GVK


Terminal 2, MIAL, Mumbai

GVK POWER & INFRASTRUCTURE LIMITED

25TH ANNUAL REPORT 2018 - 19

GVK Jaipur Kishangarh Expressway


Alakananda HEP, Srinagar

Alakananda HEP, Srinagar

T2, MIAL, Mumbai

Contents

Corporate Information

Board of Directors

(As on May 24, 2019)

Dr. GVK Reddy	Chairman
G V Sanjay Reddy	Vice Chairman
P V Prasanna Reddy	Whole-time Director
Krishna R Bhupal	Director
A Issac George	Whole-time Director & CFO
Ch G Krishna Murthy	Independent Director
S Balasubramanian	Independent Director
S Anwar	Independent Director
Anumolu Rajasekhar	Independent Director
Sudha Vasanth	Woman Director
P V Rama Seshu	AVP & Company Secretary

Committees of the Board

Audit Committee

Ch G Krishna Murthy	Chairman
S Balasubramanian	
Anumolu Rajasekhar	

Nomination and Remuneration Committee

S Anwar	Chairman
Krishna R Bhupal	
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
S Anwar	
Ch G Krishna Murthy	

Statutory Auditors	**Registrar & Share Transfer Agents**
Price Waterhouse Chartered Accountants, LLP Plot No:77/A,8-2-624/A/1, 3rd Floor, Road No.10, Banjara Hills, Hyderabad – 500 034	Karvy Fintech Private Limited (earlier known as Karvy Computershare Pvt. Ltd.) Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Secretarial Auditor	**Internal Auditors**
Narender & Associates Company Secretaries 403, Naina Residency, Srinivasa Nagar(East) Ameerpet, Hyderabad – 500 038	Rambabu & Co Chartered Accountants H.O.: 31, Pancom Chambers Rajbhavan Road, Hyderabad - 500 082
Registered & Corporate Office	"Paigah House" 156-159 Sardar Patel Road, Secunderabad – 500 003
Stock Code	BSE : 532708 NSE : GVKPIL
ISIN	INE251H01024
CIN	L74999TG2005PLC059013

Financials at a glance

(Rs. Lakhs)

	Standalone		Consolidated	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Financial Performance				
Operational Incomes	2,321	1,654	409,817	386,321
EBIDTA	(3,084)	(7,658)	170,667	155,615
Other Income	7,710	7,560	26,493	100,422
Finance Costs	1,248	2,361	151,302	164,308
Depreciation	12	13	79,158	72,460
Profit / (Loss) from ordinary activities	3,366	(2,472)	(33,300)	19,269
Share of profit of associate			-	1,452
Share of loss of jointly controlled entity			2,551	(58,301)
Loss before tax	3,366	(2,472)	(30,749)	(37,580)
Tax expense/(credit)	(8028)	1,136	(307)	16,157
Non - controlling interest			5,907	2,430
Loss for the year	11,394	(3,608)	(36,349)	(56,167)
Other comprehensive income, net		-	(238)	360
Total comprehensive income	11,394	(3,608)	(36,587)	(55,807)
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	0.72	(0.23)	(2.30)	(3.56)
Financial Position:				
Fixed Assets (Net of depreciation)	92	35	1,722,356	1,558,839
Cash and Bank balance	49	56	56,827	137,347
Net current assets	(49,986)	(56,635)	(362,246)	(316,462)
Total Assets	244,288	245,506	2,182,486	2,027,185
Equity	15,792	15,792	15,792	15,792
Other equity	168,711	157,317	(136,097)	(99,918)
Net worth	184,503	173,109	(120,305)	(84,126)
Market Capitalisation	120,810	222,669	120,810	222,669

Notice

Notice is hereby given that the 25th Annual General Meeting of the members of GVK Power & Infrastructure Limited (CIN:L74999TG2005PLC059013) will be held on **Wednesday, September 25, 2019 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, 2019 and the Report of the Board of Directors ('the Board') and the auditors thereon.

2. To appoint a director in place of Mr. G V Sanjay Reddy (DIN 00005282), 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 149 and other applicable provisions of the Companies Act, 2013 read with Article 109 of the Articles of Association of the Company and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018, Dr. GVK Reddy (DIN:00005212) was appointed as an Additional (Non-executive) Director of the Company and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of Act and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT P V Rama Seshu, AVP & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, Mr. Ch G Krishna Murthy (DIN: 01667614), who meets the criteria for independence as per the relevant provisions of the Act and Listing Regulation, 2015 and who has submitted a declaration to that effect, was appointed as an Additional (Independent) Director of the Company by the Board of Directors with effect from 25 April, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 25th April, 2019 to 24th April, 2024."

"RESOLVED FURTHER THAT P V Rama Seshu, AVP & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16 and amended Regulation 17(1A) of the Listing Regulations, 2015, Mr. S Balasubramanian (DIN: 02849971), who meets the criteria for independence as per the relevant provisions of the Act and Listing Regulation, 2015 and who has submitted a declaration to that effect, was appointed as an Additional (Independent) Director of the Company by the Board of Directors with effect from 25 April, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of Act and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 25th April, 2019 to 24th April, 2024."

"RESOLVED FURTHER THAT P V Rama Seshu, AVP & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

6. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT Mr. Anumolu Rajasekhar (DIN 01235041), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25 April, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. Anumolu Rajasekhar who meets the criteria for independence as per the relevant provisions of the Act and Listing Regulation, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 25th April, 2019 to 24th April, 2024, be and is hereby approved."

   "RESOLVED FURTHER THAT P V Rama Seshu, AVP & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

7. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 of the Listing Regulations, 2015, Ms. Sudha Vasanth (DIN: 07095995), who was appointed as an Additional Director (Non-Independent Woman Director) of the Company by the Board of Directors with effect from 25 April, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Woman Director of the Company to hold office for a term of 5 (five) consecutive years from 25th April, 2019 to 24th April, 2024.

   "RESOLVED FURTHER THAT P V Rama Seshu, AVP & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

8. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16 and amended Regulation 17(1A) of the Listing Regulations, 2015, Mr. S Anwar (DIN: 06454745), who meets the criteria for independence as per the relevant provisions of the Act and Listing Regulation, 2015 and who has submitted a declaration to that effect, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years with effect from 13th August, 2019 to 12th August, 2024 and whose office shall not be liable to retire by rotation"

   "RESOLVED FURTHER THAT P V Rama Seshu, AVP & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

9. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to Sections 2(94), 196, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory amendment, modifications, or re-enactment thereof and subject to such other requisite approvals, as may be required and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors, approval of the shareholders be and is hereby accorded to the Company for the appointment of Mr. A Issac George as Whole-time Director & Chief Financial Officer of the Company for a period of five years with effect from 24th May, 2019 to 23rd May, 2024 without any remuneration."

   "RESOLVED FURTHER THAT P V Rama Seshu, AVP & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

By order of the Board

Place : Hyderabad
Date : August 12, 2019

P V Rama Seshu
AVP & Company Secretary

Notes:

1. **A Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote instead of himself/herself, and the 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 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other shareholder.
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
5. The explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out above is annexed hereto and forms part of the notice.
6. 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.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **September 23, 2019 to September 25, 2019** (both days inclusive) for the purpose of Annual General Meeting of the Company.
8. SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form.

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 copy of the Board resolution authorizing their representatives to attend.

   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, and to their Depository Participants (DP) in respect of shares held in the dematerialized form.

10\. 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.

11\. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of the director seeking appointment/re-appointment at the AGM, is furnished as part of Corporate Governance Report.

12\. 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.

13\. 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.

14. 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.

15. 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. As such the members who are yet to register are requested to furnish/ register their e-mail id's to enable the Company to send all notices, periodical statements etc., of the Company through electronic mode at einward.ris@karvy.com.

16. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

17. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

18. **Voting through electronic means**

In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, substituted by Companies (Management & Administration) Amendment, Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting (E-Voting) facility provided by Karvy Fintech 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 **September 22, 2019 at 9.00 a.m.** and ends on **September 24, 2019 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, **August 23, 2019** 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 **September 18, 2019**, 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. **September 18, 2019**, 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 (Hereinafter referred to as 'the Act')

Item No: 3

Members are aware, that Dr. GVK Reddy (Aged 82 years, DIN: 00005212) was initially appointed as Chairman & Managing Director of the Company for a period of three years (i.e. from 14-10-2005 to 13-10-2008) and had been re-appointed in the same position for another period of five years (i.e. from 14-10-2008 to 13-10-2013). The Board of Directors of the Company at its meeting held on 12-08-2013 had considered and approved the re-appointment of Dr. GVK Reddy as Chairman & Managing Director for a further period of five years (i.e. from 14-10-2013 to 13-10-2018). Even though, the Remuneration Committee and the Board have fixed certain salary and the perquisites as a remuneration, Dr. GVK Reddy had decided and declined to accept any remuneration until the Company start making profits. Accordingly, the Board at the said meeting has taken on record his request and approved his re-appointment as Chairman and Managing Director of the Company without any remuneration. Setting as an example for a good corporate governance that one person shall not occupy both the positions of Chairman and Managing Director, Dr. GVK Reddy volunteered to step down from the position of Managing Director with effect from November 11, 2017 and has since been continuing as a non-executive chairman of the company.

However, Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), made it mandatory that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the Shareholders through a special resolution to that effect". Since, the company could not get the special resolution passed before 31st March, 2019, Dr. GVK Reddy (82 years) has vacated the office of director, by operation of law, by virtue of Section 167 of the Act after the end of business hours on 31st March, 2019.

Dr. GVK Reddy, the founder Chairman of the GVK Group and being one of the pioneers of the Indian Infrastructure Industry, the Board thought it appropriate to appoint him as a Director even though he had attained 82 years so as to utilize his vast skills, rich experience for the benefit of the Company. He being the Promoter Director, his proposed appointment would be subject to retirement by rotation. Accordingly, based on the recommendation of the Nomination and Remuneration Committee meeting held on 22nd April, 2019, the Board of Directors has approved his appointment through a Circular Resolution dated 23rd April, 2019, subject to further approval of Members at this Annual General Meeting. This appointment is in terms of the provisions of Sections 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force).

A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, 2015 is set out in the 'Report on Corporate Governance' appearing at page 32 of the Annual Report.

Dr. GVK Reddy, being the incumbent, is deemed to be directly interested or concerned in this special resolution along with Mr. G V Sanjay Reddy, Vice Chairman and Mr. Krishna R Bhupal, Director being his direct relatives and also due to their shareholdings in the Company. Except them, none of the Directors or Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this special resolution.

Item No: 4

Mr. CH G Krishna Murthy (aged 88 years, DIN: 01667614) was appointed as a non-executive independent director of the Company for a term of five consecutive years upto February 12, 2020.

However, Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), made it mandatory that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the Shareholders through a special resolution to that effect". Since, the company could not get the special resolution passed before 31st March, 2019, Mr. Ch G Krishna Murthy (88 years) has vacated his office of director, by operation of law, by virtue of Section 167 of the Act, after the end of business hours on 31st March, 2019.

However, the Board thought it appropriate to appoint him as an Independent Director even though he had attained 88 years so as to utilize his vast skills, rich experience for the benefit of the Company. He being an independent director, his proposed appointment will be for a period another period of 5 years from 25th April, 2019 to 24th April, 2024 and is not liable to retire by rotation. The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. CH G Krishna Murthy for the office of Independent Director. Accordingly, based on the recommendation of the Nomination and Remuneration Committee meeting held on 22nd April, 2019, the Board of Directors approved his appointment through a Circular Resolution dated 23rd April, 2019, subject to further approval of Members at this Annual General Meeting. This appointment is in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force).

The Company has received from Mr. CH G Krishna Murthy (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

A copy of the above documents and draft letter of appointment of Mr CH G Krishna Murthy setting out the terms and conditions of his appointment are available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days at the Registered Office of the Company. A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, 2015 is set out in the 'Report on Corporate Governance' appearing at page 32 of the Annual Report.

Except Mr. Ch G Krishna Murthy, being the incumbent, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this special resolution. He is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desired to avail his continuous service. Accordingly, consent of the Members is sought for passing Special Resolution as set out in item No. 4 of this Notice.

Item No. 5

Mr. S Balasubramanian (aged 76 years, DIN: 02849971) was appointed as a non-executive independent director of the Company for a term of five consecutive years upto February 12, 2020.

However, Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), made it mandatory that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the Shareholders through a special resolution to that effect". Since, the company could not get the special resolution passed before 31st March, 2019, Mr. S Balasubramanian (76 years) has vacated his office of director, by operation of law, by virtue of Section 167 of the Companies Act, 2013 after the end of business hours on 31st March, 2019.

However, the Board thought it appropriate to appoint him as an Independent Director even though he had attained 76 years so as to utilize his vast skills, rich experience for the benefit of the Company. He being an independent director, his proposed appointment will be for a period another period of 5 years from 25th April, 2019 to 24th April, 2024 and is not liable to retire by rotation. The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. S Balasubramanian for the office of Independent Director. Accordingly, based on the recommendation of the Nomination and Remuneration Committee meeting held on 22nd April, 2019, the Board of Directors approved his appointment through a Circular Resolution dated 23rd April, 2019, subject to further approval of Members at this Annual General Meeting. This appointment is in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force).

The Company has received from Mr. S Balasubramanian(i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

A copy of the above documents and draft letter of appointment of Mr S Balasubramanian setting out the terms and conditions of his appointment are available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days at the Registered Office of the Company. A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, 2015 is set out in the 'Report on Corporate Governance' appearing at page 32 of the Annual Report.

Except Mr. S Balasubramanian, being the incumbent, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this special resolution. He is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desired to avail his continuous service. Accordingly, consent of the Members is sought for passing Special Resolution as set out in item No. 5 of this Notice.

Item No: 6

Based on the recommendation of the Nomination and Remuneration Committee held on 22nd April, 2019 the Board of Directors approved the appointment of Mr. Anumolu Rajasekhar (DIN: 01235041) as an Independent Director, not liable to retire by rotation, for a period of 5 years from 25th April, 2019 to 24th April, 2024, through a Circular Resolution dated 23rd April, 2019, subject to further approval of Members at this Annual General Meeting. This appointment is in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force). The Company has also received a notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. Anumolu Rajasekhar, for the office of Independent Director.

The Company has received from Mr. Anumolu Rajasekhar (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

A copy of the above documents and draft letter of appointment of Mr Anumolu Rajasekhar setting out the terms and conditions of his appointment are available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days at the Registered Office of the Company. A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, is set out in the 'Report on Corporate Governance' appearing at page 32 of the Annual Report.

Except Mr. Anumolu Rajasekhar, being the incumbent, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this resolution. He is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desired to avail his service. Accordingly, consent of the Members is sought for passing Resolution as set out in item No. 6 of this Notice.

Item No: 7

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and the applicable provisions of the Listing Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee, the Board has appointed Ms. Sudha Vasanth (DIN: 07095995) as an Additional (Non-Independent Woman) Director of the Company, not liable to retire by rotation, for the period of 5 (five) consecutive years, effective from April 25, 2019, subject to further approval of Members at this Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Ms. Sudha Vasanth for the office of Woman Director.

A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, 2015 is set out in the 'Report on Corporate Governance' appearing at page 32 of the Annual Report.

Except Ms. Sudha Vasanth, being the incumbent, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this resolution. She is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board considers that her association would be of immense benefit to the Company. Accordingly, consent of the Members is sought for passing resolution as set out in item No. 7 of this Notice.

Item No: 8

Mr. S Anwar (aged 74 years, DIN: 06454745) was appointed as a non-executive independent director of the Company for a term of 5 (five) consecutive years upto August 12, 2019. Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 24th May, 2019 has re-appointed Mr. S Anwar as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years with effect from August 13, 2019 to August 12, 2024 subject to approval of Members at this Annual General Meeting. In this regard, the Company has already received a notice in writing under the provisions of Section 160(1) of the Act, from a member proposing the candidature of Mr. S Anwar for the office of Independent Director.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018, effective from April 1, 2019, no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect. Mr. S Anwar will attain the age of 75 years on August 15, 2020 and hence his continuation in office of Director requires the approval of members by way of a special resolution.

In view of aforesaid provisions and based on the skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by Mr. S Anwar during his tenure as a Director, the Company is seeking the approval of its members by way of a Special Resolution for his re-appointment as an Independent Non-Executive Director of the Company.

The Company has received from Mr. S Anwar (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

A copy of the above documents and draft letter of re-appointment of Mr S Anwar setting out the terms and conditions of his re-appointment are available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days at the Registered Office of the Company. A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, is set out in the 'Report on Corporate Governance' appearing at page 32 of the Annual Report.

Except Mr. S Anwar, being the incumbent, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this special resolution. He is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desired to avail his continuous service. Accordingly, consent of the Members is sought for passing Special Resolution as set out in item No. 8 of this Notice.

Item No: 9

Mr. A Issac George (Aged 65 years, DIN 00005456) joined the group in April, 1995, who has grown with the company over years and held various positions. He also contributed for the success of Company's Restructuring, Initial Public Offer, Qualified Institutional Placements, Scheme of Amalgamation and Scheme of Arrangement. Mr. Issac George, also played a significant role in raising finances as and when required by the group for various projects. Ever since superannuated on 9th May, 2012 Mr. Issac George has been continuing on the board as a Non-executive and Non-Independent Director of the Company. Subsequently, under section 203 of the new Companies Act, 2013 it was made mandatory that every listed entity shall have a Chief Financial Officer as one of the Key Managerial Personnel of the company. Accordingly, Mr. A Issac George, who was a non-executive director till then, has been re-designated as Director & CFO in a whole-time position with effect from 29th May, 2014 and notified to the Ministry of Corporate Affairs as one of the Key Managerial Personnel (CFO) under section 203 of the Act. In line with the management's decision, he was not drawing any salary since then, along with other managing director / whole time director, as the case may be, of the Company.

In recognition of his meritorious services to the Company, the Board at its meeting held on 24th May, 2019, has decided to avail his continuous services and accordingly, based on the recommendations of the Nomination and Remuneration Committee of the Company, the Board has appointed him as Whole-time Director & Chief Financial Officer of the Company as per Sec 2(98), Sec 196, 203 and as per applicable provisions of Companies (Appointment and Qualification of Directors) Rules, 2014 read with applicable regulations of SEBI (LODR) Regulations, 2015 as may be required, subject to approval of the shareholders at this meeting, for a further period of 5 years with effect from 24th May, 2019 to 23rd May, 2024 without any remuneration. In this regard, the Company has already received a notice in writing under the provisions of Section 160(1) of the Act, from a member proposing the candidature of Mr. A Isaac George for the office of Whole Time Director.

A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, 2015 is set out in the 'Report on Corporate Governance' appearing at page 32 of the Annual Report.

He is not related to any of the Directors or other Key Managerial Personnel of the Company. Except Mr. A Issac George, being the incumbent, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this Special Resolution.

The Board considers that his continued association would be of immense benefit to the Company and it is desired to avail his continuous services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in item No. 9 of this Notice.

By order of the Board

Place : Hyderabad
Date : August 12, 2019

P V Rama Seshu
AVP & Company Secretary

Directors' Report

Dear Stakeholders,

Your Directors present the 25th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2019.

Financial Results

Following is the summary of Standalone and consolidated financial results of the Company including its subsidiaries, associate and joint ventures.

