), for assessment year 2011-12 for Rs. 11 (March 31, 2017: Rs. 11) and for assessment year 2012-13 Rs. 44 (March 31, 2017: 44).
- (ii) The Company had received a notice dated February 4, 2008 from the Office of the District Registrar of Assurances, Hyderabad demanding payment of stamp duty of Rs. 2,829 on transfer of shares to the shareholders of GVK Industries Limited vide the scheme of arrangement approved by the Andhra Pradesh High Court. The Company has received a favorable order from the Hon'ble High Court of Andhra Pradesh dated July 06, 2017 that stamp duty is not applicable on the above transfer of shares, hence the order has been set aside. Contingent liability in this regard is Rs. Nil (March 31, 2017 : Rs.(2,829)

Security against loan taken by others

- i) The Company had provided security by way of pledge of 251,999,900 (March 31, 2017: 251,999,900) shares of GVK Airport Developers Limited for loans taken by the aforesaid subsidiary.
- (ii) The Company had provided security by way of pledge of 230,960,770 (March 31, 2017: 230,960,770) shares of GVK Energy Limited for loans taken by the aforesaid joint venture entity.
- (iii) The Company has provided security by way of corporate guarantees amounting to Rs. 209,445 (March 31, 2017: Rs. 162,538) to subsidiaries and joint ventures and Rs. 368,519 to an associate (March 31, 2017: Rs. 369,975) for various fund and non-fund based facility availed by them.

Management is of the opinion that the aforesaid companies will be able to meet their obligations as they arise and consequently no adjustment is required to be made to the carrying value of the security and guarantees provided.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

33. Employee benefits

A) Defined contribution plan

Particulars	March 31, 2018	March 31, 2017
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	5	13

B) Disclosures related to defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Net employee benefit expense (included under employee benefit expenses)

Particulars	March 31, 2018	March 31, 2017
Current Service Cost	2	3
Past service cost adjustment	2	
Interest expenses	(1)	2
Net employee benefit expenses	3	5

ii) Amount recognised in the Balance Sheet

Particulars	March 31, 2018	March 31, 2017
Defined benefit obligation	9	31
Fair value of plan assets	35	33
Net Plan Liability/(Asset)*	*	(2)

*Plan assets has been recognised only to the extent of obligation.

iii) Changes in the present value of the defined benefit obligation for Gratuity are as follows

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	31	28
Current service cost	2	3
Interest cost	1	2
Benefits paid	(7)	(3)
Transfer out	(20)	-
Past service cost adjustment	2	-
Net Actuarial (gains)/losses on obligation for the year recognised under OCI	-	1
Closing defined benefit obligation	9	31

iv) Changes in fair value of plan assets

Particulars	March 31, 2018	March 31, 2017
Opening fair value of plan assets	33	31
Expected return	2	2
Actuarial Gain/(Loss) on plan assets for the year recognised under OCI	-	-
Closing fair value of plan assets	35	33

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
Scheme of Insurance- Conventional products	100%	100%

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

v) Amount recognised in statement of other comprehensive income (OCI):

Particulars	March 31, 2018	March 31, 2017
Opening amount recognised in OCI	-	1
Remeasurement for the year - Obligation gain/(loss)	-	(1)
Remeasurement for the year - plan assets gain/(loss)	-	-
Closing amount recognised in OCI	-	-

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

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.60%	7.20%
Expected rate of return on assets	8.00%	7.00%
Salary rise	7.00%	7.00%
Attrition Rate	5.00%	5.00%

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. The expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
3. The Company expects to contribute Rs. 1 to gratuity in the next year (March 31, 2017: Rs. 1)

Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Expected benefit payments for the year ending:

Year ending	March 31, 2018	March 31, 2017
Within next 12 months	1	2
Between 2 and 5 years	3	12
Beyond 5 years	15	28

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as at year end is as shown below:

Assumptions	March 31, 2018	March 31, 2017
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(0)	(2)
- 1% decrease	0	3
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	0	2
- 1% decrease	(0)	(2)
(c) Effect of 1% change in assumed employee attrition rate		
- 1% increase	0	0
- 1% decrease	(0)	(0)

34. Micro, small and medium enterprises

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as at the year end.

35. In respect of the amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at the year end.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

36. Related Parties

(a) Related parties where control exists

GVK Jaipur Expressway Private Limited
 GVK Airport Developers Limited (GVKADL)
 Goriganga Hydro Power Private Limited (upto December 31, 2017)
 GVK Perambalur SEZ Private Limited
 GVK Oil & Gas Limited (upto December 31, 2017)
 GVK Developmental Projects Private Limited
 GVK Airport Holdings Limited (GVKAHL)
 PT.GVK Services, Indonesia.
 GVK Transportation Private Limited
 GVK Ratle Hydro Electrical Projects Private Limited
 GVK Energy Venture Private Limited (upto December 31, 2017)
 GVK Bagodara Vasad Expressway Private Limited
 GVK Deoli Kota Expressway Private Ltd
 Bangalore Airport & Infrastructure Developers Limited
 Mumbai International Airport Private Limited
 GVK Airports International Pte Ltd
 GVK Airport Services Private Limited
 Sutara Roads & Infra Limited
 GVK Shivpuri Dewas Expressway Private Limited

(b) Related parties where joint control exists

GVK Energy Limited
 GVK Industries Limited
 Alaknanda Hydro Power Company Limited
 GVK Power (Goindwal Sahib) Limited
 GVK Gautami Power Limited
 GVK Power (Khadur Sahib) Private Limited
 GVK Coal (Tokisud) Company Private Limited
 Mumbai Aviation Fuel Farm Facility Private Limited
 Mumbai Airport Lounge Services Private Limited