(Rs. Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Financial Performance				
Operational Incomes	2,321	1,654	409,817	386,321
EBIDTA	(3,084)	(7,658)	170,667	155,615
Other Income	7,710	7,560	26,493	100,422
Finance Costs	1,248	2,361	151,302	164,308
Depreciation	12	13	79,158	72,460
Profit / (Loss) from ordinary activities	3,366	(2,472)	(33,300)	19,269
Share of profit of associate			-	1,452
Share of loss of jointly controlled entity			2,551	(58,301)
Loss before tax	3,366	(2,472)	(30,749)	(37,580)
Tax expense/(credit)	(8028)	1,136	(307)	16,157
Non - controlling interest			5,907	2,430
Loss for the year	11,394	(3,608)	(36,349)	(56,167)
Other comprehensive income, net		-	(238)	360
Total comprehensive income	11,394	(3,608)	(36,587)	(55,807)
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	0.72	(0.23)	(2.30)	(3.56)
Financial Position:				
Fixed Assets (Net of depreciation)	92	35	1,722,356	1,558,839
Cash and Bank balance	49	56	56,827	137,347
Net current assets	(49,986)	(56,635)	(362,246)	(316,462)
Total Assets	244,288	245,506	2,182,486	2,027,185
Equity	15,792	15,792	15,792	15,792
Other equity	168,711	157,317	(136,097)	(99,918)
Net worth	184,503	173,109	(120,305)	(84,126)
Market Capitalisation	120,810	222,669	120,810	222,669

Our total income from operations increased by 6.08 % to Rs. 4,09,817 Lakhs from Rs. 3,86,321 Lakhs in the previous year. The Transportation segment contributed an income of Rs. 39,818 Lakhs (9.72% of total income) compared to Rs. 43,527 Lakhs in the previous year. Airport Segment contributed an income of Rs. 3,69,999 Lakhs (90.28% of total income) as compared to Rs. 3,42,393 Lakhs in the previous year. The other segment contributed Rs. Nil compared to Rs. 401 Lakhs in the previous year. The Airport assets (Mumbai) have contributed to net profit of Rs. 11,940 Lakhs compared to Rs. 3,976 Lakhs in the previous year (Mumbai and Bangalore Airports. Bangalore Airports profit was consolidated only for 3 months).

The net loss afer tax, share of profit from associate, share of profit from joint venture and non-controlling interest was Rs. 36,349 Lakhs as against net loss of Rs. 56,167 Lakhs in the previous year.

Dividend

The Board of Directors of your Company has not recommended any dividend for the FY 2018-19

Transfer to Reserves

During FY 2018-19, there are no funds that are required to be transferred to Reserves.

Share Capital

The paid up equity share capital of the Company as on March 31, 2019 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, 2019 your Company has 6 direct Subsidiaries, 18 step down subsidiaries and one Associate Company as per Companies Act, 2013.. 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. There were no Subsidiaries, Associates or joint ventures which have ceased to be a subsidiary, joint ventures or associate during the year.

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/corpgovernance/policy_for_determining_material_subsidiaries_gvk_pil.pdf.

Developments in Airport assets

GVK Airport Holdings Limited (GVKAHL), a step down subsidiary of your Company has exercised its "Right of First Refusal" under the terms of the Shareholders Agreement dated 4th April, 2006, subject to certain terms and conditions, as may be mutually agreed, regulatory and other approvals and also in accordance with the various contractual agreements between GVKAHL and Bid Services Division (Mauritius) Limited ("Bidvest"), to acquire 16,20,00,000 equity shares of Mumbai International Airport Limited ("MIAL"), constituting 13.5% of the total paid-up share capital of MIAL, from Bidvest at the rate of Rs.77 per share and also from ACSA Global Limited (ACSA), to acquire 12,00,00,000 equity shares of MIAL constituting 10% of the total paid-up share capital of MIAL, from ACSA at the rate of Rs. 77/- per share. Upon completion of these acquisitions from Bidvest and ACSA, the total equity shareholding of the GVK Group in MIAL will increase to 74% from the existing 50.5% of the total paid-up share capital of MIAL.

GVK had initiated a process to identify and select preferred investors to raise capital to reduce debt obligations of up to INR 5,750 crore. ADIA and NIIF were selected as the preferred partners by GVK. Accordingly, GVK Airport Developers Limited (GVKADL) and GVKAHL, subsidiaries of your Company have signed a term sheet and exclusivity agreement with the Abu Dhabi Investment Authority (ADIA) and the National Investment & Infrastructure Fund (NIIF) for an investment in new shares in GVKAHL equating to a 49% stake. The transaction(s) is/are subject to conclusion of confirmatory due diligence by ADIA and NIIF, agreement on definitive documents and satisfaction of customary closing conditions including regulatory/third party approvals and lender consents. All proceeds from the proposed transaction will be used by GVK towards retiring debt obligations.

Directors

The members may please note that Mrs. Santha K John ceased to be an Independent Director, by operation of law, from February 1, 2019 and Mr. K Balarama Reddi has resigned as an Independent Director from February 14, 2019 and the same have been informed to the regulatory authorities.

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, G V Sanjay Reddy, Director of the Company will retire by rotation at this ensuing Annual General Meeting and being eligible, your Board recommends his re- appointment.

Mr. Issac George, Director (Whole-time) & Chief Financial Officer of the Company has been re-appointed by the Board for another term of five years effective from 24.05.2019, without any remuneration, subject to your approval at this meeting.

Mr. S Anwar, an Independent Director of the Company has been re-appointed by the Board for another term of five years effective from 13.08.2019, subject to your approval at this meeting.

Further, as per Regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 which is effective from 1st April, 2019, listed entity shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a special resolution is passed to that effect before 31st March, 2019. Since, the Company could not pass such a special resolution before that date, Dr. GVK Reddy (82 Yrs), Promoter Director, Mr. Ch G Krishna Murthy (88 Yrs) and Mr. S Balasubramanian (76 Yrs) Independent Directors have ceased to be Directors, by operation of law, by the end of business hours on March 31, 2019 as per Sec 167 of the Companies Act, 2013.

Based on the recommendations of the Nomination and Remuneration Committee of the Company, the Board, through a circular resolution dated April 23, 2019 has appointed Dr. GVK Reddy, (Promoter Director) Mr. Ch G Krishna Murthy, Mr. S Balasubramanian, Mr. Anumolu Rajasekhar (Independent Directors) and Ms. Sudha Vasanth (Non-Independent) as directors effective from April 25, 2019, subject to your approval at this meeting. The appointment of said directors, except Dr. GVK Reddy, are for a period of five years from April 25, 2029 and are not liable to retire by rotation.

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

Key Managerial Personnel

Except, Mr. Issac George, Director (Whole-time) & Chief Financial Officer of the Company who is being re-appointed for another term of five years at this meeting, there are no other changes amongst the Key Managerial Personnel of the Company during the year.

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 Regulations, 2015.

An exclusive meeting of the Independent Directors of the Company has been held on 14th February, 2019 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 2018-19 was discussed by the Nomination and Remuneration Committee and the Board at their respective meetings held in May, 2019. 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 Board has, on the recommendation of the Nomination & Remuneration Committee, 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. Salient features of the Remuneration Policy is set out in the Corporate Governance Report. The Remuneration Policy is available on the Company's website at https://www.gvk.com/files/investorrelations/investors/corpgovernance/Remuneration-Policy.pdf.

Board Meetings

During the year 2018-19, 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 Board has re-constituted the Audit Committee of the Company vide its circular resolution dated April 23, 2019 which is in accordance with the provisions of section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and the Regulation 18 of the Listing Regulation, 2015.

The Audit Committee comprises of Mr. Ch G Krishna Murthy, Chairman, Mr. S Balasubramanian and Mr. Anumolu Rajasekhar, members, all of whom are Independent Directors. All the recommendations made by the Audit Committee were accepted by the Board. During the year Mr. K Balarama Reddi has ceased to be the member of Audit Committee due to his resignation from the Board from February 14, 2019.

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 and secretarial 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 2018-19. However the auditors have qualified their opinion for operating effectiveness over internal financial controls over use of assumptions for analysis for asset impairments.

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, 2019, 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, 2019 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, 2019 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. G 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. 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 is considered in the notice of this 25th AGM.

Cost Records

Your Company is not required to maintain cost audit records for any of the services of the Company as per Section 148(1) of the Act.

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 joint venture, amounting to Rs. 104,213 Lakhs and has also given financial guarantees (Outstanding balance: Rs. 4,500 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.

Consolidated Financial statements

The Company has investments in and has given loans to GVK Energy Limited, a joint venture, amounting to Rs. 26,286 Lakhs and has also given financial guarantees (Outstanding balance: Rs. 4,500 lakhs) to the above mentioned joint venture. Projects under the joint venture 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.

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 Limited (MIAL) Awards, Accolades and Accreditation

- GVK CSMIA bagged the FM Excellence Awards - Infra Award for Excellence in Ecological Sustainability 2019

- GVK CSMIA was awarded the 'Golden Peacock Award 2019' for its 'Jaya He Safari'.
- GVK CSMIA bagged the ACI Asia-Pacific Green Airports Recognition 2019, themed "Green Airport Infrastructure", "over 45 million passengers per annum" category for outstanding environmental projects carried out at the airport.
- GVK CSMIA - Terminal 2 was recognized 'Outstanding Airport Project', under the Infrastructure category at the 8th EPC World Awards 2019.
- GVK CSMIA renewed the Airport Carbon Accreditation level 3+ by ACI for 2018-19
- GVK MIAL became the first airport in India and third in Asia to achieve the 'IATA CEIV' certification for supporting the air transport industry to comply with pharmaceutical manufacturers' requirements.
- GVK CSMIA received the APAI -Air Passengers Association of India best metro Airport award 2018.
- GVK CSMIA was recognised as the Best Airport at FICCI - Wings India 2018.
- Conde'Nast Traveller readers travel Awards -Runner up.
- GVK CSMIA bagged the coveted ACI-ASQ "Best Airport" award 2019 by Size and Region'
- GVK MIAL received the Authorized Economical Operator (AEO) – LO operator certification by The Central Board of Indirect Taxes and Customs (CBIC), valid for 10 years.
- GVK CSMIA bagged the "Sectoral Procurement Excellence - Airport" at the '6th Procurement Excellence Awards', part of the 12th Express Logistics & Supply Chain Leadership Awards Conclave.
- GVK MIAL received the 2nd Runner-Up award in 'Breakthrough Level Kaizen' category at 32nd Kaizen Conference & Competition by CII TPM Club 2018.
- GVK CSMIA was awarded 'Best airport in India/ C Asia' by Skytrax World Airport Awards 2018.
- GVK CSMIA bagged the prestigious Gold - Green Airports recognition 2018 by ACI in over 35 MPPA category, recognizing the outstanding achievements in environmental projects 2018.

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

The Company has not entered into any transactions with any person or entity belonging to the Promoter / Promoter Group holding 10% or more shareholding in the Company.

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 provision of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, as amended, extract of the Annual Return as on March 31, 2019 in form MGT-9 have been uploaded on the website of the Company. The same can be accessed at the link https://www.gvk.com/investorrelations/investors/generalmeetings.aspx.

Internal Financial 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 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/Whistle-Blower-Policy.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 is no adequate net profits during the preceding financial year, 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

During the year under review, none of the employees are in receipt of 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 relating 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.

<table>
<tr><th>Sl. No.</th><th>Name of the Director/ KMP and Designation</th><th>Remuneration of Director/KMP for financial year 2018-19 (Rs In lakhs)</th><th>% Increase in Remuneration in the Financial year 2018-19</th><th>Ratio of remuneration of each director/ median remuneration of employees</th><th>Comparison of the Remuneration of the KMP against the performance of the Company</th></tr>
<tr><td>1.</td><td>Dr. GVK Reddy
Chairman</td><td>---</td><td>---</td><td>---</td><td rowspan="4">Other than CS, no KMP is being paid any remuneration. Hence not applicable</td></tr>
<tr><td>2.</td><td>P V Prasanna Reddy
Whole Time Director</td><td>---</td><td>---</td><td>---</td></tr>
<tr><td>3.</td><td>A Issac George
Director (Whole-time) & CFO</td><td>---</td><td>---</td><td>---</td></tr>
<tr><td>4.</td><td>P V Rama Seshu
AVP & Company Secretary</td><td>27.60</td><td>---</td><td>---</td></tr>
</table>

Particulars regarding Conservation of energy, 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.

Reporting of frauds by Auditor

During the year under review, neither the statutory auditor nor the secretarial auditor has reported any instance of fraud committed against the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

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. Ethics Committee of the Company monitors the complaints, if any, which are dealt with in compliance of this policy. 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 — Dr GVK Reddy

Date : May 24, 2019 — Chairman

Holding Company

GVK Power & Infrastructure Limited

Subsidiaries (As on March 31, 2019)

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, 2019)

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 Limited
12. Navi Mumbai International Airport Private Limited
13. GVK Jaipur Expressway Private Limited
14. Sutara Roads & Infra 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, 2019)

Seregarha Mines Limited

Note – Details of above relationship are in accordance with Companies Act, 2013. Refer note 52 A for details of relationships as per consolidated Ind- AS financial statement.

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	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019
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 #	1,56,832	(2,22,530)	(24,002)	2,269	79,711	78
Total Assets	3,57,696	1,87,824	83,127	14,057	98,049	126
Total Liabilities	3,57,696	1,87,824	83,127	14,057	98,049	126
Investments *	3,40,486	1,78,344	83,124	-	26,556	100
Turnover	2,987	-	-	-	-	22
Profit before Taxation	(3,099)	(35,855)	(172)	(6)	(988)	27
Provision for taxation	(1,885)	(1,059)	-	(128)	-	6
Profit after taxation	(1,214)	(34,796)	(172)	122	(988)	21
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

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	31/03/2019
2	Shares of Associate held by the company on the year end	44.45%
	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 24, 2019

Dr GVK Reddy
Chairman

Annexure B

SECRETARIAL AUDIT REPORT

(As per Form No. MR-3)
for the financial year ended 31-03-2019
[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: L74999TG2005PLC059013)
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 called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

The maintenance of secretarial record 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 my verification of the M/s. GVK Power & Infrastructure Limited's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s GVK Power & Infrastructure Limited for the financial year ended on 31st march, 2019 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 thereunder;
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, 1992;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; 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 does not 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. SEBI Listing obligations and disclosure requirement (LODR) Regulations, 2015 and amendments applicable therein.

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 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 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 : May 22, 2019

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, 2019, 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 :				
Mumbai International Airport Private Limited	Subsidiary	5 years	Manpower & Consultancy Service	1,271
GVK Jaipur Expressway Private Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	152
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	500
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	19
Navi Mumbai International Airport Private Limited	Subsidiary	Till loan is paid	Manpower & Consultancy Service	1,050
GVK Transportation Private Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	211
GVK Coal Developers (Singapore) Pte Limited	Associate	Till loan is paid	Corporate Guarantee Commission	1,513
Reimbursement of expenses (Billable expenses):				
Alaknanda Hydro Power Company Limited	Subsidiary	Not applicable	Business support services	1
GVK Power (Goindwal Sahib) Limited	Subsidiary	Not applicable	Business support services	1
GVK Energy Limited	Subsidiary	Not applicable	Business support services	3
GVK Airport Developers Limited	Subsidiary	Not applicable	Business support services	18
Navi Mumbai International Airport Private Limited	Subsidiary	Not applicable	Business support services	1
Services received :				
GVK Technical & Consultancy Services Private Limited	Group Company	5 years	Manpower Service	180
Orbit Travels & Tours Private Limited	Group Company	5 years	Cost of flights Services	13
Investment in equity / preference shares				
Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFPL)	Associate	Not applicable	preference shares allotment during the year	640
Mumbai Airport Lounge Sevices Private Limited (MALS)	Associate	Not applicable	preference shares allotment during the year	1
Loans/advances given/expenditure incurred on behalf				
GVK Airport Developers Limited	Subsidiary	Not applicable	Advance given	389
GVK Transportation Private Limited	Subsidiary	Not applicable	Advance given	52
GVK Perambalur SEZ Private Limited	Subsidiary	Not applicable	Advance given	4
GVK Energy Limited	Subsidiary	Not applicable	Advance given	600
Loans/advances recovered:				
GVK Airport Developers Limited	Subsidiary	Not applicable	Advance Recovered	389
GVK Transportation Private Limited	Subsidiary	Not applicable	Advance Recovered	1,638
GVK Energy Limited	Subsidiary	Not applicable	Advance Recovered	4,944
Share application money given:				
GVK Coal Developers (Singapore) Pte Limited	Associate	Not applicable	Share Application money given	134
Interest income on financial assets/Excess provision written back/Unearned guarantee commission written back				
GVK Airport Developers Limited	Subsidiary	Till the loan is paid	Preferences Shares	577
GVK Coal Developers (Singapore) Pte Limited	Associate	Till the loan is paid	Preferences Shares	4,375

Name (s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount
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	50
GVK Energy Limited	Subsidiary	One time	Fair Value Loss in terms of Investment	4,400
Seregraha Mines Limited	Associate	One time	Fair Value Loss in terms of Investment	6
Loan taken :				
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan taken	4,491
Loan repaid :				
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan repaid	1,042
Guarantees given:				
GVK Airport Developers Limited	Subsidiary	Till the loan is paid	Guarantees given	5,194
GVK Coal Developers (Singapore) Pte Limited	Associate	Till the loan is paid	Guarantees given	15,297
Guarantees released:				
GVK Jaipur Expressway Private Limited	Subsidiary	Not applicable	Not applicable	2,657
GVK Energy Limited	Subsidiary	Not applicable	Not applicable	1,913
GVK Transport Private Limited	Subsidiary	Not applicable	Not applicable	4,028
Director Sitting fees:				
Mr G V Sanjay Reddy	Director	Not applicable	Not applicable	1
Mr Krishna R Bhupal	Director	Not applicable	Not applicable	1

Report on Corporate Governance

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015 (Listing Regulations, 2015) the Company is providing below 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 shareholders value in terms of maximizing shareholders' 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, 2019 is 8 (Eight) Directors comprising of Three Promoter Directors, Three Independent Directors and Two Non-Independent Directors. Among the Directors, two are Executive (whole time) Directors and 6 are Non-executive Directors as on March 31, 2019. The Board periodically evaluates the need for increasing or decreasing its size. All the Independent Directors on the Board fulfils the conditions specified in the Companies Act and the Rules made thereunder and the Listing Regulations and are independent of the Management. Following is the composition of our Board and their number of directorships in other companies as on 31-03-2019.

Name of the Director & DIN Number	Category	Number of Directorship in other Public Companies	Number of Committee positions held in other Public Companies *		Directorship in other listed entities as on March 31, 2019 (Category of Directorship)
			Member	Chairman	
Dr. GVK Reddy (00005212)	Non- Executive Chairman Promoter	5	-	-	TAJ GVK Hotels & Resorts Limited (Non-Executive Chairman)
G V Sanjay Reddy (00005282)	Non- Executive Vice Chairman Promoter	7	-	-	TAJ GVK Hotels & Resorts Limited (Promoter Director)
P V Prasanna Reddy (01259482)	Executive	1	1	-	---
Krishna R Bhupal (00005442)	Non-Executive Promoter	6	1	-	TAJ GVK Hotels & Resorts Limited (Promoter Director)
A Issac George (00005456)	Executive	5	4	-	---
Ch G Krishna Murthy (01667614)	Non-Executive Independent	5	2	1	TAJ GVK Hotels & Resorts Limited (Independent Director)
S Balasubramanian (02849971)	Non-Executive Independent	7	6	1	Independent Director in 1. Sanghi Industries Limited 2. Emami Paper Mills Limited 3. TTK Healthcare Limited 4. UCAL Fuel Systems Limited 5. Jaypee Infratech Limited 6. Machino Plastics Limited
S Anwar (06454745)	Non-Executive Independent	1	1	-	TAJ GVK Hotels & Resorts Limited (Independent Director)
Santha K John # (00848172)	Non-Executive Independent	-	-	-	Not applicable
K Balarama Reddi ## (00012884)	Non-Executive Independent	-	-	-	Not applicable

Mrs. Santha K John ceased to be an Independent Director, by operation of law, from February 1, 2019

Mr. K Balarama Reddi resigned from the Board from February 14, 2019.

* includes membership of Audit Committees and Stakeholders Relationship Committees of other Public Limited Companies.

Except Promoter Directors (viz. Dr. GVK Reddy, Mr. GV Sanjay Reddy and Mr. Krishna R Bhupal), none of the Directors are related to each other.

None of the directors is;

i) a board member in more than ten public limited companies or eight listed 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.

Certificate from Company Secretary in Practice

Mr. G Narender of Narender & Associates, Practicing Company Secretaries has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authorities. A certificate to that effect is enclosed to this report

Board Meetings held during the Year

The Board of Directors met four times during the year on May 23, 2018, August 14, 2018, November 14, 2018 and February 14, 2019. The maximum gap between the two meetings was less than four months.

Directors Attendance and Sitting fee paid

Given in the table below is the Board Meeting attendance record of the directors during the year 2018-19.

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	3	60,000	Yes
A Issac George	4	4	-	Yes
Ch G Krishna Murthy	4	4	1,60,000	Yes
S Balasubramanian	4	4	1,60,000	Yes
S Anwar	4	4	80,000	Yes
Santha K John #	4	2	40,000	Yes
K Balarama Reddi ##	4	4	1,60,000	Yes
P V Prasanna Reddy	4	4	-	Yes

Mrs. Santha K John ceased to be an Independent Directors, by operation of law, from February 1, 2019

Mr. K Balarama Reddi resigned from the Board from February 14, 2019.

No. of shares held by Non-Executive Directors

The details of Shareholdings of the Non-Executive Directors in the Company as at March 31, 2019 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

Familiarization program to Independent Directors

The Company has adopted a program on familiarization 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

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with Members of the Board:

Area	Skill / expertise / competencies	Experts in Board
Infrastructure Business	Understanding the business dynamics across geographical markets, industry verticals and concerned regulatory jurisdictions.	Dr. GVK Reddy Mr. G V Sanjay Reddy Mr. Krishna R Bhupal
Strategy and Planning	Long-term and strategic planning, business principles and experience in guiding and leading management teams to make decisions in uncertain environments.	Dr GVK Reddy Mr. G V Sanjay Reddy Mr. P V Prasanna Reddy Mr. A Issac George
Governance	Developing governance practices, serving the best interests of all the stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.	Mr. Ch G Krishna Murthy Mr. S Balasubramanian Mr. A Rajasekhar
Regulatory	Dealing with various regulatory authorities	Mr. G V Sanjay Reddy Mr. A Issac George Mr. S Balasubramanian Mr. S Anwar

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	Dr. GVK Reddy	G V Sanjay Reddy
Date of Appointment	25th April, 2019	20th April, 2005
Date of Birth	22nd March, 1937	18th November, 1964
Qualifications	Bachelor's Degree in Arts	Bachelor's Degree in Industrial Engineering from Purdue University, USA and master's degree in Business Administration from the University of Michigan, USA
Expertise in specific functional areas	Dr. GVK Reddy is the Founder Chairman of "GVK". He has been awarded a Doctorate in Philosophy from the Jawaharlal Nehru Technological University. He has been conferred with the "Padma Bhushan" award from the Government of India in the category of Trade and Industry on 25th January, 2011. He is a first generation industrialist and the founder of the GVK Group which has businesses in the energy, urban infrastructure, transportation, particle boards, hospitality, petrochemicals, bio-technology and finance sectors. His career spanning the last 49 years started with his involvement in the construction of major infrastructure projects for the Government such as dams, power houses, irrigation canals, bridges, roads, aqueducts and under tunnels.	He is the managing director of Mumbai International Airport Limited apart from being a director on the board of various other companies in the GVK Group. In addition, he is involved with GVK 108 EMRI, which is the world's largest ambulance service servicing 800 million people free of cost. He is the chairman of the CII National Committee on Transport Infrastructure. He has been nominated by the World Economic Forum as a Young Global Leader for 2007. He is also a member of Young President¹s Organization (YPO), Chief Executives Organization (CEO) and Innovation Xchange Committee of the Government of Australia. He is on the board of trustees of the Jagdish and Kamla Mittal Museum of Indian Art, a museum dedicated to the cause of propagating Indian Art and Culture.
Name of other public limited companies in which Directorship is held as on 31.03.2019	Taj GVK Hotels & Resorts Limited GVK Airport Developers Limited GVK Airport Holdings Limited Mumbai International Airport Limited Crescent EPC Projects and Technical services Limited	Taj GVK Hotels & Resorts Limited GVK Airport Developers Limited GVK Airport Holdings Limited Mumbai International Airport Limited GVK Energy Limited GVK Gautami Power Limited GVK Industries Limited
Chairman/ Member of the Committees of other Public Limited Companies in which he is a Director as on 31.03.2019*		Member – CSR Committee in GVK Energy Limited GVK Industries Limited GVK Gautami Power Limited

Name of the Director	CH G Krishna Murthy	S Balasubramanian
Date of Appointment	25th April, 2019	25th April, 2019
Date of Birth	9th February, 1931	3rd November, 1942
Qualifications	Chartered Accountant Master's degree in Arts Bachelor of Law	Company Secretary Chartered Accountant Cost Accountant Bachelor's Degree in Law from the Delhi University Post Graduate Diploma in Project Management from the University of Bradford, UK
Expertise in specific functional areas	He has been a member, Law Commission of India and has served on the Income Tax Appellate Tribunal in various capacities including President. He has also been a chairman of the Oil Selection Board, Ministry of Petroleum for the states of Karnataka, Andhra Pradesh and Orissa. He was a member of the Governing Council of the International Centre for Alternative Dispute Resolution (ICADR), a member of the General Council of the National Academy of Legal Studies and Research University, a Chairman of the Chinmaya Vidyalaya and a member of the Chinmaya Seva Trust.	He is a former Chairman of the Company Law Board, a quasi-judicial body for about 13 years and has dealt with over 3000 cases on various Company Law matters. Before acting as the Chairman of the Company Law Board, he has been a Director in the Ministry of Program Implementation. He is also a Member of the Delhi High Court, Bar Council.
Name of other public limited companies in which Directorship is held as on 31.03.2019	TAJ GVK Hotels and Resorts Limited GVK Airport Developers Limited GVK Airport Holdings Limited GVK Energy Limited Apollo Health & Lifestyle Limited	Sanghi Industries Limited Emami Paper Mills Limited TTK Healthcare Limited Machino Plastics Limited UCAL Fuel Systems Limited Jaypee Infratech Limited Emami Cement Limited Peerless Hotels Limited
Chairman/ Member of the Committees of other Public Limited Companies in which he is a Director as on 31.03.2019*	TAJ GVK Hotels and Resorts Limited Member - AC Chairman – SRC & CSR GVK Energy Limited Member – AC & NRC	Emami Paper Mills Limited Member – AC & NRC Machino Plastic Limited Member – AC, SRC & NRC TTK Healthcare Limited Member – AC UCAL Fuel System Limited Member – AC & NRC Chairman –SRC & CSR Peerless Hotels Limited Member – AC

Name of the Director	Anumolu Rajasekhar	Sudha Vasanth	S Anwar	Issac A. George
Date of Appointment	25th April, 2019	25th April, 2019	24th May, 2019	24th May, 2019
Date of Birth	26th September, 1968	21st July, 1960	15th August, 1945	19th April, 1954
Qualifications	Bachelor of Laws degree from the University of Madras, India and Master of Laws degree from the University of Tuebingen, Germany.	Commerce Graduate from Osmania University, Hyderabad	I.A.S. (Retd.)	Chartered Accountant
Expertise in specific functional areas	He is an Executive Director of International Infrastructure Consultants Private Limited, a full service advisory firm providing financial advisory services across the Infrastructure Sector. He is a trained lawyer and has held senior investment banking positions in the Singapore and Frankfurt offices of Dresdner Kleinwort, a premier European investment bank. He has around 25 years of experience in advising on transactions in various industry sectors including Power and Utilities, Oil & Gas and Infrastructure.	She has over four decades of experience in General Administration including Taxation and other corporate affairs.	General and Public Administration	Mr. A Issac George is member of the Institute of Chartered Accountants of India. His area of expertise includes Project Financing, Financial Structuring, Acquisition Financing, Debt Syndication, Corporate Planning & Forecasting, Treasury Functions, MIS Development & Implementation. He has vast knowledge in the fields of Corporate Security Issuance, Lease Financing and Bond Administration. He also brings in his vast international exposure in dealing with Banks and multilateral agencies. He has been associated with GVK Group since 1994 and held various positions. Currently, he is the Director & Chief Financial Officer of the Company apart from being Director in other group companies.
Name of other public limited companies in which Directorship is held as on 31.03.2019	Nil	Alaknanda Hydro Power Company Limited GVK Gautami Power Limited GVK Energy Limited GVK Industries Limited GVK Power (Goindwal Sahib) Limited Bangalore Airport & Infrastructure Developers Limited	TAJ GVK Hotels & Resorts Ltd	Mumbai International Airport Limited GVK Energy Limited GVK Gautami Power Limited GVK Industries Limited Novopan Industries Limited
Chairman/ Member of the Committees of other Public Limited Companies in which he is a Director as on 31.03.2019*	Nil	GVK Power (Goindwal Sahib) Limited Member – AC & NRC	TAJ GVK Hotels and Resorts Limited Member - AC	Mumbai International Airport Ltd Member – AC GVK Energy Limited Member – AC & NRC GVK Industries Limited Member – AC & NRC GVK Gautami Power Limited Member – AC & NRC

* Includes Audit Committee (AC), Stakeholders Relationship Committee (SRC), Nomination & Remuneration Committee (NRC) and Corporate Social Responsibility Committee (SRC).

Audit Committee

The Board has re-constituted the Audit Committee of the Company vide its circular resolution dated April 23, 2019 constitution of which is in compliance with the provisions of section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and the Regulation 18 of the Listing Regulation, 2015.

The Audit Committee constituted by the Board comprised of only Non-Executive and Independent Directors. The committee met four times during the year on May 23, 2018, August 13, 2018, November 13, 2018 and February 13, 2019. 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	4
K Balarama Reddi #	Member	4	4
A Rajasekhar *	Member	-	-

ceased to be a Member of the Audit Committee effective from 14.02.2019

* Became a Member of Audit Committee effective from 25.04.2019

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

a) Review of the Company's financial reporting process and disclosure of its financial information.

b) Recommending the appointment and removal of external auditors, fixation of audit fee and recommending payment for any other services.

c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on
   (i) Changes in accounting policies and practices
   (ii) Major accounting entries involving estimates based on the exercise of judgment by the management
   (iii) Qualifications in the draft audit report
   (iv) Significant adjustments arising out of audit
   (v) The going concern assumption
   (vi) Compliance with accounting standards
   (vii) Compliance with stock exchange and legal requirements concerning financial statements
   (viii) Disclosure of any related party transactions

d) Reviewing with the management, the external and internal auditors the adequacy of internal control systems.

e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

f) Discussion with internal auditors of any significant findings and follow up there on.

g) 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.

h) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Nomination and Remuneration Committee

The Board has re-constituted the Nomination and Remuneration Committee of the Company vide its circular resolution dated April 23, 2019 pursuant to the provisions of section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and the Regulation 19 of the Listing Regulation, 2015.

The Nomination and Remuneration Committee constituted by the Board comprised of majority of Non-Executive Independent Directors. The committee met two times during the year on May 23, 2018 and February 14, 2019. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
S Anwar	Chairman	2	2
Ch G Krishna Murthy	Member	2	2
Krishna R Bhupal*	Member	1	1
K Balarama Reddi#	Member	2	2

* Became a Member of Nomination & Remuneration committee effective from 25.01.2019.

ceased to be a Member of the Nomination & Remuneration Committee effective from 14.02.2019

The terms of reference of Nomination & Remuneration Committee include:

The committee has been constituted to recommend/review the remuneration package of the Managing/Whole-Time Directors, Key Managerial Personnel and other senior executive's 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.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the performance evaluation of the Independent Directors was carried out by the entire Board.

Remuneration to Directors

Remuneration to Executive / Non-Executive Directors:

a. 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.
b. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.
c. Except sitting fees, none of the directors are being paid any other form of remuneration.

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.

Stakeholders Relationship Committee

The Board has re-constituted the Stakeholders Relationship Committee of the Company vide its circular resolution dated April 23, 2019 pursuant to the provisions of section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and the Regulation 20 of the Listing Regulation, 2015. 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 2018-19.

Nature of Complaint	Received	Resolved	Pending
For Non-receipt of			
- Dividend Warrant	2	2	0
- Annual Report	39	39	0
- Share Certificate	9	9	0
Total	50	50	0

Ethics & Compliance Committee

The Board has re-constituted the Ethics & Compliance Committee of the Company vide its circular resolution dated April 23, 2019 to best Corporate Governance Practices and the applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and amended regulations of SEBI (Prevention of Insider Trading Regulations), 2015. This Committee comprises of the following Non-Executive Independent Directors.

S Anwar # - Member
Ch G Krishna Murthy - Member
K Balarama Reddi* - Member
A Rajasekhar# - Member

* ceased to be a Member of the Committee effective from 14.02.2019
# became a Members of the Committee effective from 25.04.2019

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.

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.

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.

Annual General Meetings

Year	Date	Time	Venue
2015-16	12.08.2016	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073
2016-17	27.09.2017	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073
2017-18	14.11.2018	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073

Special Resolutions passed during the previous three Annual General Meetings

Financial Year	Details of Special Resolutions Passed
2017-18	To raise funds up to an amount of Rs. 8000 Crore by combination of various options.
2016-17	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.
2015-16	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.

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.

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

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/corpgovernance/RelatedParty TransactionPolicy.pdf

Whistle-blower policy / Vigil Mechanism

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 2018-19, no employee has been denied access to the audit committee.

Material Subsidiary Companies

TThe 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

Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follow.

Name of the Company / Subsidiary	Nature of service	Amount
GVK Power & Infrastructure Limited (GVK PIL)	Audit Fees	22.00
	Other Fees	11.28
Total (A)		**33.28**
Subsidiaries of GVK PIL	Audit Fees	34.00
	Other Fees	194.35
Total (B)		**228.35**
Total (A+B)		**261.64**

Entities in the network firm / network entity of which the statutory auditors is a part - NIL

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. Ethics Committee will oversee the complaints, if any, which are address in compliance with this policy. 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.

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 at https://www.gvk.com/files/investorrelations/investors/corp governance/gvkpilinsider_trading_policy.pdf

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 stricture or penalty has been imposed on the Company by Stock exchange or SEBI or any statutory authority, 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.

General Shareholder Information

1.	**Annual General Meeting**	
	Day, Date and Time	Wednesday, September 25, 2019 at 11:30 am
	Venue	Sri Satya Sai Nigamagamam 8-3-987/2,Srinagar Colony, Hyderabad - 500 073
2.	**Book Closure Dates**	September 23, 2019 to September 25, 2019 (both days inclusive)
3.	**Calendar of events (tentative and subject to change) for financial reporting for the period ending**	
	- Jun 30, 2019	12th August 2019
	- Sep 30, 2019	Nov 2019*
	- Dec 31, 2019	Feb 2020*
	- Mar 31, 2020	May 2020*
	- AGM for 2019-20	Aug 2020* (*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 2019-20 to both the above Stock Exchanges
5.	**Stock Code**	BSE: 532708, NSE: GVKPIL
		ISIN : INE251H01024
6.	**Market Price Data: High, Low during each month in last Financial year / Performance in comparison to BSE Sensex and S&P CNX Nifty**	Please see Annexure 'A'
7.	**Registrar & Share Transfer Agents**	Karvy Fintech Private Limited (earlier known as Karvy Computershare Pvt Ltd) **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: einward.ris@karvy.com website: www.karvy.com
8.	**Share Transfer System**	As per Regulation 40 of Listing Regulations, as amended, effective from April 1, 2019, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Karvy, for assistance in this regard.
9.	**Distribution of Shareholding and Shareholding pattern as on March 31, 2019**	Please see Annexure 'B'
10.	**Dematerialization of shares and Liquidity**	99.86% of the shareholding has been dematerialized as on 31 March, 2019.
11.	**Commodity price risk or foreign exchange risk and hedging activities**	As the Company is not engaged in commodity business, commodity risk is not applicable.
12.	**Credit Ratings for debt instruments**	As Company has not raised funds through any debt instruments, hence credit ratings is not applicable.
13.	**Address for Correspondence**	GVK Power & Infrastructure Limited 'Paigah House', 156-159, Sardar Patel Road, Secunderabad – 500003 Phone No. 040-27902663 / 64, Fax: 040-27902665 Email: cs.gvkpil@gvk.com Website: www.gvk.com
14.	**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.gvkpil@gvk.com Phone: 040-27902663/64 Fax: 040-27902665
15.	**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.

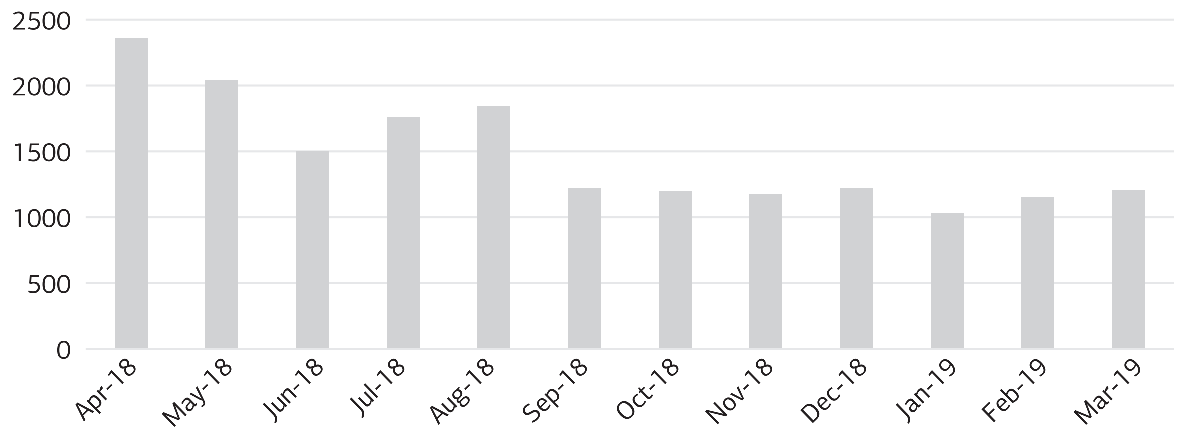
Changes in Share Capital

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

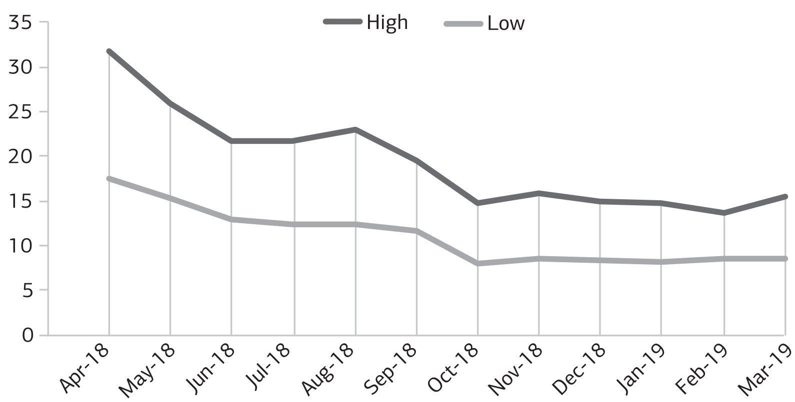


Annexure A

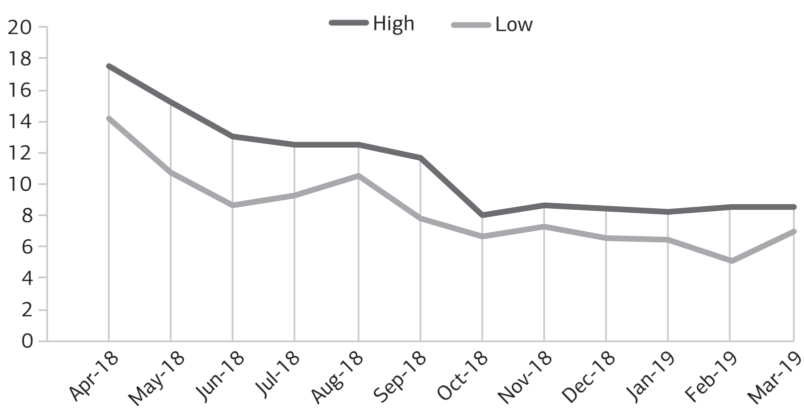
Monthly high, low and trading volume of equity shares of the Company during the financial year 2018-19