(c) Associates

Seregraha Mines Limited
 Bangalore International Airport Limited (upto July 13, 2017)
 GVK Coal Developers (Singapore) Pte Ltd

(d) Key management personnel

Dr. GVK Reddy - Chairman
 Mr. G V Sanjay Reddy - Director
 Mr A Issac George - Director
 Mr Krishna R Bhupal - Director

(e) Enterprises over which the key management personnel exercise significant influence

TAJ GVK Hotels & Resorts Limited
 Orbit Travels & Tours Private Limited
 GVK Technical & Consultancy Services Private Limited
 Pinakini Share and Stock Broker Limited
 GVK Employee Welfare Trust
 Crescent EPC Projects and Technical Services Limited (Formerly GVK Projects and Technical Services Limited)

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

37. Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to SEBI Listing Regulations, 2015**Details of loan given to subsidiaries, associates, parties in which directors are interested:**

Subsidiaries	March 31, 2018	March 31, 2017
i) GVK Oil & Gas Limited		
Balance as at the year end	-	3
Maximum amount outstanding during the year	3	3
The aforesaid loan was repayable at the option of the subsidiary.		
ii) GVK Perambalur SEZ Private Limited		
Balance as at the year end	4,229	4,251
Maximum amount outstanding during the year	4,251	6,751
The aforesaid loan is repayable at the option of the subsidiary.		
iii) Goriganga Hydro Power Private Limited		
Balance as at the year end	-	-
Maximum amount outstanding during the year	-	4,847
Loan balance written off	-	4,847
The aforesaid loan was repayable at the option of the subsidiary.		
iv) GVK Airport Developers Limited		
Balance as at the year end	-	-
Maximum amount outstanding during the year	-	29,149
The aforesaid loan was repayable on demand.		
v) GVK Developmental Projects Private Limited		
Balance as at the year end	-	49
Maximum amount outstanding during the year	49	5,684
The aforesaid loan was repayable on demand.		
vi) GVK Transportation Private Limited		
Balance as at the year end	1,586	805
Maximum amount outstanding during the year	1,586	15,162
The aforesaid loan is repayable on demand.		
vii) GVK Ratle Hydro Electrical Projects Private Limited		
Balance as at the year end	-	-
Maximum amount outstanding during the year	-	1
The aforesaid loan was repayable on demand.		
viii) GVK Power (Goindwal Sahib) Limited		
Balance as at the year end	15	22
Maximum amount outstanding during the year	22	22
The aforesaid loan was repayable on demand.		

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Subsidiaries	March 31, 2018	March 31, 2017
ix) GVK Energy Limited		
Balance as at the year end	4,320	2,282
Maximum amount outstanding during the year	4,320	2,282
The aforesaid loan is repayable on demand.		
x) GVK Bagodara Vasad Expressway Private Limited		
Balance as at the year end	-	5
Maximum amount outstanding during the year	5	5
The aforesaid loan is repayable on demand.		
xi) GVK Jaipur Expressway Private Limited		
Balance as at the year end	82	82
Maximum amount outstanding during the year	82	104
The aforesaid loan is repayable on demand.		
xii) Bangalore International Airport Limited		
Balance as at the year end	-	4
Maximum amount outstanding during the year	4	5
The aforesaid loan is repayable on demand.		
xiii) GVK Industries Limited		
Balance as at the year end	140	137
Maximum amount outstanding during the year	140	143
The aforesaid loan is repayable on demand.		
xiv) GVK Deoli Kota Expressway Private Limited		
Balance as at the year end	-	2
Maximum amount outstanding during the year	2	2
The aforesaid loan is repayable on demand.		

38. Details of trade receivables due from private companies in which Company's director is a director.

Mumbai International Airport Private Limited Rs. 113 (March 31, 2017 Rs. 223).

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Details of related party transactions during the year

Particulars	GVK Industries Limited	GVK Gautami Power Limited	Mumbai International Airport Private Limited	GVK Jaipur Expressway Private Limited	GVK Bagodara Vasad Expressway Private Limited	Alaknanda Hydro Power Company Limited	Goriganga Hydro Power Private Limited	GVK Power (Goindwal Sahib) Limited
Transactions during the year								
Fees for services rendered (including service tax and corporate guarantee commission income)	-	301	1,469	244	-	-	-	-
	-	(1,150)	(1,442)	(224)	-	-	-	-
Reimbursement of expenses (Billable expenses)	0	101	-	0	-	0	-	0
	-	(412)	-	-	-	-	-	-
Services received	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Equity/ preference shares allotted during the year	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loans/advances given/expenditure incurred on behalf	1	-	-	-	-	-	2	-
	(2)	-	(12)	(103)	-	(2)	(76)	(0)
Loans/advances recovered	-	-	-	-	-	-	-	-
	(6)	-	-	(22)	-	-	-	-
Share application money given	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Interest income on financial assets/ Excess provision written back/ Unearned guarantee commission written back	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Advances and Investments written off/Fair value loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(4,847)	-
Loan taken	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees released	-	-	-	14,661	-	-	-	4,050
	-	-	-	(7,537)	-	-	-	-
Director sitting fees	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Investment pledges	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Balances outstanding								
Receivables/(Payables) - March 31, 2018	140	2	113	(778)	5	0	2	22
Receivables/(Payables) - March 31, 2017	137	730	223	(995)	5	(0)	-	25
Corporate Guarantee	-	-	-	64,854	-	-	-	-
	-	-	-	79,515	-	-	-	4,050
Pledge of Investment (no. of shares)	-	-	-	-	-	-	-	-