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, 2018	17.5	14.2	8,42,08,770	10759	10111.3	17.5	14.15	18,094,171	35213.3	32972.56
May	15.3	10.7	7,97,90,116	10929.2	10417.8	15.2	10.76	16,706,021	35993.53	34302.89
June	12.95	8.75	4,26,55,617	10893.25	10550.9	13	8.63	10,619,856	35877.41	34784.68
July	12.4	9.25	6,25,41,081	11366	10604.65	12.46	9.28	14,230,677	37644.59	35106.57
August	12.45	10.55	5,39,76,421	11760.2	11234.95	12.5	10.52	9,919,906	38989.65	37128.99
September	11.7	7.75	3,52,54,515	11751.8	10850.3	11.7	7.76	6,318,925	38934.35	35985.63
October	8	6.7	4,42,95,891	11035.65	10004.55	8.05	6.7	8,623,159	36616.64	33291.58
November	8.6	7.2	35,287,419	10922.45	10341.9	8.63	7.27	6,419,072	36389.22	34303.38
December	8.4	6.6	3,16,99,588	10985.15	10333.85	8.44	6.58	6,416,782	36554.99	34426.29
January, 2019	8.2	6.5	2,42,53,559	10987.45	10583.65	8.19	6.5	5,082,168	36701.03	35375.51
February	8.6	5	6,91,44,290	11118.1	10585.65	8.59	5.05	13,758,289	37172.18	35287.16
March	8.55	6.95	5,38,34,100	11630.35	10817	8.54	6.95	10,287,956	38748.54	35926.94

Price Movement in NSE



Price Movement in BSE



Shareholding pattern as on March 31, 2019

Sl. No.	Description	No. of Shareholders	No. of Shares	% Equity
1	PROMOTER COMPANIES	1	732,893,902	46.41
2	RESIDENT INDIVIDUALS	263043	507,689,269	32.15
3	PROMOTER DIRECTOR	3	123,835,438	7.84
4	FOREIGN PORTFOLIO - CORP	22	69,040,398	4.37
5	BODIES CORPORATES	1301	50,878,188	3.22
6	NON RESIDENT INDIANS	2940	40,634,581	2.57
7	H U F	4386	14,298,069	0.91
8	NRI NON-REPATRIATION	1302	14,247,661	0.90
9	INSURANCE COMPANIES	1	8,182,011	0.52
10	STATE GOVERNMENTS	1	6,330,000	0.40
11	ALTERNATIVE INVESTMENT FUND	1	4,100,000	0.26
12	CLEARING MEMBERS	139	3,236,430	0.20
13	BANKS	5	2,427,476	0.15
14	NBFC	17	1,004,444	0.06
15	OVERSEAS CORPORATE BODIES	1	375,000	0.02
16	TRUSTS	9	21,853	0.00
17	DIRECTORS & RELATIVES	4	15,680	0.00
	Total	**273176**	**1,579,210,400**	**100.00**

Annexure - B

Distribution by category as on March 31, 2019

Category	Number of Shares	% of holding
Promoters & Promoter Group	856,729,340	54.25
Foreign Institutional Investors, OCB, Foreign Nationals, NRIs	124,297,640	7.87
Banks, Mutual Fund, Clearing Members etc	18,950,361	1.20
Others	579,233,059	36.68
Total	**157,92,10,400**	**100.00**

Distribution Schedule as on March 31, 2019

Sl. No.	Category	Cases	% of Cases	No. of Shares	% of Holding
1	upto 1 - 5000	257499	94.26	166,722,997	10.56
2	5001 - 10000	7342	2.69	56,083,188	3.55
3	10001 - 20000	3771	1.38	55,835,358	3.54
4	20001 - 30000	1672	0.61	42,478,733	2.69
5	30001 - 40000	845	0.31	30,251,466	1.92
6	40001 - 50000	520	0.19	24,301,449	1.54
7	50001 - 100000	913	0.33	66,730,170	4.23
8	100001 & ABOVE	614	0.22	1,136,807,039	71.99
	Total	**273176**	**100.00**	**1,579,210,400**	**100**

De-materialization of shares as on March 31, 2019

Sl. No.	Description	No of shareholders	No of shares	% of Shares
1	PHYSICAL	5124	2,174,737	0.14
2	NSDL	162150	1,375,985,754	87.13
3	CDSL	105902	201,049,909	12.73
	Total	**273176**	**1,57,92,10,400**	**100.00**

As on March 31, 2019 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, 2019.

For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : May 24, 2019

Dr GVK Reddy
Chairman

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
GVK POWER & INFRASTRUCTURE LIMITED
Registered Office: Paigah House', 156-159 Sardar Patel Road,
Secunderabad TG 500003 IN.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GVK Power & Infrastructure Limited having CIN: L74999TG2005PLC059013 and having registered office at Paigah House, 156-159 Sardar Patel Road, Secunderabad, TG-500003IN.(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
01	VENKATA KRISHNA REDDY GUNUPATI	00005212	16/02/2005
02	VENKATA SANJAYREDDY GUNUPATI	00005282	16/02/2005
03	KRISHNA RAM BHUPAL	00005442	14/10/2009
04	ISSAC GEORGE ANICATTU	00005456	01/04/2008
05	VENKATAPRASANNA REDDY PALICHERLA	01259482	11/08/2017
06	GOPALA KRISHNA MURTHY CHODAVARAPU	01667614	13/02/2015
07	SUNDARAM BALASUBRAMANIAN	02849971	13/02/2015
08	ANWAR SOWDAGAR	06454745	13/08/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Narender & Associates
G Narender
FCS-4898
CP:5024

Place : Hyderabad
Date : May 28, 2019

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, 2019, 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 24, 2019

A Issac George
Whole-time Director & 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, 2019, 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.

Narender & Associates
G Narender
FCS-4898
CP:5024

Place : Hyderabad
Date : May 24, 2019

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, 2019). 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 reports India's economy grew by 7.2 per cent in 2018-19 in contrast to the recent Indian Central Statistical Office (CSO) estimate of only 6.8 per cent growth during the said period. The Bank`s Economic Prospects Report forecast India`s economy to grow by 7.5 per cent during 2019-20 and the next two fiscal years, retaining its top spot as the fastest growing major economy. A slowdown in government consumption was offset by solid investment, which benefited from public infrastructure spending. The World Bank also reported that the private consumption and investment will benefit from strengthening credit growth in an environment of more accommodative monetary policy and with inflation below the RBI's target.

India moved up by 23 places in the World Bank's Ease of Doing Business Index 2018 and got 77th rank. This is attributed to 6 reforms during the year- starting a business, getting electricity, construction permits, getting credit, paying taxes and trading across borders. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US$ 20.5 billion. India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19. India's foreign exchange reserves were US$ 405.64 billion up to March 15, 2019, according to data from the RBI.

India's revenue receipts are estimated to touch Rs.28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

A) POWER

The power sector, both conventional and renewables, witnessed poor capacity addition during 2018-19 after maintaining a strong momentum for a few years. While renewables added more capacity than the conventional power segments for the second year in a row in 2018-19, both have seen a significant fall in their new capacity addition compared with 2017-18. The renewable energy sector added a capacity of 8,532 MW to the grid, just about the 55 per cent of its target of 15,602 MW for 2018-19. In the previous two years, the renewable sector added new capacity in the range of 11,000-12,000 MW per year, supported by a boom in the solar power sector.

The utility electricity sector in India has one national grid with an installed capacity of 356.817 GW as of 31 May, 2019. Renewable power plants, which also include large hydroelectric plants, constitute 34.5% of India's total installed capacity. India is the world's third largest producer and third largest consumer of electricity. In the 2015-16 fiscal year, electric energy consumption in agriculture was recorded as being the highest (17.89%) worldwide. The per capita electricity consumption is low compared to most other countries despite India having a cheaper electricity tariff. India has surplus power generation capacity but lacks adequate infrastructure for supplying electricity to all who need it. In order to address the lack of adequate electricity supply to all the people in the country by March 2019, the Government of India launched a program called "Power for All". This program is intended to ensure continuous and uninterrupted electricity supply to all households, industries and commercial establishments by creating and improving the necessary infrastructure. It is a joint collaboration between the Government of India and its constituent states, who will share funding and create overall economic growth.

India's electricity sector is dominated by fossil fuels, and in particular, coal, which during the 2018-19 fiscal year produced about three-fourths of the country's electricity. However, the government is pushing for increased investment in renewable energy. The National Electricity Plan of 2018, prepared by the Government of India, states that the country does not need additional non-renewable power plants in the utility sector until 2027, with the commissioning of 50,025 MW coal-based power plants under construction and achieving 275,000 MW total installed renewable power capacity after the retirement of nearly 48,000 MW old coal-fired plants. According to the latest Central Electricity Authority (CEA) data, during peak hours, as much as 175.52 gigawatt (GW) was supplied against demand of 177.02 GW leaving a deficit of 1.49 GW or 0.8 per cent in 2018-19. India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

B) AIRPORTS

India is the world's third largest domestic aviation market and third largest aviation market. By 2024, India's overall aviation market is expected to become the third largest globally.

To cater to the rapidly growing demand, airline operators have been expanding their capacity. Capacity available in India's domestic flights, as measured by Available Seat Kilometers, stood at 155,033.4 million kms while demand, as measured by Revenue Passenger Kilometers, stood at 136,631.4 million kms in FY19.

Capacity available in India's international flights, as measured by Available Seat Kilometers, stood at 126,054.2 million kms while demand, as measured by Revenue Passenger Kilometers, stood at 111,620.4 million kms in FY19. Domestic passenger traffic expanded at a Compound Annual Growth Rate (CAGR) of 13.65 per cent over FY06–19. International passenger traffic posted a CAGR of 9.11 per cent over FY06-19. Freight Traffic grew at a CAGR of 7.44 per cent over FY06-19. Freight Traffic is expected to grow at a CAGR of 7.27 per cent to reach 4.14 million tonnes in FY23.

During April 2018-March 2019, passenger traffic in India stood at 344.70 million. Out of which domestic passenger traffic stood at 275.22 million while international traffic stood at 69.48 million. Total freight traffic handled in India stood at 3.56 million tonnes during the same time period. During April 2018-March 2019, domestic aircraft movement stood at 2.15 million while international aircraft movement stood at 0.45 million. As of March 2019, there are 103 operational airports in India. As of July 2018, 620 airplanes were in-service in the fleet of scheduled Indian operators. It is further expected to grow to 1,100 planes by 2027.

The Government of India has launched regional connectivity scheme named UDAN (Ude Desh ka Aam Nagrik) to make flying affordable for common man. AAI is expected to invest Rs.15,000 crore (US$ 2.32 billion) in 2018-19 for expanding existing terminals and constructing 15 new ones. It has opened airport sector to private participation, six airports across major cities are being developed under the PPP model. The Airports Authority of India (AAI) aims to bring around 250 airports under operation across the country by 2020. Investments to the tune of Rs.420-450 billion (US$ 5.99-6.41 billion) are expected in India's airport infrastructure between FY18-23. FDI inflows in India's air transport sector (including air freight) reached US$ 1,817.23 million.

India's aviation industry is expected to witness Rs.35,000 crore (US$ 4.99 billion) investment in the next four years. The Indian government is planning to invest US$ 1.83 billion for development of airport infrastructure along with aviation navigation services by 2026.

C. TRANSPORTATION

India's transportation sector has not been able to keep pace with rising demand and is proving to be a drag on the economy. Major improvements in the sector are therefore required to support the country's continued economic growth and to reduce poverty. India has the one of largest road network across the world, spanning over a total of 5.5 million km. This road network transports 64.5 per cent of all goods in the country and 90 per cent of India's total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. The Indian roads carry almost 90 per cent of the country's passenger traffic. In India sales of automobiles and movement of freight by roads is growing at a rapid rate.

The construction of highways reached 9,829 km during FY18 which was constructed at an average of 26.93 km per day. The Government of India has set a target for construction of 10,000 km national highway in FY19. Total length of projects awarded was 6,400 kms under Bharatmala Pariyojana (including residual NHDP works), a total length of 34,800 km road projects have been proposed to be constructed, under Bharatmala Pariyojana Phase-I. Government of India has approved highway projects worth Rs.2 billion (US$ 29.83 million) to improve connectivity among Gujarat, Maharashtra, Rajasthan, Madhya Pradesh and Diu. The government, through a series of initiatives, is working on policies to attract significant investor interest. A total of 200,000 km national highways are expected to be completed by 2022. The Ministry of Road Transport and Highways has fixed an overall target to award 15,000 km projects and construction of 10,000 km national highways in FY19. A total of about 295 major projects including bridges and roads are expected to be completed during the same period.

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. 2256.32 Crore for the year ended March 31, 2019 as against Rs.1534.15 Crore for the previous year.

GVK Industries Ltd

During the year, Jegurupadu Phase II achieved 100% 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 87% 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.300.71 crore for the financial year 2018-19 (PY loss of Rs.258.89 crore)..

Alaknanda Hydro Power Company Limited

The 330MW Shrinagar Hydro Electric Project achieved Normative Annual Plant Availability Factor (NAPAF) of 49.7 % for the FY 2018-19 with a Plant Load Factor of 55.36%. 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. 741 Crore with a negative profit of Rs. 137 Crore. The negative profit is mainly attributable to the increase in finance cost and other expenses which is in line with UPERC regulations.

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 Ltd (MIAL)

During the year MIAL handled 48.80 Mio (PY 48.50 mio) passengers, 321,263 ATMs (PY 320,689 ATMs) and 963,460 MT (PY 675,435 MT) of Cargo reflecting an increase of 0.7% and 6.3% respectively. The Company reported a profit after tax of Rs. 96.10 Crore for the financial year 2018-19 (PY Profit after tax Rs. 35.41 Crore). MIAL recorded revenue of Rs. 3673.34 Crore for the year ended March 31, 2019 as against that of Rs. 3342.32 Crore for the previous year, registering an increase of 9.90%. EBIDTA margin improved to 41% as compared to 42.21% 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.342.75 Crore (PY Rs.350.73 Crore) registering an increase of 2.27%. The Company reported a profit after tax of Rs.58.89 Crore for the financial year (PY Rs.128.33 Crore). During the year under review, the company paid an amount of Rs. 32.70 Crore to NHAI as their revenue share (PY Rs.43.58 Crore) since the toll revenues are beyond the threshold limit as specified under the Concession Agreement. The average tollable traffic was 54,217 vehicles per day during the current financial year. The average toll collection per day is Rs. 93.89 Lacs during the year.

4. Assets under Development

Airports

Navi Mumbai International Airport (NMIAL)

Navi Mumbai International Airport (NMIAL) project had achieved the Appointed Date on 7th July, 2018. CIDCO has given vacant possession of about 97% of the Site to the Company on 7th July, 2018. NMIAL has executed the Shareholders' Agreement, Memorandum of Understanding with Government of India and CNS/ ATM Agreement with Airports Authority of India and the State Support Agreement. The Company has also entered into Land Development Works Substitution Agreement with contractors appointed by CIDCO for execution of Land Development Works at the Site. The Company has proposed and submitted updated Master Plan to CIDCO for development of the project. NMIAL, through its Sponsor i.e. MIAL, has provided the Performance Security to CIDCO as per the terms of the Concession Agreement. The Company has arranged its debt funding requirements for Phase-I of NMIAL Project from Yes Bank Limited and is in the process of finalising the financing and security documents. 94% of Land Development Works have been completed as on 30th April, 2019. About 85% of structures at the Site have been demolished and vacated by CIDCO. The company is in the process of awarding EPC contract.

5. Risks & Concerns

Energy

The complete government apathy to the 27,123 MW of gas-based power generation capacity, of which 14,305 MW capacity were identified as "Stranded Gas Based Plants" since they never received any supply of domestic gas. These are stated to represent Rs.48,000 crore in debt that have been declared as NPAs or are undergoing SDR restructuring. These stranded investments were not built on individual whims, but are a result of the government's conscious policy to attract and promote investments to develop gas-based generation on the basis of stated and declared availability of domestic natural gas, particularly on the basis of the declared availability of domestic natural gas from the KG D-6 Basin.

Several gas-based power plants were built on government coaxing, but have since been stranded due to the arbitrary flip-flops in the allocation of gas for the sector by the government. The Andhra Pradesh High Court had directed the government to re-examine the gas allocation policy and undertake consultations with the affected stakeholders, but the government is still to act. Instead of seeing how the stranded infrastructure can be efficiently utilised and maximum benefit be extracted, there is increasing clamour to send the stranded gas based capacity through the shredder process of the Insolvency and Bankruptcy Code. This will only waste investments and ensure the liquidation of these assets at almost scrap value since there is presently no viability in the sector.

The power ministry proposes to conduct reverse e-auction to select gas fired stations that will be offered subsidised imported fuel under a bailout package for 24,000-MW stressed projects. The power plants are proposed to be run on imported LNG to be made affordable through haircuts by central, state governments, power companies and gas transporters. The ministry is expected to approach the Union Cabinet soon to seek approval for the scheme recommended by a high-level empowered committee on stressed assets. The proposal, for three years starting this fiscal, is an extension of the previous rounds of subsidised gas auction schemes to power plants. The difference this time, however, is a plan to aggregate power from these plants through reverse online auction and a proposal to do away with subsidy component. We have to wait and watch how things are going to change the future of gas based power plants

Airport

The civil aviation industry in India has accelerated during the last 10 years. Currently, India is the third largest domestic aviation market in the world and is even more expected to be the world largest domestic aviation market in the next 10 to 15 years. The improvisation of various factors such as the introduction of low-cost carriers, modern airports, FDI in domestic airlines, the intervention of advanced information technologies and the ever-growing emphasis on regional connectivity has contributed towards a dynamic expansion of the civil aviation industry of India.

In the quest for overall regional connectivity, the government has awarded 325 routes to existing airlines as well as helicopter operators so as to enhance the flight services even to the hilly and the most remote areas. A huge amount of funds have been sanctioned for various airport building and modernization projects. All these have been done to accelerate the growth even to a higher level. The introduction of the UDAN scheme by the government aims at making domestic connectivity especially the regional connectivity affordable and widespread.

India's aviation industry is largely untapped with huge growth opportunities, considering that air transport is still expensive for majority of the country's population, of which nearly 40 per cent is the upwardly mobile middle class. The industry stakeholders should engage and collaborate with policy makers to implement efficient and rational decisions that would boost India's civil aviation industry. With the right policies and relentless focus on quality, cost and passenger interest, India would be well placed to achieve its vision of becoming the third-largest aviation market by 2020.

Transportation

Road transport of the country is facing a number of problems like viz., unsurfaced roads (42.65%) which are not suitable for vehicular traffic, poor quality of roads and its maintenance, mixing of traffic on the same road, multiple check-posts, toll tax and lack of road side essential amenities. There has been no stability in policy relating to highway development and absolutely no co-ordination between agencies responsible for construction and maintenance and their decisions are often conflicting and contradictory.