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	GVK Airport Developers Limited	GVK Ratle Hydro Electric Project Private Limited	GVK Transportation Private Limited	GVK Coal (Tokisud) Company Private Limited	Crescent EPC Projects and Technical Services Limited	GVK Perambalur SEZ Private Limited	GVK Developmental Projects Private Limited
Transactions during the year							
Fees for services rendered (including service tax and corporate guarantee commission income)	670	101	-	-	-	-	-
	(116)	(102)	(138)	-	(34)	-	-
Reimbursement of expenses (Billable expenses)	-	-	-	-	0	-	-
	-	-	-	-	-	-	-
Services received	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Equity/ preference shares allotted during the year	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Loans/advances given/expenditure incurred on behalf	594	0	1,682	-	1	2,518	-
	(19,087)	(0)	(12,079)	-	-	(19)	(9,307)
Loans/advances recovered	594	0	900	-	1	2,540	51
	(47,617)	(0)	(16,580)	-	-	(2,500)	(9,257)
Share application money given	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Interest expense	6	-	-	-	-	-	-
	-	-	-	-	-	-	-
Interest income on financial assets/ Excess provision written back/Unearned guarantee commission written back	498	-	-	-	-	-	-
	(1,101)	-	-	-	(3)	-	-
Advances and Investments written off/ Fair value loss	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	37,509
	(39)	-	-	-	-	-	-
Loan repaid	39	-	-	-	-	-	5,631
	-	-	-	-	-	-	-
Guarantees given	106,128	-	-	-	-	-	-
	(7,916)	-	-	-	-	-	-
Guarantees released	13,494	-	-	-	-	-	5,200
	(51,440)	-	(33,778)	-	(2,006)	-	-
Director sitting fees	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Investment pledges	-	-	-	-	-	-	-
	(68,999,900)	-	-	-	-	-	-
Balances outstanding							
Receivables/(Payables) - March 31, 2018	694	(110)	1,586	0	21	9,228	(31,879)
Receivables/(Payables) - March 31, 2017	2,278	(209)	561	0	20	9,250	51
Corporate Guarantee	111,705	26,472	-	-	-	-	-
	19,071	26,472	-	-	-	-	5,200
Pledge of Investment (no. of shares)	251,999,900	-	-	-	-	-	-
	251,999,900	-	-	-	-	-	-

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	GVK Energy Limited	GVK Oil & Gas Limited	Bangalore International Airport Limited	Bangalore Airport & Infrastructure Developers Limited	GVK Technical & Consultancy Services Private Limited	Taj GVK Hotels & Resorts Limited	Orbit Travels & Tours Private Limited
Transactions during the year							
Fees for services rendered (including service tax and corporate guarantee commission income)	92	-	-	-	-	-	-
	(126)	-	-	-	-	-	-
Reimbursement of expenses (Billable expenses)	0	-	-	-	0	-	-
	-	-	-	-	-	-	-
Services received	9	-	-	-	123	1	4
	-	-	-	-	(151)	(2)	(2)
Equity/ preference shares allotted during the year	-	-	-	-	-	-	-
	(5,118**)	-	-	-	-	-	-
Loans/advances given/expenditure incurred on behalf	2,096	10	23	-	-	-	-
	(2,782)	(3)	(4)	-	-	-	-
Loans/advances recovered	61	127#	27	-	-	-	-
	(541)	-	(1)	-	-	-	-
Share application money given	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Interest income on financial assets/Excess provision written back/Unearned guarantee commission written back	(60)	-	-	-	-	-	-
	(15)	-	-	-	-	-	-
Advances and Investments written off/Fair value loss	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Guarantees released	21,817	-	-	-	-	-	-
	(2,720)	-	-	(4,200)	-	-	-
Director sitting fees	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Investment pledges	-	-	-	-	-	-	-
	(143,050,182)	-	-	-	-	-	-
Balances outstanding							
Receivables/(Payables) - March 31, 2018	4,422	-	-	-	(84)	(0)	(0)
Receivables/(Payables) - March 31, 2017	2,255	3	4	-	(130)	(1)	(36)
Corporate Guarantee	6,413	-	-	-	-	-	-
	28,230	-	-	-	-	-	-
Pledge of Investment (no. of shares)	230,960,770	-	-	-	-	-	-
	230,960,770	-	-	-	-	-	-