Transportation infrastructure and allied services are critical growth engines for propelling India's rise as an economic superpower. While the public sector has played a dominant role in investing in infrastructure creation, the government will need increased private sector participation to supplement the rapidly growing industrial demand for a modern and robust transportation and logistic network at par with developed countries.

The infrastructure sector was one of the major focus areas in the FY19 budget and saw massive spending on roads, railways, water, irrigation and urban infrastructure. The government should focus on not only allocation of funds, but also on setting up a road map for clearly outlining the private and government sectors' role in infrastructure creation and operations over the coming years.

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.10,031 lakhs as compared to Rs.9,214 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.5,405 Lakhs for the year ended March 31, 2019 from Rs.9,312 lakhs for the year ended March 31, 2018.

Interest

Interest expenses stood at Rs.1,248 lakhs (previous year figure was Rs.2,361 lakhs)

Profit before tax (PBT)

Profit before tax for the year is Rs.3,366 lakhs for the current year as compared to Loss of Rs.2,472 lakhs in the previous year.

Profit after tax

Profit after tax is Rs.11,394 lakhs for the year ended March 31, 2019 as compared to Net Loss of Rs.3,608 lakhs in the previous year.

EPS

The earnings per share at standalone level for the current year stands at Rs. 0.72 as compared to Rs. (0.23) 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.4,09,817 Lakhs for the year ended March 31, 2019, as against Rs.3,86,321 Lakhs during the corresponding period of the previous year recording an increase of 6%.

EBIDTA at a consolidated level for the year stood at Rs.1,70,667 Lakhs as against Rs.1,55,614 Lakhs in the previous year. EBIDTA margin at consolidated level increased to 42% as compared to 40% 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.36,349 lakhs for 2018- 19 as compared to Rs.56,167 lakhs in the previous year.

Earnings per Share (EPS)

The earnings per share at consolidated level for the current year stands at Rs.(2.30) as compared to Rs.(3.56) per equity share of Re.1/- each in the previous year.

Net Worth

The net worth as at the end of Financial Year 2018-19 stands at Rs.(120,305) lakhs as compared to Rs.(84,126) lakhs as at the end of the previous year.

During the period under review, there are no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Details regarding Conservation of Energy and Technology Absorption:

Information on conservation of Energy, Technology absorption and Research & Development, required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

(i)	the steps taken or impact on conservation of energy	Nil
(ii)	the steps taken by the company for utilizing alternate sources of energy	Nil
(iii)	the capital investment on energy conservation equipments	Nil

(B) Technology absorption:

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

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 (CO_2). These CERs can be traded and sold, and used by industrialized countries to a 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. Material developments in Human Resources/Industrial Relations front, including number of people employed

The total number of employees of GVK at the corporate office and projects sites as on March 31, 2019 stands at 2,362 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 Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of GVK Power and Infrastructure Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash flows Statement for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and, except for the indeterminate effects of the matter referred to in Basis for Qualified Opinion paragraph below, 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 venture as at March 31, 2019, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

3. 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 16, 2019 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 deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, the aforesaid subsidiary has submitted its claim for an amount Rs. 19,882 lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. The Company has given corporate guarantee for the loan taken by the subsidiary. Pending approval of the claim by the adjudicating authority, we are unable to comment on 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 the gas based power plants of a subsidiary company and a jointly controlled entity towards supplies/availability of gas, recovery of capacity charged 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. 160,381 lakhs and the provision, 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 the coal based power plant of a subsidiary company towards the 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. 396,638 lakhs together with consequential impact, if any, arising out of the same in these accompanying Consolidated Ind AS financial statements.

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

   In light of the above, (also refer to para 6(D) below), we are unable to comment on the extent of eventual recoverability of the investment in and loans to GVK Energy Limited aggregating to Rs. 26,286 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 venture amounting to Rs. 4,500 lakhs. The impact of this matter on the consolidated financial statements is presently not ascertainable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. 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 sub-paragraph 17 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to note 51 in the consolidated financial statements, which indicates that the Group incurred losses of Rs. 30,442 lakhs and has significant accumulated losses as at year ended March 31, 2019, has defaulted in repayment of loan and interest payments and material uncertainties are faced by various projects executed by the Group, its associates and joint ventures, provided guarantees/ commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

   Our opinion is not modified in respect of this matter.

Emphasis of Matter

6. We draw your attention to the following matters:

A. We draw your attention to note 47 to the consolidated 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. 75,655 lakhs and to whom it has provided guarantees and made commitments for loans aggregating to Rs. 783,297 lakhs and has undertaken to provide financial assistance of USD 7.61 million (Rs. 5,263 lakhs) as at March 31, 2019.

B. We draw your attention to Note 61 to the consolidated financial statements with regard to the proposed divestment of the Holding Company in the airport vertical, GVK Airport Holdings Limited. Pending definitive stage of the terms and conditions entailing a Firm Purchase Contract, the airport vertical has not been considered as a "Held for Sale" asset at this stage.

C. We draw attention to the following Emphasis of Matters paragraphs included in the audit reports of the 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 their reports date May 10, 2019 and May 13, 2019 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 this Hydro power project being executed by the Company. The ultimate outcome of this matter for assets having carrying value of Rs. 113,761 lakhs and also claim raised by Power Development Department, Government of Jammu & Kashmir of Rs. 518,963 lakhs cannot be presently determined pending arbitration proceedings and other uncertainties.

   ii. We draw attention to Note # of the financial statements. The project undertaken by the company was terminated by GSRDC by referring the defaults of the Concessionaire. Consequent to the termination of the project, Company has accounted, cost incurred upto March 31, 2019, Rs. 58,904 lakhs as amounts receivable from GSRDC as management has represented that the project of the company was terminated due to the reasons attributable to the GSRDC. Company has disputed the termination notice and invoked Arbitration in terms of provisions of concession agreement. The matter is sub-judice before Arbitral tribunal.

   We draw attention to Note # of the financial statements. The company had taken term loans from consortium of banks & a financial institution. Company borrowings have been classified as Non-performing assets by the lenders due to defaults in payment of related dues. Lenders have recalled the entire facilities extended to the company.

   Note * and # as described above is reproduced as note 50 and 49 respectively to the consolidated financial statements.

D. We draw attention to the following Emphasis of Matter included in the audit opinion on the Consolidated financial statements of GVK Energy Limited:

Note * to the consolidated 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 regarding outstanding minimum alternate tax amounts, claims for reimbursement, disincentives recoverable and other receivable aggregating to Rs.3,118 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's books, a subsidiary company and a joined controlled entity respectively.

Note * as described above has been reproduced as note 48(d) to the consolidated financial statements.

Our opinion is not modified in respect of the above matters

Key Audit Matters

7. Except for the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our and other auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. We did not audit the financial statements of 16 subsidiaries whose financial statements reflect total assets of Rs. 1,988,320 lakhs and net assets of Rs. 245,623 lakhs as at March 31, 2019, total revenue of Rs. 409,817 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of (Rs. 21,387 lakhs) for the year ended on that date, as considered in the statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the statement insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

18. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. 2,551 lakhs for the year ended March 31, 2019 as considered in the consolidated financial statements, in respect of 2 associate companies and 9 joint ventures whose financial information have not been audited by us.

    These 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 statement 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 subsidiaries 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 statement 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 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.

Report on Other Legal and Regulatory Requirements

19. 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 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    d. Except for the indeterminate effects of the matters referred to in Basis for Qualified opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. The matters described in the Basis for Qualified opinion paragraph, Material Uncertainty Related to Going Concern and Emphasis of Matter paragraphs 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, 2019 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, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2019 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 as referred to in paragraph 3 above.

h. With respect to the adequacy of internal financial controls over financial reporting of the Group 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and joint ventures– Refer Note 44, 48, 49, 50 to the consolidated 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, 2019. The Group, its associates and joint ventures did not have any derivative contracts as at March 31, 2019.

    iii. During the year ended March 31, 2019, 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.

    iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

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

N.K. Varadarajan
Partner
Membership Number: 090196

Place: Hyderabad
Date: May 24, 2019

ANNEXURE-A

Referred to in paragraph 19(h) of the Independent Auditors' Report of even date to the members of GVK Power & Infrastructure Limited on the consolidated financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of GVK Power & 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. Therespective 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 over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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, 2019:

The Holding Company's internal financial controls over use of assumptions f0r 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 on 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 their report dated May 16, 2019 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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, 2019, and the material weakness affects 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 over financial reporting insofar as it relates to 14 subsidiary companies, 1 associate company 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 N.umber: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 090196

Place: Hyderabad
Date: May 24, 2019

Consolidated Balance Sheet

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

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	3	1,043,215	1,061,219
Capital work in progress	4	255,297	92,957
Expenditure incurred during construction period, pending allocation (Net)	4	23,232	6,395
Investment Property	5	11,655	11,655
Goodwill	6	112,237	112,237
Other intangible assets	6	274,637	213,523
Intangible assets under development	7	2,083	60,853
Financial assets			
Investments	8	84,293	76,639
Loans	9	5	5
Trade receivables	10	50	22
Other financial assets	11	8,008	1,072
Deferred tax assets (net)	12	9,644	16,217
Tax assets		40,765	37,121
Other non-current assets	13	63,632	81,255
Total		**1,928,753**	**1,771,170**
Current Assets			
Inventories	14	943	1,015
Contract assets		7,296	7,248
Financial assets			
Investments	15	4,981	2,293
Trade receivables	16	41,668	41,855
Cash and cash equivalents	17	30,496	89,039
Other bank balances	18	26,331	48,308
Loans	19	29,200	36,629
Other financial assets	20	75,448	10,312
Current tax assets		4,388	1,202
Other current assets	21	32,982	18,114
Total		**253,733**	**256,015**
Total Assets		**2,182,486**	**2,027,185**
Equity and Liabilities			
Equity			
Equity share capital	22	15,792	15,792
Other equity		(136,097)	(99,918)
Equity attributable to owners of the Group		**(120,305)**	**(84,126)**
Non-controlling interests		244,849	156,872
Total Equity		**124,544**	**72,746**
Non-current liabilities			
Contract liabilities		894	992
Financial Liabilities			
Borrowings	23	944,230	1,069,327
Other financial liabilities	24	270,229	175,256
Provisions	25	1,576	1,197
Deferred tax liabilities (net)	26	12,438	12,159
Other non-current liabilities	27	212,596	123,031
Total		**1,441,963**	**1,381,962**
Current liabilities			
Contract liabilities		1,230	1,926
Financial liabilities			
Borrowings	28	191,288	216,155
Trade payables	29	20,484	25,025
Other financial liabilities	30	347,874	272,261
Provisions	31	3,017	2,522
Current tax liabilities (net)		12,008	17,049
Other current liabilities	32	40,078	37,539
Total		**615,979**	**572,477**
Total Equity and liabilities		**2,182,486**	**2,027,185**
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 24, 2019

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

Dr. GVK Reddy
Chairman
DIN: 00005212

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

A Issac George
CFO

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, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations	33	409,817	386,321
Other income (net)	34	26,493	100,422
Total income		**436,310**	**486,743**
EXPENSES			
Employee benefits expense	35	21,059	20,130
Annual fee to Airport Authority of India		143,770	133,062
Finance costs	36	151,302	164,308
Depreciation and amortisation expense	37	79,158	72,460
Other expenses	38	74,321	77,514
Total expenses		**469,610**	**467,474**
Profit/(Loss) before exceptional items, share of profit/(loss) from associate & joint venture and tax		(33,300)	19,269
Exceptional item (net)		-	-
Profit/(loss) before share of profit from associate & joint venture and tax		(33,300)	19,269
Share of profit of associates		-	1,452
Share of profit/(loss) of joint venture		2,551	(58,301)
Loss before tax		(30,749)	(37,580)
Tax expense	**39**		
Current tax		(4,733)	20,915
Deferred tax		4,426	(4,758)
Total tax expense		**(307)**	**16,157**
Loss for the year		**(30,442)**	**(53,737)**
Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		(13)	62
(b) Share of OCI from Associate/JV		-	-
(c) Income tax relating to items that will not be reclassified to profit or loss		4	(20)
B. Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		(232)	337
(b) Share of OCI from Associate/JV		-	-
Total other comprehensive (expense)/income		**(241)**	**379**
Total comprehensive income for the year		**(30,683)**	**(53,358)**
Profit/(loss) for the year attributable to:			
- Owners of the Company		(36,349)	(56,167)
- Non controlling interests		5,907	2,430
		(30,442)	(53,737)
- Owners of the Company		(238)	360
- Non controlling interests		(3)	19
		(241)	379
Total comprehensive income/(loss) for the year attributable to:			
- Owners of the Company		(36,587)	(55,807)
- Non controlling interests		5,904	2,449
		(30,683)	(53,358)
Earnings per equity share (Equity shares, par value of Re. 1 each)	40		
Basic earnings per share in Rs		(2.30)	(3.56)
Diluted earnings per share in Rs		(2.30)	(3.56)
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 24, 2019

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

Dr. GVK Reddy
Chairman
DIN: 00005212

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

A Issac George
CFO

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, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(loss) before tax and after other comprehensive items		**(30,994)**	**(37,181)**
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
Depreciation and amortisation (net)		79,158	72,460
Loss on sale of fixed assets (net)		(124)	-
Interest expense		151,302	164,308
Interest income		(24,779)	(21,961)
Liabilities written back		(56)	(1,660)
Income from investment		(357)	(588)
Gain on dilution/disposal of investment in associate/joint venture		-	(74,383)
Share of profit/loss and OCI from associate/joint venture		(2,551)	56,849
Fair value loss on investments in preference shares		50	8,861
Operating Profit before Working Capital Changes		**171,649**	**166,705**
Change in operating assets and liabilities			
(Decrease)/Increase in Provisions		874	(430)
Increase in Trade payables, other financial liabilities, contract liabilities and other liabilities		95,505	92,011
Decrease/(Increase) in Financial Assets loans, others, other current and noncurrent assets		(84,841)	12,968
Decrease/(Increase) in trade receivables		159	2,541
Decrease/(Increase) in Inventories		72	54
Cash Generated from Operations		**183,418**	**273,849**
Income taxes paid (net of refunds)		(4,716)	(25,593)
Net Cash flow from Operating Activities	**(A)**	**178,702**	**248,256**
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES			
Purchase of fixed assets (including capital work in progress and capital advances)		(134,057)	(72,334)
Proceeds from sale of fixed assets		351	58
(Purchase) / proceeds from sale of current investments (net)		(2,331)	8,170
Purchase of non-current investments		(1,570)	(31,135)
Proceeds from sale of non-current investments		-	129,000
Loans (given) to / taken from related parties and others (net)		13,936	(25,859)
(Investment)/ Realization of bank deposits (having original maturity of more than 3 months)		21,977	(30,653)
Interest received		20,532	21,961
Net Cash flow from/(used in) Investing Activities	**(B)**	**(81,162)**	**(792)**

		Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW USED IN FINANCING ACTIVITIES			
Proceeds from Minority Interest		82,865	13,859
Proceeds from Long term Borrowings		50,105	146,858
Repayment of long term borrowings		(92,240)	(243,045)
Proceeds/ (Repayment) from/of short term borrowings (net)		(24,867)	(22,020)
Interest paid		(171,946)	(138,790)
Net Cash flow used in Financing Activities	**(C)**	**(156,083)**	**(243,138)**
Net Increase in Cash and Cash Equivalents	**(A+B+C)**	**(58,543)**	**4,326**
Cash and Cash Equivalents at the beginning of the year		**89,039**	**84,713**
Cash and Cash Equivalents at the end of the year		30,496	89,039
Components of cash and cash equivalents as per cash flow statement			
Balance with banks:			
Current accounts		4,038	64,563
Deposit accounts		26,205	24,085
Cash		205	141
Cheques		48	250
Total		**30,496**	**89,039**

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

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

N.K. Varadarajan
Partner
Membership No. 90196

Dr. GVK Reddy
Chairman
DIN: 00005212

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

Place: Hyderabad
Date: May 24, 2019

A Issac George
CFO

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, 2017	1,579,210,400	15,792
Issued during the year	-	-
Balance as at March 31, 2018	1,579,210,400	15,792
Issued during the year	-	-
Balance as at March 31, 2019	1,579,210,400	15,792

b. Other Equity

	Attributable to owners of GVK Power & Infrastructure Limited							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	Total Other Equity		
As at April 01, 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**	**(353,665)**	**220**	**(99,918)**	**156,872**	**56,954**
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	82,073	82,073
Profit/(loss) for the year	-	-	-	-	(36,349)	-	(36,349)	5,907	(30,442)
Carrying amount of the assets where remaning useful life is Nil on April 01, 2018 as per AERA order. (Net of Deferred tax of Rs. 363 lakhs). Refer sub note iv) of Note 3	-	-	-	-	(596)	-	(596)	-	(596)
Others	-	-	-	-	-	1,004	1,004	-	1,004
Other comprehensive income	-	-	-	-	(6)	(232)	(238)	(3)	(241)
As at March 31, 2019	**(4,057)**	**40,694**	**215,935**	**952**	**(390,616)**	**992**	**(136,097)**	**244,849**	**108,752**

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 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 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.

Changes in Accounting treatments and disclosures as per new and amended standards

Ind AS 115 Revenue from Contracts with Customers

The Group has adopted the Ind AS 115 “Revenue from Contracts with Customers” with effect from April 1, 2018 as notified on March 28, 2018 and established a five-step model to account for revenue arising from contracts with customers. The new revenue standard supersedes all previous recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules has not affected the timing of revenue recognition for certain transactions of the company. Ind AS 115 permits two possible methods of transition:

a. ‘Retrospectively to each prior reporting period presented in accordance with Ind AS 8 [Accounting Policies, Changes in Accounting Estimates and Errors] with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or

b. ‘Retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group has applied the modified retrospective approach, However the application of Ind AS 115 has not consequentially impacted the Group’s retained earnings at April 1, 2018.

As the Group has adopted modified retrospective approach, Unbilled revenue and advance from customer have been regrouped from other financial assets and current and non current liabilities to Contract Assets and Contract Liabilities respectively as compared to April1, 2018.

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.

Notes to the consolidated financial statements

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

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.

(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.

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

Notes to the consolidated financial statements

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- 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:

- 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. 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.

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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). Income from airport services:

Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principle in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Revenue from airport operations i.e. Aeronautical, Non Aeronautical and Cargo services are recognized on accrual basis, net of service tax/Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fee (UDF), Landing, Parking and aerobridge charges of aircraft. Passenger service fees- security component (PSF-SC) collected as per the terms of State Support Agreement and MoCA orders, is not recognised as revenue of the Company since the same is collected in a fiduciary capacity. The main streams of non-aeronautical revenue includes concessions, rentals, public admission fees, hanger charges, car parking rentals, into plane, demurrage on cargo etc., is recognised as per terms of contract when services are rendered. Cargo consists of concession contracts.

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

Significant financing component

In certain cases, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for the service will be one year or less.

The Company also receives long-term advances from customers for rendering services. The transaction price for such contracts are discounted, using the rate that would be reflected in a separate financing transactions between the Company and its customers at contract inception, to take into consideration the significant financing component.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer (which consist of unbilled revenue). If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before the payment of the consideration is due). Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement

Notes to the consolidated financial statements

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Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays a consideration before the Company transfers services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

(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:

- 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

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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.

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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:

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 - 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.

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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.

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.

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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.

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.

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 provisions 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)

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- 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.

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 facilitatinvg an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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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.

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.

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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.
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.

Notes to the consolidated financial statements
(All amounts in INR lakhs, except share data and where otherwise stated)

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.

y. Annual fee
In MIAL, Annual fee at the rate of 38.7%, as specified in the OMDA of the revenue from contracts with customers and certain other income is recognised as an expenditure in the Statement of Profit and Loss.

z. Premium
NMIAL - Premium @ 12.6% of the Gross Revenue, as defined under clause 2(b)(ii) of the concession agreement, payable to the City and Industrial Development Corporation of Maharashtra Limited (CIDCO) is recognised as an expenditure.