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Particulars	Seregraha Mines Limited	GVK Employee Welfare Trust	GVK Coal Developers (Singapore) Pte Limited	GVK Deoli Kota Expressway Private Limited	GVK Airport Services Private Limited	Sutara Roads & Infra Limited	Mr. GV Sanjay Reddy	Mr. Krishna R Bhupal
Transactions during the year								
Fees for services rendered (including service tax and corporate guarantee commission income)	-	-	1,167	-	-	-	-	-
	-	-	(1,112)	-	-	-	-	-
Reimbursement of expenses (Billable expenses)	-	-	-	0	-	-	-	-
	-	-	-	-	-	-	-	-
Services received	-	0	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Equity/ preference shares allotted during the year	-	-	61,303	-	-	-	-	-
	-	-	(26,479)	-	(18)	-	-	-
Loans/advances given/expenditure incurred on behalf	-	-	-	-	-	-	-	-
	-	-	-	(2)	-	-	-	-
Loans/advances recovered	-	-	-	-	0	-	-	-
	-	(339)	-	-	-	-	-	-
Share application money given	-	-	21,672	-	-	-	-	-
	-	-	(26,058)	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-	-
	-	-	(53)	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Interest income on financial assets/Excess provision written back/Unearned guarantee commission written back	-	-	2,740	-	-	-	-	-
	-	-	(2,151)	-	-	-	-	-
Advances and Investments written off/Fair value loss	-	-	8,861	-	-	-	-	-
	-	(327)	(22,498)	-	-	-	-	-
Loan taken	-	-	-	-	-	3,193	-	-
	-	-	-	-	-	(8,620)	-	-
Loan repaid	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Guarantees released	1,441	-	15	-	-	-	-	-
	-	-	(8,493)	-	-	-	-	-
Director sitting fees	-	-	-	-	-	-	1	1
	-	-	-	-	-	-	(1)	(1)
Investment pledges	-	-	-	-	-	-	-	-
	-	-	(74,439,264)	-	-	-	-	-
Balances outstanding								
Receivables/(Payables) - March 31, 2018	6	-	67,087	1	0	(11,813)	-	-
Receivables/(Payables) - March 31, 2017	6	-	51,614	2	0	(8,620)	-	-
	-	-	-	-	-	-	-	-
Corporate Guarantee	-	-	368,519	-	-	-	-	-
	1,441	-	368,534	-	-	-	-	-
Pledge of Investment (no. of shares)	-	-	226,082,500*	-	-	239,800***	-	-
	-	-	226,082,500*	-	-	239,800***	-	-

a) Previous year figures are in parenthesis except for receivable/(payable) at year end

b) Refer note 32 for equity commitments.

c) * Pledge of 155,587,500 (March 31, 2017: 155,587,500) shares of GVK Energy Limited, 22,495,000 (March 31, 2017: 22,495,000) shares of GVK Transportation Private Limited and 48,000,000 (March 31, 2017: 48,000,000) shares of GVK Airport Developers Limited

d) Refer note 16 for security provided by subsidiaries for loans availed by the Company.

e) The advances/loans and guarantees have been provided to meet normal business needs of respective entity.

f) ** Nil (March 31, 2017: 5,117,647) 0.001% compulsory Convertible Debentures of Rs. 100 each were converted into 1 fully paid-up equity share.

g) *** 239,800 preference shares of GVK Airport Developers Limited held by Sutara Roads & Infra Limited have been pledged for loans taken by the Company.

h) # Includes Rs. 114 recovery of loan written off in the previous year.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

39. Capital management

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

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings and trade payables, less cash and short-term deposits.

Particulars	March 31, 2018	March 31, 2017
Borrowings including interest accrued on borrowings (refer note 16, 18 & 20)	60,049	37,663
Trade payables (refer note 19)	191	433
Less: cash and short-term deposits (refer note 11)	(56)	(16)
Net debt	60,184	38,080
Equity (refer note 15A)	15,792	15,792
Retained earnings (refer note 15 (B) (i))	(58,745)	(55,137)
Other Equity (refer note 15 (B) (ii) (iii))	216,062	216,062
Total Equity	173,109	176,717
Gearing ratio (Net Debt/ Total Equity)	0.35	0.22

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. The Company has delayed repayment of dues to banks and financial institutions during the year. Hence, the entire portion of long term borrowing has been classified as current.

The Company has delayed repayment of dues to banks during the year. The following is the summary of delays:

Particulars	Delay in days	Amount
March 31, 2018		
Interest on loans from banks	1 - 275	1,679
Principal payment on loans from banks	93 - 222	4,552
Interest on loans from banks	1 - 729	4,322
Principal payment on loans from banks	1 - 729	10,635
Principal payment on loans from banks	Unpaid as at March 31, 2018	10,594
March 31, 2017		
Interest on loans from banks	61-149	691
Interest on loans from banks	29-121	1,170
Interest on loans from banks	27-87	802
Principal payment on loans from banks	30-153	2,050
Principal payment on loans from banks	28-90	2,460
Interest on loans from banks	318-440	915
Interest on loans from banks	21-415	2,523
Principal payment on loans from banks	Unpaid as at March 31, 2017	14,956

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

40. Significant accounting judgements, estimates and assumptions

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

A. Judgements

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

i. Impairment of non-current assets including investments in subsidiaries, joint ventures and associates

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 ('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.

ii. Determination of control and accounting thereof

As detailed in the accounting policy, principles under Ind AS are different from the previous GAAP, especially with respect to assessment of control of subsidiaries. Accordingly certain entities like GVK Energy Limited, where the company has majority shareholding, they have been accounted as joint venture entity on account of certain participative rights granted to other partners/ investors under the shareholding agreements. Further, investment in GVK Coal Developers (Singapore) Pte. Ltd has been accounted as associate since the company participates in all significant financial and operating decisions. The company has therefore determined that it has significant influence over this entity, even though it only holds 10% of the voting rights.

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

iii. Also refer note 45 on significant judgement on going concern ability of the Company.

B. 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.

(i) Taxes

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

Also refer note 30(b) for significant estimates for income taxes.

(ii) Defined employee benefit plans (Gratuity)

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

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 33.

(iii) 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 Discounted Cash Flow (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.

(iv) Depreciation on property, plant and equipment

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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

41 Financial risk management objectives and policies

Financial Risk Management Framework

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

A Price risk

The company's exposure to investment in mutual funds are subject to price and classified in the balance sheet as fair value through profit or loss.

Sensitivity

The table below summaries the impact of increase/decrease of the index on the company's investment in mutual fund and profit/(loss) for the period.

Particulars	Impact on Profit after tax		Impact on other components of equity	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Increase by 1%	16	9	-	-
Decrease by 1%	(16)	(9)	-	-

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

B Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and other financial assets. Trade receivables, Financial guarantee receivables (Other financial assets) and Loans given by the Company result in material concentration of credit risk as these are with related parties.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 9,762 (March 31, 2017: Rs. 10,275), being the total of the carrying amount of balances with trade receivables, Loans and Other financial assets.

Trade receivables, Other financial assets, Loans given:

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security. Impairment analysis takes into account historical credit loss experience and adjusted for forward-looking information. Significant portion of trade receivables, other financial assets and loans given comprise receivables from related parties and not subject to significant credit risk based on past history.

C Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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

Particulars	On Demand	Within 12 months	After 12 months	Total
Year ended March 31, 2018				
Borrowings	54,286	-	-	54,286
Other financial liabilities	-	5,763	-	5,763
Trade payables	-	191	-	191
Financial guarantee contracts*	577,964	-	-	577,964
Total	632,250	5,954	-	638,204
Year ended March 31, 2017				
Borrowings	33,161	-	-	33,161
Other financial liabilities	-	4,502	-	4,502
Trade payables	-	433	-	433
Financial guarantee contracts*	532,513	-	-	532,513
Total	565,674	4,935	-	570,609

* Based on maximum amount that can be called for under the financial guarantee contract.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

D Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, investments, other financial assets and other financial liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company'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. As the Company has debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates.

As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings. With all other variables held constant, the Company's profit/(loss) before tax is affected through impact on floating rate borrowings, as follows:

Particulars	31-Mar-18	31-Mar-17
Change in Interest Rate		
-increase by 50 basis points	96	175
-decrease by 50 basis points	(96)	(175)

Foreign Currency exchange rate 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 investment in foreign entity and financial asset/liability in relation to foreign entity in respect of financial guarantee. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Company has not entered into derivative instruments during the year.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	In USD (in Lakhs)		In Rupees Lakhs	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Investments*	1,710	1,374	68,111	51,459
Other financial liability	67	85.10	4,347	5,518
Other financial assets	51	91	3,324	5,868

* Amount in INR is at basis the amortised cost valuation.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with 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.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Increase/(decrease) in profit before tax			Rs. in Lakhs
Change in USD rate	31-Mar-18	31-Mar-17	
5%	3,354	2,590	
-5%	(3,354)	(2,590)	

42. Segment reporting

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

43. The company has an investment in GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) which is assessed as an associate to the Company. The Company exercises significant influence on GVK Coal as per Ind AS 28.

The Company has made investments and has receivables aggregating to Rs. 69,414 (March 31, 2017: Rs. 51,815) and provided guarantees and commitments for loans amounting Rs. 752,080 (March 31, 2017: Rs. 752,110) taken by GVK Coal as at March 31, 2018, and has undertaken to provide financial assistance of USD 7.83 million (Rs. 5,009) as at March 31, 2018, an entity whose current liabilities exceeds current assets by USD 2,151 million (Rs. 1,398,927) as at March 31, 2018 and has incurred losses of USD 77 million (Rs. 50,189) for the year ended March 31, 2018, based on the unaudited financial statements is witnessing material uncertainties. The prices of the coal have fallen since GVK coal had acquired stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal. Further, certain lenders of GVK Coal have classified the loan as non- performing and the lenders had an option to curtail the rights of the company on various assets either on October 2015 or every year thereafter. The lenders have not yet exercised this option.

GVK coal is in discussion with non- controlling shareholders to realign the option exercise dates, looking for additional funding from potential investors and working with lenders to reach to optimal solution. Management believes that while the prices of coal have fallen, the fall in prices of other commodities and services would offset the impact of fall in coal prices on the project by reducing capital and operating cost requirements and hence, GVK Coal would be able to ultimately establish profitable operations, meet its obligations and its current liabilities being in excess of current assets is temporary in nature. The coal prices have also shown an increasing trend in the recent past. The management further believes that even though there are material uncertainties in the short to medium term around achieving appropriate solutions with lenders, non-controlling share-holders and on funding the project, considering the prospects in the long term, presently no adjustment is required to receivables and , investments, and the Company considers the same as fully recoverable once the operations are established. Further, the management believes that considering the active discussions with the lenders, it is not probable that guarantees and commitments will be invoked. In the unlikely situation that the guarantees and commitments were to be invoked, the company will be required to arrange cash flows to service the guarantees and commitments. Such outflow which will be accompanied by acquisition of additional interest in the assets of the GVK coal and hence it is unlikely to have any significant adverse impact on the statement of profit and loss.

44. Certain subsidiaries and jointly controlled entity (group companies) of GVK Energy Limited ('GVKEL'), a jointly controlled entity are facing uncertainties as detailed below:

a) There has been uncertainty regarding supplies/availability of gas to power plants of GVK Industries Limited (GVKIL), subsidiary company, and GVK Gautami Power Limited (GVKGPL), jointly controlled entity. These group companies have made losses of Rs. 36,736 (March 31, 2017: Rs. 26,729). The lenders have classified the loan balances of these group companies as non-performing assets. The Company is confident that Government of India will continue to take necessary steps/initiatives

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

to improve the situation of natural gas. However in the interim these group companies are working with the lenders for one time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to APDISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that these group companies continue to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one time settlement proposal. The Company has given corporate guarantee for the loan taken by GVKGPL. The Company accordingly believes that no provision for impairment/diminution is required towards carrying value of assets aggregating to Rs. 59,304 of GVKIL and Rs. 118,500 of GVKGPL respectively and also no provision towards corporate guarantee given to GVKGPL is necessary.

b) Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 402,550 (March 31, 2017: Rs. 422,510) of GVK Power (Goindwal Sahib) Limited ('GVKPGSL'), subsidiary company, towards supply of fuel consequent to de-allocation of coal mine. Management has filed petition with Punjab State Electricity Regulatory Commission (PSERC) for re-negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal, approval for completed capital cost, etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. Pending determination of final tariff, PSERC in its interim order has allowed the subsidiary company to run the plant on imported fuel for up to two and half years within which GVKPGSL should make arrangements for coal on long term basis. In the interim Punjab State Power Corporation Limited ('PSPCL') has made certain deductions aggregating to Rs. 15,267 while approving the revenue claimed by GVKPGSL pursuant to the aforesaid interim order. GVKPGSL has also filed petitions with PSERC for the aforesaid deductions made by PSPCL.