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
Gross Carrying Amount													
At April 1, 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	-	29,464	5,526	5,300	20	17,176	10,429	153	1,991	2,651	31	-	72,741
Disposals	-	(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
Additions	-	22,212	412	21,950	-	24,563	3,337	192	351	2,572	133	8	75,730
Disposals	-	(214)	(15)	-	-	-	(286)	(8)	(11)	-	(17)	-	(551)
Adjustments/ transfers	-	(25,849)	(57)	(92)	(18)	28,465	(2,513)	(33)	(284)	(1,840)	-	-	(2,221)
At March 31, 2019	**290**	**734,302**	**12,868**	**35,999**	**55,385**	**271,130**	**152,455**	**607**	**47,875**	**56,449**	**525**	**12**	**1,367,897**
Accumulated Depreciation													
At April 1, 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	-	(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
Depreciation expense	-	26,541	2,399	2,620	1,961	18,476	21,204	128	10,682	6,067	64	1	90,143
Disposals	-	(34)	(15)	-	-	-	(253)	(6)	(10)	-	(6)	-	(324)
Adjustments/ transfers	-	(4,281)	(58)	(24)	-	6,586	(739)	(23)	327	(645)	-	-	1,143
At March 31, 2019	**-**	**104,321**	**7,964**	**7,037**	**7,777**	**60,235**	**86,944**	**238**	**26,631**	**23,351**	**179**	**5**	**324,682**
Net Block													
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**
At March 31, 2019	**290**	**629,981**	**4,904**	**28,962**	**47,608**	**210,895**	**65,511**	**369**	**21,244**	**33,098**	**346**	**7**	**1,043,215**

Net book value	March 31, 2019	March 31, 2018
Plant, property and Equipment	1,043,215	1,061,219
Capital Work in progress	278,529	99,352

Notes:

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 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.

Notes to the consolidated financial statements

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

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

iv) As per Part B of Schedule II to the Companies Act 2013 ("the Act") 'Depreciation on specific assets is to be provided considering useful lives and residual value of those assets, as may be notified by the specific Regulatory Authority. Since, Airports Economic Regulatory Authority of India (AERA) has notified vide order dated January 12, 2018, as amended from time to time, which is effective from April 01, 2018, the useful lives and residual values for the said assets, MIAL has considered the same as per the said order w.e.f. April 01, 2018. In cases where the remaining useful life of an asset is Nil as on April 01, 2018, the opening residual value of the assets has been recognised in retained earnings. An amount of Rs. 596 lakhs (net of related deferred tax of Rs. 363 lakhs) has been recognised to retained earnings as at April 01, 2018 in this regard.

v) During the current period, MIAL has received Service Tax refund of Rs. 2,390 lakhs, hence the same has been disclosed as an adjustment against the Gross Block.

vi) With reference to agreement dated February 22, 2010, between MIAL with Air India (erstwhile NACIL), some of the Air India facilities at Chhatrapati Shivaji International Airport (CSIA) that were hindrance in the development of CSIA were relocated to facilitate airport development. These facilities were constructed and handed over to Air India. The cost of construction of these facilities is treated as enabling cost for construction of Apron.

4: Capital work in progress

Particulars	Capital work in progress	Expenditure incurred during construction period	Total
Opening balance as at April 01, 2017	**81,850**	**1,411**	**83,261**
Additions (refer note below)	13,867	7,100	20,967
Capitalised/written off during the year	(2,760)	(2,116)	(4,876)
Closing balance as at March 31, 2018	**92,957**	**6,395**	**99,352**
Additions (refer note below)	173,019	16,896	189,915
Capitalised/written off during the year	(10,679)	(59)	(10,738)
Closing balance as at March 31, 2019	**255,297**	**23,232**	**278,529**

Expenditure incurred during construction period

Particulars	Additions FY 2018-19	Additions FY 2017-18
Personnel Expenses:		
Salaries, allowances and bonus	7,477	2,655
Staff welfare Expenses	-	23
Power, fuel and water charges	42	45
Rent	184	77
Communication costs	18	10
Travelling and conveyance	1,967	245
Legal and professional charges	780	3,801
Miscellaneous expenses	198	113
General and administration costs	290	95
Financial expenses		
a. Interest expenses	34	4
b. Finance charges	5,906	36
Sub Total (A)	**16,896**	**7,104**
Less: Other Income		
Income from current investments	-	4
Sub Total (B)	**-**	**4**
Total (C=A-B)	**16,896**	**7,100**

Notes to the consolidated financial statements
(All amounts in INR lakhs, except share data and where otherwise stated)

5. Investment property-Land

Particulars	Amount
Opening balance as at April 01,2018	11,655
Additions (subsequent expenditure)	-
Closing balance at March 31, 2019	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, 2019 and March 31, 2018 the fair values of the properties are Rs. 75,000 Lakhs and Rs. 75,000 Lakhs 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 and 28).

6. Intangibles

Description of Assets	Goodwill	Computer software	Airport Grant		Toll collection right	Concession Rights	Total
			Upfront fee	Other Compensation			
At Cost							
At April 1, 2017	112,237	1,210	10,800	25,177	198,404	-	**347,828**
Additions/Adjustments	-	376	-	-	381	-	**757**
Disposals	-	-	-	-	-	-	**-**
At March 31, 2018	**112,237**	**1,586**	**10,800**	**25,177**	**198,785**	**-**	**348,585**
Additions/Adjustments	-	1,123	-	-	42	68,901	**70,066**
Disposals	-	(169)	-	-	-	-	**(169)**
At March 31, 2019	**112,237**	**2,540**	**10,800**	**25,177**	**198,827**	**68,901**	**418,482**
Amortization and impairment							
At April 1, 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**
Amortisation	-	226	514	1,188	6,855	-	8,783
At March 31, 2019	**-**	**1,338**	**2,056**	**4,752**	**23,462**	**-**	**31,608**
Net Block							
At March 31, 2018	**112,237**	**474**	**9,258**	**21,613**	**182,178**	**-**	**325,760**
At March 31, 2019	**112,237**	**1,202**	**8,744**	**20,425**	**175,365**	**68,901**	**386,874**

Net book value	March 31, 2019	March 31, 2018
Goodwill	112,237	112,237
Other intangible assets	274,637	213,523

Notes to the consolidated financial statements

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

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 17 years as on March 31, 2019.

iii) Goodwill recognised on account of acquisition is tested for impairment as at March 31, 2019. 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, 2018	**13,490**	**47,363**	**60,853**
Additions	134	-	134
Capitalised during the year	-	-	-
Reclassified as other financial assets (refer note 49)	(11,541)	(47,363)	(58,904)
Closing balance as at March 31, 2019	**2,083**	**-**	**2,083**

8. Non-current investments

	As at March 31, 2019	As at March 31, 2018
A. Unquoted, in fully paid securities (at cost)		
Investment in associate company		
(i) Bangalore International Airport Limited		
Nil (March 31, 2018: Nil) Equity shares of Rs. 10 each fully paid up	-	41,707
Add: Opening balance of accumulated profit	-	12,261
Add: Profit for the year	-	1,477
Less : Reduction on account of sale of stake	-	(55,445)
	-	**-**
(ii) GVK Coal Developers (Singapore) PTE Limited		
50,000 (March 31, 2018: 50,000) equity shares of USD 1 each fully paid-up	-	25
Add: Loss for the year	-	(25)
17,03,60,918 (March 31, 2018: 17,03,60,918) non-cumulative redeemable preference shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.	72,189	**67,865**
Share application money for purchase of non-cumulative redeemable preferential shares of USD 1 each (at amortised cost)	380	**246**
Investment in associate company	**72,569**	**68,111**
Investment in Joint venture		
(i) Mumbai Aviation Fuel Farm Facility Private Limited		
4,82,88,750 (March 31, 2018: 4,18,88,750) Equity shares of Rs. 10 each fully paid up	3,739	3,377
Add: Opening balance of accumulated profit	1,615	854
Add: Investment during the year	640	362
Less : Dividend received	-	(419)
Add: Profit for the year	1,296	1,180

Notes to the consolidated financial statements

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

	As at March 31, 2019	As at March 31, 2018
	7,290	**5,354**
(ii) Mumbai Airport Lounge Services Private Limited		
88,97,980 (March 31, 2018: 88,97,980) equi ty shares of Rs. 10 each fully paid-up	2,232	**2,232**
Add: Opening balance of accumulated profit	937	-
Add: Profit for the year	1,255	937
	4,424	**3,169**
(iii) GVK Energy Limited		
557,869,479 (March 31, 2018: 557,869,479) equity shares of Rs.10 each fully paid-up	114,014	114,014
Add : Profit on deemed dilution (as per last balance sheet)	34,964	34,964
Add: Opening balance of accumulated profit/(loss)	(148,978)	(93,042)
Add: Loss for the year	-	(55,936)
	-	**-**
A	**84,283**	**76,634**
B.Other		
National Savings Certificate (pledged with government authority)	10	5
B	**10**	**5**
	84,293	**76,639**
Aggregate market value of unquoted investments (A+B)	**84,293**	**76,639**

9. Loans

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Others	5	5
	5	**5**

10. Trade receivables

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	50	22
	50	**22**

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

	As at March 31, 2019	As at March 31, 2018
Guarantee commission receivable	933	26
Financial guarantee assets	-	945
Deposits with Government, Public Bodies and Others	7,075	-
Security deposits	-	101
	8,008	**1,072**

Notes to the consolidated financial statements

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

12. Deferred tax assets (net)

	As at March 31, 2019	As at March 31, 2018
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	1,280	882
A	**1,280**	**882**
Deferred tax assets		
MAT Credit Entitlement	8,587	14,889
Indexation benefit on land	2,339	2,210
B	**10,924**	**17,099**
Deferred tax assets (net) (A-B)	**9,644**	**16,217**

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

	As at March 31, 2019	As at March 31, 2018
Capital advances	62,839	71,680
Balance with government authorities	792	9,564
Others	1	11
	63,632	**81,255**

14. Inventories

	As at March 31, 2019	As at March 31, 2018
Stores, spares and consumables (at lower of cost and net realisable value)	943	1,015
Total	**943**	**1,015**

15. Current investments

	As at March 31, 2019	As at March 31, 2018
Investment carried at fair value through profit and loss		
Investments in units of Mutual funds	4,981	2,293
Total	**4,981**	**2,293**

16. Trade receivables

	As at March 31, 2019	As at March 31, 2018
Trade Receivable Considered good - Secured	-	-
Trade Receivable Considered good - Unsecured	41,668	41,855
Significant increase in Credit risk	-	-
Trade Receivables credit impaired	504	760
Total	42,172	42,615
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured considered good	-	-
Trade Receivables credit impaired	(504)	(760)
	41,668	**41,855**

Notes to the consolidated financial statements

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

MIAL has to recover Rs. 17,942 lakhs (March 31, 2018: Rs. 16,743 lakhs) 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 is 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, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with Banks		
- On current accounts	4,038	64,563
- On deposit accounts	26,205	24,085
Cash on hand	205	141
Cheques in hand	48	250
Total Cash and cash equivalents	**30,496**	**89,039**

Balances with banks in current accounts includes balances of Rs. 1,723 lakhs (March 31, 2018: Rs. 1,646 lakhs) on account of marketing fund collected from concessionaires which are to be utilised for specific purposes.

18. Other bank balances

	As at March 31, 2019	As at March 31, 2018
Deposits with maturity of more than 3 months but less than 12 months	21,727	39,011
Deposits held as margin money with maturity of more than 3 months but less than 12 months	4,604	9,297
	26,331	**48,308**

Other bank balances include restrictive balances of Rs. 4,567 lakhs (March 31, 2018: Rs. 9,260 lakhs) on account of margin money against guarantees given by banks.

19. Loans

	As at March 31, 2019	As at March 31, 2018
- Unsecured, considered good		
Loans to related parties*	29,200	36,624
Loans to Others	-	5
	29,200	**36,629**

* Net of share of losses in a joint venture to the extent of Nil (March 31, 2018: Rs. 4,482 lakhs). Refer note 53(c)

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

	As at March 31, 2019	As at March 31, 2018
Unbilled revenue	-	-
Interest receivable	1,604	1,732
Advances	300	305
Deposits with Government, Public Bodies and Others	383	-
Receivable from GSRDC (Also refer note 49)	58,904	-
Capital advances	6,001	-
Security deposits	7	432
Development fee receivable		
- Billed and receivable from airlines (including interest accrued)	3,355	2,505
- Balance with banks under control of Airport Authority of India	1,328	2,640

Notes to the consolidated financial statements

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

	As at March 31, 2019	As at March 31, 2018
"Receivables on account of passenger service fee (security component), net"	1,318	198
Guarantee Commission receivable	1,771	1,389
Financial guarantee assets	470	1,105
Others	7	6
	75,448	**10,312**

Break up of financial assets carried at amortised cost

	As at March 31, 2019	As at March 31, 2018
Non current investments	72,579	68,116
Loans	29,205	36,634
Trade receivables	41,718	41,877
Cash and cash equivalents	30,496	89,039
Other bank balances	26,331	48,308
Other financial assets	83,456	11,384
	283,785	**295,358**

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

	As at March 31, 2019	As at March 31, 2018
Current investments	4,981	2,293
Non current investments	-	-
Total financial assets carried at fair value through P&L	**4,981**	**2,293**

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

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	15,854	2,355
Advances	11,517	5,585
Balances with government authority	331	333
Other advances	5,280	9,841
	32,982	**18,114**

22. Equity share capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
2,500,000,000 (March 31, 2018: 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, 2018: 1,579,210,400) equity shares of Re. 1 each	15,792	15,792

Notes to the consolidated financial statements

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

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

	As at March 31, 2019		As at March 31, 2018	
	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.

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	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 (Refer note 30)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Secured:				
Term Loans from banks	768,905	907,593	259,987	177,025
Term Loans from financial institutions	146,159	128,416	-	-
Term Loans from Others	29,166	33,318	-	-
	944,230	**1,069,327**	**259,987**	**177,025**

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
1. Parent Company (The Company)	-	-	3,898	10,594
2. Mumbai International Airport Limited (MIAL)	694,247	777,226	76,372	52,427
3. GVK Airport Developers Limited (GVK ADL)	11,999	11,999	104,900	95,879
4. GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL)	-	54,502	54,854	-
5. GVK Jaipur Expressway Private Limited (GVK JEPL)	43,639	61,021	18,408	17,421
6. GVK Deoli Kota Expressway Private Limited (GVK DKEPL)	85,461	86,809	1,555	704
7. GVK Ratle Hydro Electric Project Private Limited (GVK RHEPPL)	108,885	77,770	-	-
	944,231	**1,069,327**	**259,987**	**177,025**

Notes to the consolidated financial statements

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

1. Parent Company (The Company)	As at March 31, 2019	As at March 31, 2018
Term Loans from banks (secured)	3,898	10,594

a) Term loan aggregating to Rs. 3,898 Lakhs (March 31, 2018: Rs. 9,745 Lakhs) (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 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.

b) Term loan aggregating to Nil (March 31, 2018: Rs. 849 Lakhs) (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, 2019	As at March 31, 2018
Term loans from		
Banks	543,263	566,476
Financial Institutions	23,273	24,269
Term Loan on securitisation of Development Fees		
Banks	130,849	162,470
Others	17,167	21,319
Term Loan on securitisation of Real Estate Deposit		
Banks	60,853	60,853
Term Loan		
Less : Unamortised transaction cost	(4,786)	(5,734)
	770,619	**829,653**

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

i) 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 (RESD) to the extent permitted under OMDA.

ii) First mortgage and charge on pari-passu basis with working capital lenders on all the assets of MIAL present and future, to the extent permitted under OMDA.

iii) First Charge on a pari-passu basis with ADF Lenders and Working Capital Lenders on pledge of 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.

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 ADF Lenders on right of substitution of MIAL /step-in by the Lenders as provided under OMDA.

vi) 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.

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 ADF and RESD to the extent permitted under OMDA.

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

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 MIAL.

ii) First pari-passu charge on RESD 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 115 bps effective rate of 9.30% p.a. at monthly rests. The interest reset shall happen at the anniversary of drawdown every year.

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 DF 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 115 bps effective rate of 9.30% p.a. at monthly rests. The interest reset shall happen at the anniversary of drawdown every year.

c) Term loan from banks and others on securitisation of Real Estate Deposit (RE): In case of loan of Rs. 30,000 lakhs from Axis Bank Ltd 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%.

For Yes Bank Loan of Rs. 32,500 lakhs repayable in 24 structured quarterly instalments as per the schedule commencing from June 01, 2019. Applicable rate of interest shall be Yes Bank 1 Year MCLR plus 125 bps.

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 12.25%.

3.GVKADL	As at March 31, 2019	As at March 31, 2018
Term Loans from financial institutions (secured)	104,900	95,879
5217(March 31, 2018: 5217) 9% Compulsory convertible Preference Shares	11,999	11,999
	116,899	**107,878**

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

Notes to the consolidated financial statements

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

at a future date based on the average valuation in the manner provided in binding term sheet between GVK ADL and preference shareholder.

b. Term loans - Terms of repayment

The above term loans carry an interest rate of 13.35% 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, over 100% equity shares of the Company held by GVK Power and Infrastructure Limited (GVK PIL). 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 obtaining no objection certificate.

2) First ranking security interest by way of a pledge, over 68% equity shares of GVK Airport Holdings Limited (GVK AHL), held by the Company.

3) First ranking security interest by way of a pledge, over 100% equity shares of Bangalore Airport and Infrastructure Developers Limited (BAIDL) held by the Company.

4) First ranking security interest by way of a pledge, over 100% of Compulsory Convertible instruments issued by Bangalore Airport Infrastructure Developers Limited now transferred to the Company.

5) First ranking security interest by way of a Pledge of 59,200 Preference shares held by GVK PIL. 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 over 9,40,800 preference shares of the Company, held by Sutara Roads and Infrastructure Private 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 GVK PIL in the Company including pursuant to any enforcement of pledge created over the shares of the Company.

b) a designated account of GVK PIL 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 the Company excluding the

a. GVK Airport Developers Limited Hancock Lenders Designated account and the amounts deposited therein from time to time and any amounts to be deposited by the Company into GVK PIL Hancock Lenders Designated account.

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 the Company in relation thereto including:

i) A designated account of the Company 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 the Company 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 the Company in relation to thereto.

9) A charge by GVK AHL over

a) A designated account of GVKAHL in which amount amounts corresponding to 68% of all dividends and distributions of any kind and any other sums received by GVKAHL 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.).

Notes to the consolidated financial statements
(All amounts in INR lakhs, except share data and where otherwise stated)

11) Corporate Guarantee by GVK PIL.

12) Second Rank mortgage over the land owned by GVK Perambalur SEZ Private Limited.

4. GVK BVEPL	As at March 31, 2019	As at March 31, 2018
Term Loans from banks	54,854	42,368
Term Loans from financial institutions	-	12,134
	54,854	**54,502**

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 lakhs to Rs. 4,013 lakhs, 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 Mysore is awaited. On receipt of sanction from State Bank of Mysore, necessary documentation will be executed to give effect to the shift in repayment schedule.

5. GVK JEPL	As at March 31, 2019	As at March 31, 2018
Term Loans from banks	62,047	78,442

A. Term loans from banks amounting to Rs.49,510 Lakhs are secured by way of

i) second charge by way of mortgage of entire immovable properties of GVKJEPL , save and except project assets, both present and future.

ii) 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.

iii) 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.

iv) second charge on entire intangible assets of GVKJEPL, including but not limited to goodwill and uncalled capital, both present and future.

v) Pledge of shares held by promotors in dematerialized form representing 51% of the total paid up equity share capital of the Company, subject to encumbrance created in favour of the existing Senior Lenders to the Project;

vi) first charge on the Surplus Cash flows, Surplus Account and the Surplus Debt Service Reserve of GVKJEPL.