In February 2018, GVKPGSL has obtained long term coal linkage through Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI scheme) for significant part of its capacity. Further in March 2018, PSERC has approved a provisional fixed charges of Rs 2.20 per unit till the final capital cost is determined."

GVKPGSL was unable to run the plant at optimal capacity during financial year 2016-17 and 2017-18 primarily on account of low availability of fuel and hence defaulted on repayment of dues to lenders. Consequently the lenders have classified the loan balances of GVKPGSL as non-performing assets. GVKPGSL is currently working with lenders towards the resolution plan as required by the RBI notification dated February 12, 2018 on resolution of stressed assets. If a resolution plan is not implemented as per the timelines specified in the aforesaid notification, lenders shall file insolvency application, singly or jointly, under the Insolvency and Bankruptcy Code 2016 within 15 days from the expiry of the said timeline.

Management based on internal assessment/legal advice believes that the aforementioned petitions will be decided in its favor and hence cancellation of coal mine will not impact the operations of the power project and it is also confident of receiving approval from the lenders for resolution plan and also implementing the same within the specified timelines. Accordingly, management is of the view that no provision is required to be made to assets with carrying value of Rs. 417,818 .

c) The Hon'ble Supreme Court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Company Private Limited ('GVKCTPL'), subsidiary company of Company's jointly controlled entity, and Nominated Authority had offered compensation of Rs. 11,129 as against carrying value of assets of Rs. 31,113 as at March 31, 2018. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015 and subsequently GVKCTPL submitted its claim for the balance compensation claim of Rs. 19,882 to the aforesaid authority. Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mine and accordingly no provision is required to be made to the carrying value of assets.

d) Trade receivable of GVKIL, include accruals towards reimbursement of fixed charges for the financial year 1997-1998 to 2000-2001, on increased capital cost worked out as per ratios set out in the Power purchase agreement aggregating to Rs. 3,597 (March 31, 2017: Rs. 3,212) by GVKIL, disincentive recoverable aggregating to Rs. 2,409 (March 31, 2017: Rs. 2,151), minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2000-2001 up to the financial year 2010-2011, aggregating to Rs. 3,119 (March 31, 2017: Rs. 2,945) and other receivables of Rs. 60 (March 31, 2017: Rs.54) which are being refuted by AP Transco/subject to approvals.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

The company based on the above assessments believes that it is appropriate to recognize investments and loans and advances given to GVK Energy Limited aggregating to Rs. 112,643 in financial statements at carrying value and no provision for diminution for such investments and loans is necessary and also no provision is required for corporate guarantees given by the company amounting to Rs. 10,298 as at March 31, 2018.

45. As at March 31, 2018, the Group/Company had accumulated losses and the Company has incurred losses during the preceding years. The Company/group has delayed payment of loans and interest and certain loan accounts have been classified as non-performing by banks. The Company has provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 43 and 44 (referring to notes on GVK Coal Developers (Singapore) Pte Limited and GVK Energy Limited), uncertainties are being faced by various projects such as delays in development of coal mines in an overseas project where the Company has provided guarantees and commitments for the borrowings, losses incurred by gas based plants in the absence of gas and litigations on rights to claim capacity charge, re-negotiation of terms of PPA of coal based plant and litigations on determination of tariff of hydro power project. These factors may indicate significant doubt on going concern. Notwithstanding the above, the financial statements of the Company have been prepared on going concern basis as management believes that the Company would be able to ultimately establish profitable operations, meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required despite current macro-economic environment challenges. Also the Company's subsidiaries i.e. Mumbai International Airport Private Limited and GVK Jaipur Expressway Private Limited are operating satisfactorily. The Company through its group company has also won the bid for Navi Mumbai International airport and is in the process of achieving financial closure.

46. Fair values

The management assessed that loans given, trade receivables, cash and cash equivalents, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

a) Financial instruments by category

	Level	March 31, 2018		March 31, 2017	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Measured at amortised cost					
Non current					
Investments	3	71,035	71,035	53,861	53,861
Loans	2	5	5	5	5
Other financial assets	2	971	971	4,469	4,469

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Level	March 31, 2018		March 31, 2017	
		Carrying value	Fair value	Carrying value	Fair value
Current:					
Trade receivables	2	130	130	916	916
Loans	2	6,156	6,156	3,357	3,357
Other financial assets	2	2,500	2,500	1,528	1,528
Cash and cash equivalents	2	56	56	16	16
Mandatorily measured at fair value through profit or loss					
Investments	1	1,647	1,647	872	872
Financial liabilities					
Measured at amortised cost					
Non current					
Borrowings (including current maturities)	3	10,594	10,594	25,495	25,495
Unearned financial guarantee liability	2	5,262	5,262	5,574	5,574
Current					
Borrowings	3	43,692	43,692	8,620	8,620
Trade payables	2	191	191	433	433
Other financial liabilities	2	8,110	8,110	5,395	5,395

Level 1: Level 1 hierarchy includes financial instruments measuring using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification asset included in level 3.

b) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- The fair value of investment in mutual funds is measured at quoted price or NAV.
- The fair values for non-current investments, other non-current financial assets and borrowings are based on discounted cash flows using a borrowing rate at the date of transition. They are classified as level 3 fair values in their fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

47. Details of specified notes transaction held and transacted during the period between November 8, 2016 to December 30, 2016:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash on hand as on November 08, 2016	-	0	0
(+) Permitted Receipts	-	0	0
(-) Permitted Payments	-	0	0
(-) Amount deposited in Banks	-	-	-
Closing Cash in Hand as on December 30, 2016	-	0	0

48. The financial statements contain certain amounts reported as "0" which are less than Rs. 1.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 90196

Place: Hyderabad

Date: May 23, 2018

For and on behalf of the Board of Directors of

GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

A Issac George

CFO

G V Sanjay Reddy

Vice Chairman

DIN: 00005282

P V Rama Seshu

AVP & Company Secretary

Notes

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Notes

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GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC059013

Regd Office: "Paigah House", 156-159, Sardar Patel Road, Secunderabad, 500 003 India.

Phone: +91 (40) 2790 2663, Fax: +91 (40) 2790 2665

Email Id: cs.gvcpil@gvk.com Website: www.gvk.com

Dear Shareholder(s),

Sub.: Mandatory updation of PAN and Bank details against your holding

Pursuant to SEBI circular dated 16th July, 2018, shareholders whose ledger folios do not have or have incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the details to the RTA/to the company for updation of the folio. As per the records with RTA, your folio needs to be updated with the PAN / complete Bank details so that the investments held by you will be fully protected with proper KYC compliance.

ACTION REQUIRED FROM THE SHAREHOLDER:

You are therefore requested to submit the following at the earliest but not later than 30th November, 2018 to enable us update the records immediately on receipt of the letter:

- Enclosed format duly filled in and signed by all the shareholders
- Self-attested copy of Pan Card of all the holders
- Original Cancelled Cheque leaf with name (if name is not printed, self-attested copy of the pass book first page)
- Address proof (self-attested Aadhaar-card)

In case, you have any queries or need any assistance in this regard, please contact:

M/s Karvy Computershare Pvt. Ltd.

Unit : GVK Power & Infrastructure Ltd

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District, Nanakramguda,

Hyderabad - 500 032

Tel: 040-67162222

Toll Free No.: 1800-3454-001

Email : einward.ris@karvy.com

Thanking you,

Yours faithfully,

For GVK Power & Infrastructure Ltd

Sd/-

P V Rama Seshu

AVP & Company Secretary

FORMAT FOR FURNISHING THE PAN AND BANK DETAILS

Reference No: GVK/PAN/1

To
 Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District, Nanakramguda,
 Hyderabad - 500 032.

Dear sir,

Unit: GVK Power & Infrastructure Ltd

I/ We furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing the needful. I/we are enclosing the self-attested copies of PAN cards of all the holders, original cancelled cheque leaf, Bank pass book and address proof viz., Aadhaar card as required for updation of the details:

Folio No.	
Address of the 1st named shareholder as per the share certificate	
Mobile No	
E-Mail id	

Bank Account Details : (for electronic credit of unpaid dividends and all future dividends)

Name of the Bank												
Name of the Branch												
Account Number (as appearing in your cheque book)												
Account Type (Saving / Current / Cash Credit)	10 - Saving				11 - Current				13 - Cash Credit			
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification												
11 Digit IFSC Code												

FirstHolder	PAN No	Name	Signature
JointHolder1			
JointHolder2			

Date:

Place:

NB: The above details will not be updated if the said documents are not attached and not duly signed by all the shareholder(s).



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC074796

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500003.

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

There is growing awareness and concern on the need to protect our environment around the globe. GVK has always been a company that has taken the lead in its efforts to protect the environment, with a strong focus on eco-sustainability in our operations. In this regard and in continuation with our earlier letter dated May 18, 2011, we once again appeal to you to register your e-mail Ids for receiving the Annual reports, Notices and other documents in soft copies.

This is in line with the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) permitting listed entities to send soft copies of the Annual Report, Notices and other documents to all those shareholders who have registered their e-mail addresses for the said purpose.

We request you to join us in this noble initiative and look forward to your consent for receiving communication through the electronic mode.

To do this, you are requested to take the following steps:

- For shares held in physical mode: Please fill in the appended Green Initiative form and register the same with our RTA - Karvy Computershare Pvt. Ltd.
- For shares held in dematerialized mode: Please update/register your e-mail address with your Depository participant or e-mail at einward.ris@karvy.com specifying your Client ID and DP Id and also fill in the appended Green Initiative form and register the same with our RTA - Karvy Computershare Pvt. Ltd.

The Annual Report of your Company would also be made available on the Company website www.gvk.com. Further, you will be entitled to get a hard copy of the Annual Report of the Company, upon receipt of a requisition from you, any time, as a member of the Company.

Thanking you,

For GVK Power & Infrastructure Limited

P V Rama Seshu

AVP & Company Secretary



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC074796

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500003.

To

KARVY COMPUTERSHARE PVT LTD

Unit: GVK Power & Infrastructure Ltd

Karvy Selenium Tower B, Plot 31-32

Gachibowli, Financial District

Nanakramguda, Hyderabad – 500 032

Dear Sirs,

Sub: Green Initiative in Corporate Governance-Service of Annual Report, Notice and other documents in electronic mode

I hereby give my consent to receive the above mentioned documents through the electronic mode.