Notes to the consolidated financial statements

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

vii) Rate of Interest: Interest payable at the rate of 10.25% per annum which is subject to reset once in every year.

viii) Terms of Repayment: Repayable in 120 monthly instalments from November 2011.

B. Term loans from banks amounting to Rs.12,537 Lakhs are secured by way of

i) second charge by way of mortgage of entire immovable properties of the GVKJEPL, save and except project assets, both present and future.

ii) second charge by way of hypothecation of entire movable properties of the Company, 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 except project assets.

iii) 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.

iv) second charge on entire intangible assets of the GVKJEPL, including but not limited to goodwill and uncalled capital, both present and future.

v) Pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of the GVKJEPL.

vi) first pari passu charge on the Surplus Cashflows generated after meeting operating, Administrative, MMR provisioning (if any) for the year, senior debt servicing and appropriation after DSRA.

vii) Corporate Gurantee of GVK Power & Infrastructure Limited and GVK Transportation Private Limited (only to meet the shortfall between the Facility amount and termination payments received from NHAI in case of termination of the Concession Agreement for any reason.)

viii) Rate of Interest: Interest payable at the rate of 10.25% per annum which is subject to reset once in every year.

ix) Terms of Repayment: Repayable in 20 quarterly instalments from June 2018.

6. GVK DKEPL	As at March 31, 2019	As at March 31, 2018
Term Loans from banks	73,013	73,270
Term Loans from financial institutions	14,002	14,243
	87,015	**87,513**

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

i) 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.

ii) A first ranking pari passu charge on all revenues and receivables of the Borrower from the Project or otherwise.

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 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.

Notes to the consolidated financial statements

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

7. GVK RHEPPL	As at March 31, 2019	As at March 31, 2018
Term Loans from financial institutions	108,885	77,770

During the year the Company as co-borrower 1 and GVK DPPL as co-borrower 2 have entered into a settlement agreement with Power Finance Corporation Limited (Lender) vide agreement dated February 04, 2019 whereby existing loan along with outstanding interest payable as on March 26, 2019 (cut off date) was converted into two loans of Rs. 81,690 lakhs (Loan A) and Rs. 34,500 lakhs (Loan B). Repayment of both loans along with interest are to be paid in 256 equal installments of Rs. 1,090 lakhs each.

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 of shares held by GVK DPPL constituting 51% of the total issued shares, which may be reduced by the Rupee Lenders to a pledge of Shares constituting 30% of the total issued shares upon 75% of the Rupee Loans being repaid.

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. Corporate guarantee from GVK PIL dated January 13, 2016.

Net debt reconciliation

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current borrowings	191,288	216,155
Non-current borrowings including current maturities	1,204,217	1,246,352
Cash and cash equivalents	(30,496)	(89,039)
Liquid investments	(4,981)	(2,293)
Total	**1,360,028**	**1,371,175**

Notes to the consolidated financial statements
(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Current borrowing	Non-current borrowings	Cash	Liquid investments	Total
Net debt as on March 31, 2017	238,588	1,342,539	(84,713)	(9,875)	1,486,539
Cash flows	(22,433)	(96,187)	(4,326)	8,170	(114,776)
Fair value adjustment - non cash movement	-	-	-	(588)	(588)
Net debt as on March 31, 2018	**216,155**	**1,246,352**	**(89,039)**	**(2,293)**	**1,371,175**
Cash flows	(24,867)	(42,135)	58,543	(2,331)	(10,790)
Fair value adjustment - non cash movement	-	-	-	(357)	(357)
Net debt as on March 31, 2019	**191,288**	**1,204,217**	**(30,496)**	**(4,981)**	**1,360,028**

24. Other non current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Premium obligation/ concession fee payable to NHAI	80,797	73,349
Security deposits	68,355	88,469
Soft Loan towards Pre-development works	22,896	-
Concession fees payable towards concessions rights	73,038	-
Reimbursement of pre-operative expenses	8,403	-
Resurfacing obligation	12,231	7,884
Unearned guarantee commission income on financial guarantees given to related parties	2,543	2,834
Retention monies	1,966	2,574
Retirement compensation payable to Airports Authority of India (AAI) under OMDA	-	146
	270,229	**175,256**

25. Long term provisions

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity (refer note 41)	1,358	1,197
Provision for compensated absences	218	-
Total	**1,576**	**1,197**

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, 2019	As at March 31, 2018
Deferred tax liabilities		
Accelerated depreciation for tax purposes	66,920	66,592
Discounting of Security Deposits	819	1,101
A	**67,739**	**67,693**
Deferred tax assets		
Retirement compensation payable to AAI	50	635
Gratuity	1,277	1,261
Provision for doubtful debts	176	263
Carried forward losses including current year	43,046	44,692
Others	916	1,736
MAT Credit Entitlement	9,836	6,947
B	**55,228**	**55,534**
Deferred tax liabilities (net) (A-B)	**12,438**	**12,159**

27. Other non current liabilities

	As at March 31, 2019	As at March 31, 2018
Deferred lease income pertaining to security deposits from concessionaires	68,895	65,411
Deferred Income pertaining to Airport assets (Government Grant) (Refer note below)	71,459	57,620
Advance from customers	-	-
Soft Loan towards Pre-development works	70,504	-
Reimbursement of pre-operative expenses	1,738	-
	212,596	**123,031**

A. Government Grant (Airport Development Fees)	**As at March 31, 2019**	**As at March 31, 2018**
Opening balance	76,257	66,155
Grants during the year	34,871	28,851
Less: Taken to statement of profit and loss (refer note 37)	(19,768)	(18,749)
Closing Balance	**91,360**	**76,257**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Government Grant		
Current Portion (refer note 32)	19,901	18,637
Non-current Portion (refer note 27)	71,459	57,620
	91,360	**76,257**

B. Government Grant (Navi Mumbai Airport)	**As at March 31, 2019**	**As at March 31, 2018**
Soft loan towards pre-development works		
Opening balance	-	-
Grants during the year	71,460	-
Less: Released against interest	(297)	-
Closing Balance	**71,163**	-
Reimbursement of pre-operative expenses		
Opening balance	-	-
Grants during the year	3,185	-
Less: Released against interest	(589)	-
Closing Balance	**2,596**	-
Total	**73,759**	
Particulars		
Current Portion (refer note 32)	1,517	-
Non-current Portion (refer note 27)	72,242	-
	73,759	**-**

Notes to the consolidated financial statements

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

28. Borrowings

	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
Rupee loan from banks	70,849	78,771
Cash credit facilities from banks repayable on demand	32,231	20,096
Loans from financial institutions	-	22,395
A	**103,080**	**121,262**
Unsecured - at amortised cost		
Loans and advances from related parties repayable on demand	6,748	236
Cash credit from banks repayable on demand	5,038	27,571
Loans from Others	76,422	67,086
B	**88,208**	**94,893**
A+B	**191,288**	**216,155**

Entity wise details of the borrowings are as follows:

Name of the entities	As at March 31, 2019	As at March 31, 2018
GVK Airport Developers Limited (GVK ADL)	75,887	105,442
Mumbai International Airport Limited (MIAL)	32,231	20,096
GVK Transport Private Limited (GVK TPL) #	82,805	62,207
GVK Developmental Projects Private Limited (GVKDPPL)	-	25,870
GVK Perambalur SEZ Private Limited (GVKSEZ) #	365	2,540
	191,288	**216,155**

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

GVK ADL

	As at March 31, 2019	As at March 31, 2018
Rupee loan from banks (Secured)	70,849	78,771
Cash credit from banks (Unsecured)	5,038	26,671
Total	**75,887**	**105,442**

A. Cash credit from banks are unsecured and carry an effective interest rate ranging from 7% p.a to 8% p.a. and is repayable on demand.

B. Rupee loans from banks currently carries an effective interest of 14% per annum and secured by

i) First Pari passu charge on Loans and advances of GVK Power and Infrastructure Ltd (GVKPIL) to the Company and/or charge on loans and advances provided by the Company to GVK Airport Holdings limited (GVK AHL) and/or charge on loans and advances provided by the Company to Bangalore Airport & Infrastructure limited (BAIDL) such that Yes bank Limited has a total cover of 1.5x on the facility.

ii) Yes bank Limited to have charge on proportionate proceeds of Liquidity event of GVKADL, GVK AHL, and BAIDL.

iii) First pari passu charge on shares of the Company and BAIDL along with other lenders or any other future 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 the company.

iv) First pari passu charge 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 the company.

Notes to the consolidated financial statements

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

v. Second Pari passu charge on land of 2685 acres located at Eraiyar and Periyar villages in Veppanthattai Taluk, Thirumandurai Pennakonam North & Pennakonam south villages in kunnam Taluk, Perambalur District currently second charged to HDFC and first charged to Syndicate bank owned by GVK Perambalur SEZ Private Limited.

vi. Corporate guarantee by GVK PIL.

MIAL

	As at March 31, 2019	As at March 31, 2018
Secured		
Cash credit facilities from banks (repayable on demand)	32,231	20,096

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 the Company.

b.) Charge on receivables including unbilled revenue, spares & tools and other current assets to the extent permitted under OMDA.

c.) Pledge of equity shares of MIAL held by the prime members (i.e. GVK Airport Holdings Pvt. Ltd., Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of the Company.

d) Undertaking from prime members (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 AAI/ GOI.

GVK TPL

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Loan repayable on demand (Bank Overdraft)	-	900
Loans and advances from others repayable on demand	82,805	61,307
	82,805	**62,207**

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

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

GVKDPPL

	As at March 31, 2019	As at March 31, 2018
Secured		
Loans from financial institutions	-	22,395
Unsecured		
Loans and advances from others repayable on demand	-	3,475
	-	**25,870**

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.

Notes to the consolidated financial statements

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

GVK SEZ

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Loan from others	365	2,540
	365	**2,540**

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

29. Trade Payables

	As at March 31, 2019	As at March 31, 2018
Unsecured borrowings from others are interest free and repayable on demand.	379	23
Dues to creditors other than micro enterprises and small enterprises	20,105	25,002
	20,484	**25,025**

Terms and conditions of the above financial liabilities:

Trade payable are non interest bearing and normally setteled 30 to 120 days terms.

30. Other current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Current maturities of Long term borrowings	259,987	177,025
Interest accrued and due on borrowings	18,270	42,725
Interest accrued but not due on borrowings	10,485	6,674
Unearned guarantee commission liability on financial guarantees given to related parties	625	1,343
Security Deposit from concessionaires	30,419	13,930
"Retirement compensation payable to Airports Authority of India under OMDA"	144	1,660
Capital Creditors	16,949	21,904
Premium obligation/ Negative grant to NHAI	3,282	745
Retention monies	2,376	735
Concession fee payable to CIDCO	500	-
Other financial liabilities (including bid security)	2,282	-
Others	2,555	5,520
	347,874	**272,261**

31. Short term provisions

	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment	2,165	2,191
Provision for gratuity (refer note 41)	350	331
Others	502	-
	3,017	**2,522**

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, 2019	As at March 31, 2018
Toll fee received in advance	70	80
Advance from customers	-	1,926
Statutory remittances	10,001	3,315
Deferred lease income pertaining to security deposits from concessionaires	7,995	5,732
Deferred income pertaining to Airport assets (Government Grant)	19,901	18,637
Soft Loan towards Pre-development works	659	-
Reimbursement of pre-operative expenses	858	-
Other liabilities	594	9,775
	40,078	**39,465**

33. Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Income from toll operations	39,683	42,027
Aeronautical	171,968	161,768
Non-aeronautical	163,080	140,182
Cargo operations	30,973	36,313
Construction and real estate revenue	1,488	1,839
Manpower and consultancy services	22	86
Operation and maintenance fees	2,603	4,106
	409,817	**386,321**

Notes:

(i) The Group earns its entire revenue from operations in India except for Operations and maintenance fees earned in Indonesia.

(ii) **Timing of rendering of services**

	Year ended March 31, 2019	
	At a point in time	Over time
Income from toll operations	39,683	-
Aeronautical	171,968	-
Non-aeronautical	-	163,080
Cargo operations	-	30,973
Construction and real estate revenue	-	1,488
Manpower and consultancy services	-	22
Operation and maintenance fees	-	2,603

(iii) **Reconciliation of revenue recognised in the Statement of Profit and Loss with the contracted price**

	Year ended March 31, 2019
Revenue as per contracted price	409,817
Adjustments:	
Significant financing component	-
Others	(164)
Revenue from contract with customers	**409,653**

(iv) **Set out below is the revenue recognised from:**

	Year ended March 31, 2019
Amount included in contract liabilities at the beginning of the year	1,669
Performance obligations satisfied in previous years	-
	1,669

Notes to the consolidated financial statements

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

34. Other income (net)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income on		
Bank deposits	4,914	5,081
Others (refer note below)	9,215	7,473
Financial assets	10,650	9,407
Guarantee commission	888	1,284
Liabilities no longer required, written back	56	1,660
Income from investments	326	588
Fair valuation of investments	31	-
Foreign Currency Fluctuation - Realised	124	-
Miscellaneous income (net)	289	546
Gain on dilution/disposal of investment in associate/ subsidiaries	-	74,383
	26,493	**100,422**

Note:

Interest income of Rs. 8,200 lakhs (March 31, 2018: Rs. 4,727 lakhs) 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.

35. Employee Benefits Expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages, including bonus	19,541	18,634
Contribution to provident and other funds	854	750
Retirement and other employee benefit expense	365	430
Staff welfare expenses	299	316
	21,059	**20,130**

36. Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense	140,676	149,737
Other finance charges	10,626	14,571
	151,302	**164,308**

37. Depreciation and amortisation expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	90,143	82,692
Amortization of intangible assets	8,783	8,517
Less: Amortization of Deferred income on Airport Assets (funded out of Government Grant-ADF)	(19,768)	(18,749)
Total	**79,158**	**72,460**

Notes to the consolidated financial statements

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

38. Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares	886	799
Operating and maintenance expenses	36	45
NHAI share of toll fee	3,270	4,358
Airport operator's charges	970	889
Rent	1,143	1,132
Rates and taxes	7,922	4,664
Insurance	585	517
Resurfacing obligation*	3,400	3,036
Repairs and maintenance		
- Buildings	4,004	2,509
- Roads	473	1,520
- Plant and machinery	9,992	7,925
- Others	839	751
Power and fuel	11,099	11,444
Travel and conveyance	2,685	3,058
Communication	333	423
Printing and stationery	10	16
Advertisement	843	808
Legal and professional charges	6,844	6,047
Auditor's remuneration (refer note below)	74	74
Directors' sitting fee	58	32
Expenses for manpower services	-	100
Donation	100	2
Loss on disposal / write off of assets*/Advances and investments written off	(124)	-
Provision for doubtful debts	-	-
Bad debts	35	-
Contract services	16,128	15,471
Construction costs	135	1,499
Miscellaneous expenses	1,625	1,534
Foreign Exchange Fluctuations (Net)	311	-
Expenditure towards Corporate Social Responsibility	595	-
Fair value loss on investments in preference shares	50	8,861
	74,321	**77,514**

*Provision for Third Periodic wearing Course overlay:

As per Concession Agreement entered into by the Company with National Highways Authority of India, Company has to renew bituminous concrete coat of the Road ("Periodic wearing Course overlay") every 5 years. The next such wearing Course overlay is to be undertaken during financial year 2020-21. As per Indian Accounting Standard – 37 "Provisions, Contingent Liabilities and Contingent Assets", cost of overlay of Bituminous Concrete to be made in Financial year 2020-21, as required by Operation and Maintenance Requirements is estimated at Rs.17,506 lakhs which is provided in equal yearly charge to the Statement of Profit and Loss. The charge of the current year has been discounted to its present value of Rs. 3,400 lakhs and discount amount of Rs. 946 lakhs is charged in finance cost.

Notes to the consolidated financial statements

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

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

	Year ended March 31, 2019	Year ended March 31, 2018
As Auditor:		
Audit Fee	42	43
Tax audit	8	8
Limited review	3	2
In other capacity:		
Other services	21	21
Reimbursement of expenses	-	-
Total	**74**	**74**

39. Taxes

(a) Income tax expense:

The major components of income tax expenses are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	(4,733)	20,915
Deferred tax	4,426	(4,758)
Total income tax expense recognised in statement of Profit & Loss	**(307)**	**16,157**

(b) Reconciliation of effective tax rate:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss before tax (A)	(30,749)	(37,580)
Enacted tax rates in India (B)	34.944%	34.608%
Expected tax expenses (C = A*B)	(10,745)	(13,006)
Deferred tax asset not recognised on share of loss from Joint Venture	-	20,909
Deferred tax asset not recognised on losses	26,357	13,490
Tax effect of sale of investment taxed at different rates	-	(13,670)
Effect of non-deductible expenses	17	10,193
Effect of non-taxable incomes	(1,529)	(1,659)
Utilisation of brought forward losses	(5,997)	-
Income tax refund of earlier years	(9,697)	-
Others	1,287	(100)
Net tax expense recognised in statement of Profit & Loss	(307)	16,157

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.

Notes to the consolidated financial statements

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

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss after tax considered for calculation of basic and diluted earnings per share	(36,349)	(56,167)
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	(2.30)	(3.56)

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 :

	March 31, 2019	March 31, 2018
Included in Contribution to Provident and Other Funds		
Employer's Contribution to Provident Fund*	1,043	719
Employees' State Insurance	27	20

* Includes Rs. 189 lakhs transferred to capital work in progress.

(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	March 31, 2019	March 31, 2018
I Change in present value of defined benefit obligation during the year		
Present Value of defined benefit obligation at the beginning of the year	1,618	1,610
Interest cost	109	111
Current service cost	249	233
Past service cost	0	91
Liability Transferred out / Divestment	0	(20)
Benefits paid directly by employer	(172)	(348)
Benefits paid	(2)	-
Actuarial changes arising from changes in demographic assumptions	0	-
Actuarial changes arising from changes in financial assumptions	39	(59)
Actuarial changes arising from changes in experience adjustments	(25)	-
Present Value of defined benefit obligation at the end of the year	**1,816**	**1,618**

Notes to the consolidated financial statements

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

II.Changes in fair value of plan assets	**March 31, 2019**	**March 31, 2018**
Opening fair value of plan assets	90	106
Expected return	5	1
Return on plan assets, excluding amounts included in interest expense/(income)	4	7
Contributions by employer	-	1
Benefits paid	(5)	-
Plan assets of GVKPIL recognised only to the extent of obligation	14	(25)
Closing fair value of plan assets	**108**	**90**
III Net (asset) / liability recognised in the balance sheet	**March 31, 2019**	**March 31, 2018**
Present Value of defined benefit obligation at the end of the year	1,816	1,618
Fair value of Plan Assets	108	90
Net (liability)/ asset- recognised in the balance sheet	**1,708**	**1,528**
Recognised under:		
Current (refer note 31)	350	331
Non-Current (refer note 25)	1,358	1,197
IV Expenses recognised in the statement of profit and loss for the year	**March 31, 2019**	**March 31, 2018**
Current service cost	249	233
Past Service cost	-	91
Interest cost on benefit obligation (Net)	107	106
Total expenses included in employee benefits expense	**356**	**430**
V Recognised in other comprehensive income for the year	**March 31, 2019**	**March 31, 2018**
Actuarial changes arising from changes in financial assumptions	41	(49)
Actuarial changes arising from changes in experience adjustments	(28)	9
Return on plan assets, excluding amounts included in interest expense/(income)	-	(22)
Recognised in other comprehensive income	**13**	**(62)**
VI Maturity profile of defined benefit obligation	**March 31, 2019**	**March 31, 2018**
Within the next 12 months (next annual reporting period)	369	338
Between 2 and 5 years	837	793
Between 6 and 10 years	707	634
Beyond 10 years	918	837

The weighted average duration to the payment of these cash flows is 5.25 years (March 31, 2018: 5.25 years).