Name of the sole/first shareholder	DP ID and Client ID/Folio No
E-mail ID	Signature of sole/first shareholder & Date

Notes:

1. On registration, all communications will be sent to the e-mail ID registered.
2. Shareholders are requested to keep the Company's Registrar - Karvy Computershare Pvt. Ltd. informed as and when there is any change in the e-mail address.



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC074796

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500003.

Phone: +91 (40) 27902663, Fax: +91 (40) 27902665

Email: cs.gvkpil@gvk.com website: www.gvk.com

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the member attending _____

Member's Folio No/ Client ID : _____ **No. Of shares held** _____.

Name of Proxy _____

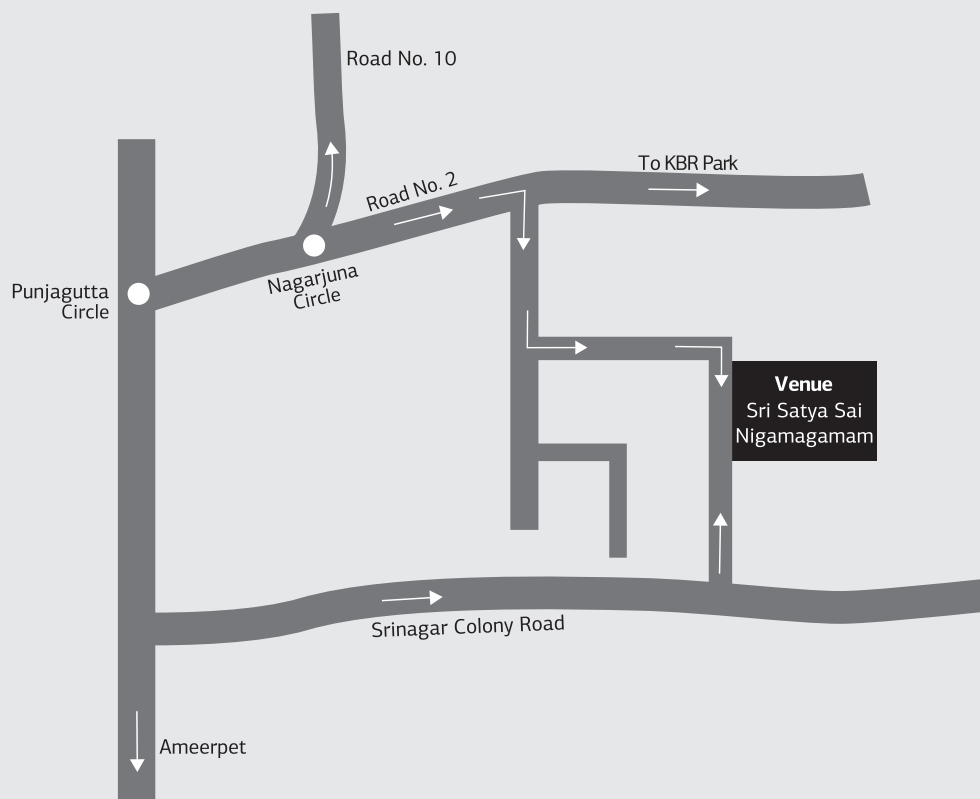
(To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 24th Annual General Meeting of the GVK Power & Infrastructure Ltd, at Sri Satya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 on Wednesday, the 14th November, 2018 at 11.30 a.m.

Member's / Proxy's Signature

- Notes: 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
 2) The Proxy, to be effective should be deposited at the Registered office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
 3) A Proxy need not be a member of the Company.
 4) 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.
 5) This form of proxy confers authority to demand or join in demanding a poll.
 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.

Route Map to AGM





GVK POWER & INFRASTRUCTURE LIMITED

L74999AP2005PLC074796

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003.

Phone: +91 (40) 27902663, Fax: +91 (40) 27902665

E.mail: cs.gvcpil@gvk.com Website: www.gvk.com

Form No: 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]

Regd. Folio No. :	*DP ID :
No. of Shares held:	*Client ID :

I/we, being member(s) of _____ shares of GVK Power & 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: _____

and whose signatures are appended below as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on Wednesday, the 14th November, 2018 at 11.30 a.m.. Sri Satya Sai Nigamagaram, 8-3-987/2, Srinagar Colony, Hyderabad - 500073 and at any adjournment thereof:



Sl. No.	Resolution(s)	Vote	
		For	Against

A. Ordinary Resolutions

1	Adoption of Audited financial statements (Standalone & Consolidated) for the year ended 31-03-2018		
2	Re-appointment of Krishna R Bhupal (DIN: 00005442) as a director retiring by rotation.		

B. Special Resolution

3	To raise funds up to an amount of Rs.8,000 Crore by combination of various options		
---	--	--	--

Signed this _____ day of _____ 2018

Signature of shareholder: _____ Signature of proxy holder: _____

Affix
Re.1/-
Revenue
Stamp

Note: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2) The proxy need not be a member of the company

* Applicable for investors holding shares in Electronic form.



Alakananda HEP, Srinagar



GVK Deoli-Kota Expressway

If undelivered, please return to:

KARVY COMPUTERSHARE PRIVATE LIMITED

Unit: GVK Power & Infrastructure Limited

Registrar & Share Transfer Agent

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial
District, Nanakramguda, Hyderabad – 500 032

Phone: 040-67161700, Fax: 040-23114087

E-mail: mailmanager@karvy.com