VII Quantitative sensitivity analysis for significant assumption is as below:

	Gratuity	
	March 31, 2019	**March 31, 2018**
(a) Effect of 0.5% to 1% change in assumed discount rate		
- increase	(54)	(48)
- decrease	59	51
(b) Effect of 0.5% to 1% change in assumed salary escalation rate		
- increase	57	49
- decrease	33	(46)
(c) Effect of 1% change in assumed employee attrition rate*		
- 1% increase	-	0
- 1% decrease	-	(0)
VIII Actuarial assumptions		
1. Discount rate	7.05% to 7.6%	7.5% to 7.6%
2. Salary escalation	7 % to 8 %	7 % to 8 %
3. Mortality rate during employment	Indian Assured lives Mortality (2012-14) Ult table	Indian Assured lives Mortality (2006-08) Ult table

Notes to the consolidated financial statements

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

Notes :

i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019. 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 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) Concession Agreement

The Group's subsidiary Navi Mumbai Internatioal Airport Private Limited has entered into concession agreement (CA) with the City and Industrial Development Corporation of Maharashtra Limited (CIDCO) on 8th January 2018 for design, construction, operation and maintenance of Navi Mumbai International Airport at Navi Mumbai on Design, Build, Finance, Operate and Transfer (DBFOT) basis, pursuant to the agreement, CIDCO has become a Shareholder in the Company with a shareholding of 26%. As per the terms of the agreement NMIAL and CIDCO are required to fulfil certain Conditions Precedent as described under Clause 4.1 of the Concession Agreement before the Appointed date i.e within 180 days from the execution of the Concession Agreement or any extended period as per the terms of agreement, for commencement of the Concession Period. As per these relevant clauses of the Concession Agreement, the grant of concession is considered to start only from the Appointed Date.

In terms of the Concession Agreement, the rights under concession and the related obligations towards a) reimbursement of Pre-Operative expenses to CIDCO, b) Payment of concession fee for each Concession year and c) Cost of pre-development works incurred shall arise from the Appointed date. As the Appointed date has occurred as on 7th July, 2018, the above referred rights and related obligations in terms of the concession agreement have been reckoned in the financial statements.

Reimbursement of Pre-operative expenses and repayment of Soft Loan towards Pre-development Works to CIDCO have been accounted as Capital work in progress with corresponding liability payable to CIDCO at amortised cost using effective interest rate method (Ind AS 109). The difference between amount payable to CIDCO and fair value is accounted as Government Grant under IND AS 20 which will be systematically recogonised against unwinding of interest on liability reckoned.

The subsidiary has reckoned Concession Rights as Intangible Asset (Ind AS 38) with corresponding liability payable to CIDCO at amortised cost using effective interest rate method (Ind AS 109). The Intangible asset would be amortised over concession period commencing Commercial Operation Date-Phase 1 of Navi Mumbai International Airport. NMIAL will amortise this Concession Rights over period starting from Phase 1 COD on systematic basis.

ii) 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 assesses the probable unfavourable outcomes and creates provisions where necessary and where these are assessed as not probable, they are disclosed as contingent liability.

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

MIAL had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives MIAL an exclusive right to operate, maintain, develop, modernize and manage the Mumbai Airport on a revenue sharing model for an initial term of 30 years, whhich can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the OMDA. Under the agreement, AAI has granted exclusive right and authority to undertake some of the functions of AAI being the functions of operation, maintenance, dev elopment, design, construction, upgradation,

Notes to the consolidated financial statements

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

modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Aeronautical Services' and Non-Aeronautical services'. For prices aeronautical services are regulated ,while the regulator has no control over the determination of prices for Non-Aeronautical Services. The management of the Group conducted detailed analysis to determine applicability of Appendix D of Ind As 115 and concluded that the same does not apply to MIAL. Concession agreement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important for MIAL, AAI and user/ passengers prospective. Further the regulated and non- regulated services are substantially interdependent and cannot be offered in isolation. The airport premise is being used both for providing regulated services (Aeronautical Services) and for providing non-regulated services (Non -aeronautical services). Accordingly, management has concluded that SCA does not apply in its entirety to the Group.

Non-Applicability of Service Concession Arrangement Accounting in NMIAL

The business activities of NMIAL are governed by Concession Agreement with City and Industrial Development Corporation of Maharashtra Limited (Grantor) under an initial term of 30 years extendable by another 10 years (Concession Period). The business activities comprises of those services that are regulated by 'Grantor' and those which are not regulated by 'Grantor'. The infrastructure for providing regulated and non-regulated services is an integrated facility being developed. The infrastructure assets are inseparable and not capable of operating independently. The business income from non-regulated services is not ancillary but is expected to be significant and material revenue to NMIAL. Under the Concession Agreement, the infrastructure to be built (Project) is to handle a minimum annual passenger of 60 Million and cargo handling capacity of 1.5 Million tonnes once fully developed. Management of NMIAL has estimated the income from non-regulated services to be substantially higher as compared to income from regulated services from the project over the concession period and hence management believes that accounting as per Appendix D of IND AS 115 "Service Concession Arrangement is not applicable to NMIAL.

iv) 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. 43,046 lakhs (March 31, 2018: Rs. 44,692 lakhs) has been recognised by certain components of the group. Group has Minimum Alternate Credit (MAT) of Rs. 27,010 lakhs (March 31, 2018: Rs. 21,836 lakhs) 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.

v) Defined benefit plans (gratuity benefits)

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

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.

vi) 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.

Notes to the consolidated financial statements

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

vii) 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.

viii) 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.

ix) 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.

x) 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.

xi) Premium

The management believes that interest income earned on fixed deposits with banks out of equity funding is not a revenue as per the concession agreement. Hence no premium is payable to CIDCO.

xii) Financing arrangement

NMIAL has entered into financing arrangement for Rs. 8,64,500 lakhs facility with Yes Bank Limited to fund part cost of Design, development, financing construction, operations and maintenance (DBFOT) of Phase 1 of NMIAL. Final documentation in respect of financing arrangements are ongoing

xiii) Also refer note 51 on significant judgements on going concern ability of the Group.

43.Segment Reporting

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

a. Power segment, which is engaged in the construction and operation of power plants.
b. Roads segment, which is engaged in the construction and operation of highway projects.
c. Airport segment, which is engaged in the construction and operation of domestic and international airports.
d. Other segments, which is engaged in investment in 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 31, 2019

Particulars	Power	Roads	Airports	Others	Unallocated	Total segments	Eliminations	Consolidated
Revenue								
External customers	-	39,818	369,999	-	-	409,817	-	409,817
Inter Segment	-	-	-	2,321	-	2,321	(2,321)	-
Total Revenue	**-**	**39,818**	**369,999**	**2,321**	**-**	**412,138**	**(2,321)**	**409,817**

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

Particulars	Power	Roads	Airports	Others	Unallocated	Total segments	Eliminations	Consolidated
Income/ (expenses)								
Depreciation and amortization	3	6,890	72,253	12	-	79,158	-	79,158
Share of profit of an associate and a joint venture.(note 53 and 54)	-	-	2,551	-	-	2,551	-	2,551
Segment profit	(153)	21,006	59,777	(1,025)	(112,905)	(33,300)	-	(33,300)
Total assets	113,803	254,876	1,517,910	15,780	280,117	2,182,486	-	2,182,486
Total liabilities	109,752	305,831	1,513,021	60,724	68,614	2,057,942	-	2,057,942
Other Disclosures								
Investment in associate and a joint venture (notes 53 and 54)	72,569	-	11,714	-	-	84,283	-	84,283
Capital Expenditure	-	65	335,609	37	-	335,711	-	335,711

Year ended March 31, 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	13	-	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	59,354	(9,129)	7,580	19,269	-	19,269
Total assets	126,992	261,033	1,348,327	15,613	275,220	2,027,185	-	2,027,185
Total liabilities	110,325	283,653	1,383,919	136,014	40,528	1,954,439	-	1,954,439
Other Disclosures								
Investment in associate and a joint venture (notes 53 and 54)	68,111	-	8,523	-	-	76,634	-	76,634
Capital Expenditure	-	1,894	89,181	-	-	91,075	-	91,075

Particulars	March 31, 2019			March 31, 2018		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	3,946	405,871	409,817	3,704	382,617	386,321
Non-current operating assets	7	1,785,981	1,785,988	7	1,640,087	1,640,094

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and others (Excluding financial assets and tax assets).

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

44 Contingent Liabilities

A) Parent Company

1. Direct and Indirect Taxes

	March 31, 2019	March 31, 2018
Claims not acknowledged as debts by the company		
Income tax	200	344
Service tax	1,620	1,620

(i) Income tax demand for assessment year 2009-10 may come of Rs. 199.74 (March 31, 2018: Rs. 10), for assessment year 2010-11 for Rs.NIL (March 31, 2018: Rs. 279), for assessment year 2011-12 for Rs. NIL (March 31, 2018: Rs. 11) and for assessment year 2012-13 Rs. NIL (March 31, 2018: 44).

2.Security against loan taken by others

i) The Company had provided security by way of pledge of 230,960,770 (March 31, 2018: 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. 228,227 lakhs (March 31, 2018: Rs. 209,445 lakhs) to subsidiaries and joint ventures and Rs. 383,816 lakhs to an associate (March 31, 2018: Rs. 368,519 lakhs) for various fund and nonfund 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.

B) Subsidiary companies

I.GVK Airport Developers Limited (GVKADL)

GVKADL has pledged 79,999,968 (March 31, 2018: 79,999,968) equity shares of GVKAHL 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 is required to be made to the carrying value of the security.

II. Mumbai International Airport Limited (MIAL)

A) Claims against MIAL not acknowledged as debts:

i). Income tax amounting to Rs. 14,375 lakhs (March 31, 2018: Rs. 13,943 lakhs) exclusive of interest and penalty, if determined to be payable, as demanded by the concerned authorities in respect of expense disallowed/ taxation of interest income and capital gain adjusted against Capital Work in progress, for assessment years starting from AY 2010-11 and up to AY 2014-15. MIAL has contested such demand and preferred appeals which are pending for decision either by Hon'ble High Court/Income Tax Appellate Tribunal/Commissioner of Income Tax(Appeals), Mumbai. Further, In view of availability of MAT credit available for setoff and carry forward of the same to subsequent years, MIAL is expecting no tax demand to be ultimately payable for the years under review.

ii. Demand on account of disallowance Cenvat Credit availed in relation to construction activities, and other input credit being availed by the company for Rs. 9,813 lakhs (March 31, 2018: Rs. 3,680 lakhs), for the period October 2007 to March 2013 as confirmed by Commissioner of GST and Central Excise has been contested by MIAL by preferring an appeal before CESTAT and paid Rs. 736 lakhs under protest. MIAL contends that restriction of availment of Cenvat Credit availed in relation to construction activities are not applicable to Airport Services as defined under clause (zzm) of Section 65 (105) of the Finance Act, 1994.

iii. MIAL has received refund of Rs. 2,390 lakhs from Assistant commissioner of Service tax, on account of service tax paid to contractors on account of Construction of Airport which has been exempted with retrospective effect. The department has filed appeal before Commissioner Appeals, on direction of commissioner of service tax. MIAL is contesting the same.

iv. 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 lakhs 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, 2019 the funds spent on such expenditure by the company is Rs. 31,036 lakhs (March 31, 2018:

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Rs. 31,547 lakhs). 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 the Company

Meanwhile, by way of Hon'ble Supreme Court's Order dated March 05, 2018 in the Transfer Petition no. 124-131/2018 filed by Union of India (UoI), directed that instead of transferring all the matters, one petition i.e. W.P. 1696/2014 – DIAL v. UOI shall be heard expeditiously and other High Courts shall await the same. MIAL filed Transfer Petition no. 1109 of 2018 in the Supreme Court to transfer Bombay High Court matter WP no. 2443/2014 to Delhi High Court (DHC) and tag it with WP 1696/2014- DIAL v. UoI. Vide order dated July 24, 2018, Supreme Court modified its earlier order dated March 05, 2018 partially and allowed MIAL and other similarly situated parties to intervene in WP 1696/2014 i.e. DIAL v. UoI pending before DHC. Accordingly, MIAL has filed an Intervention Application in the Delhi High Court and the same is pending for hearing.

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 these financial statements.

v. a) Other claims from Airports Authority of India of Rs. 12,831 lakhs (March 31, 2018: Rs. 12,349 lakhs) and from Customer and Others Rs. 842 lakhs (March 31, 2018: Rs. 569 lakhs) 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 these financial statements.

vi. Income tax authorities have preferred appeal before Hon'ble High Court/Income Tax Appellate Tribunal in respect of relief granted to MIAL for additions on account of taxation of Development Fees, expenses disallowed as revenue expenditure, Penalty waiver and other tax relief granted for Rs. 36,134 lakhs (Net of MAT credit available for set off Rs. 11,379 lakhs) plus interest payable. MIAL has contested such an action and based on fact of the case and legal precedence available MIAL is of the opinion that there is remote possibility of ultimate demand that would be payable.

vii. The service tax department has preferred appeal before Hon'ble High Court in respect of relief granted by CESTAT for service tax demand of Rs. 6,005 lakhs on Development Fee & interest payable on the same. MIAL has contested the same and based on the facts of the case and legal precedence available, is of the opinion it would not be materialised.

viii. Service tax department has issued a show cause notice for service tax demand for Rs. 257 lakhs payable on license fee. MIAL has contested the same and based on the facts of the case and legal precedence available, is of the opinion it would not be materialised.

III. GVK Jaipur Expressway Private Limited (GJEPL)

	March 31, 2019	March 31, 2018
Disputed income tax demands*	9,730	6,887
Claim made by NHAI for share in revenue shortage which is disputed by GJEPL and not acknowledged as debt, GJEPL has filed petition with the arbitration tribunal at Delhi and the case is under process.	927	959

* Amount paid/ adjusted under protest Rs. 5,711 lakhs (March 31, 2018: Rs. 5,411 lakhs).

IV. GVK Deoli Kota Expressway Private Limited (GVKDEPL)

On April 22, 2019 the company has informed NHAI about the breaches in its performance as per Article 37.2 of Concession Agreement dated May 17, 2010. In response to the said letter, NHAI vide letter No NHAI/11012/BOT-DBFO/01/2007/134366 dated May 4, 2019 had denied all the breaches that the company has made and in turn raised demand on the company to the tune of Rs. 4,666 lakhs towards damages and penalties. The company has denied all the claims through its several letters as and when the claims were raised by NHAI and also currently the Company is in the process of replying NHAI letter dated May 04, 2019.

V. GVK Shivpuri Dewas Expressway Private Limted (GVKSDEPL)

	March 31, 2019	March 31, 2018
Bank guarantee given to NHAI*	2,815	2,815

GVKSDEPL has 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.

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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 lakhs as against the Subsidiary Company's claim statement of Rs. 4,551 lakhs 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 lakhs. 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.

VI. GVK Transport Private Limited (GVKTPL)

	March 31, 2019	March 31, 2018
Disputed income tax demands*	657	657
Service tax	-	55

*Management based on its internal assessment and/or legal advise is confident that the matter will be decided in its favour

C) Joint Ventures (to the extent of shareholding therein)

a) GVK Industries Limited (GVKIL)

	March 31, 2019	March 31, 2018
On account of Guarantees issued by banks	-	80
Service tax demand on operator of the power plant*	285	-
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	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 works out to Rs. 74 lakhs as at year ended March 31, 2019 and up to March 31, 2018 Rs. 74 lakhs.

iii) Andhra Pradesh 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 the Company, operator of the power plant of GVKIL. APSLDC has claimed an amount of Rs. 829 lakhs (March 31, 2018: Rs. 829 lakhs) 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 lakhs (March 31, 2018: Rs. 256 lakhs) 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

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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.

b) Alaknanda Hydro Power Company Limited (AHPCL)

	March 31, 2019	March 31, 2018
Disputed income tax demands (Rs. 40 lakhs paid under protest)*	116	116
Claims not acknowledged as debts	6,176	6,944

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the AHPCL's favour.

c) GVK Power (Goindwal Sahib) Limited (GVKPGSL)

	March 31, 2019	March 31, 2018
On account of Guarantees issued by banks	-	904
Claims against the Company not acknowledged as debts*	2,894	3,056
On account of Interest to banks	569	-

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKPGSL's favour.

d) GVK Gautami Power Limited (GVKGPL)

	March 31, 2019	March 31, 2018
Service tax demand on operator of the power plant*	269	269
Claims not acknowledged as debts- electricity duty*	1,384	1,385
Claims against the company not acknowledged as debts*	251	175
Disputed income tax demands*	-	1,133
Disputed Entry Tax	19	-

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in GVKGPL's favour.

Other litigations

1. GVK Energy Limited (GVKEL) has pending litigations with service tax authorities amounting to Rs. 350 lakhs (March 31, 2018 Rs. 454 lakhs)

2 GVK Power (Goindwal Sahib) Limited (GVKPGSL)

a. There are claims and counter claims between GVK Power (Goindwal Sahib) Limited (""GVKPGSL"") and Bharat Heavy Electricals Limited (""BHEL"") and also between (""GVKPGSL"") and Punj Lloyd Limited (""PLL""). GVKPGSL engaged BHEL for execution of BTG works along with associated Auxiliaries, control & instrumentation works and Electrical package in respect of Goindwal Sahib project ("Works"). In execution of Works certain disputes arised between parties. Whilst the discussions for settlement of disputes are going on, GVKPGSL sought BHEL to renew the bank guarantees, worth approximately Rs. 11,000 lakhs. 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, 2019. Subsequently, BHEL has initiated arbitration proceedings. A three members arbitration tribunal was constituted. The hearings are in progress with Arbitration.

b. GVKPGSL engaged PLL for execution of Balance of Plant works in respect of Goindwal Sahib project ("Works"). In execution of Works certain disputes arised 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, September 14, 2009 and (b) for delays caused by it in completion of the project on time. 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) & (6) of the Arbitration & Conciliation Act, 1996 bearing Nos. 146/17, 147/17 & 148/17 seeking the Court to appoint a

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Presiding Arbitrator so as to complete the constitution of a three (03) members Arbitral Tribunal to adjudicate the claims and disputes between GPGSL 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 GVKPGSL'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 518,963 lakhs and J&K Power Development Department (JKPDD) has made a counter claim of Rs. 540,000 lakhs. 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 lakhs. 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.

   Group is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. Group will update its provision, on receiving further clarity on the subject.

45. Capital Commitments

A) Parent Company

Other Commitments

a) GVKPIL has given undertaking to infuse equity aggregating to Rs. 400,819 lakhs (March 31, 2018: Rs. 383,561 lakhs) 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, 2018: 155,587,500), 22,495,000 (March 31, 2018: 22,495,000) and 48,000,000 (March 31, 2018: 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 associate entity in which Company has 10% stake. Management believes that GVK Coal Developers (Singapore) Pte. Limited 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 lakhs 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, 2019 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 54,824 lakhs (March 31, 2018: Rs. 46,390 lakhs).

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.

iii. As at March 31, 2019 the Group's subsidiary has commitment towards repayment of soft loan towards pre-development works carried out by CIDCO amounting to Rs. 205,709 lakhs and towards allotment of Rs. 1,120 lakhs equity shares of face value of Rs. 10 each amounting to Rs. 11,202 lakhs towards pre-development works to be carried out by CIDCO pursuant to clause 12.9 and 5.4 of the Concession agreement respectively (March 31, 2018: Nil)

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

C) Joint Ventures (to the extent of shareholding therein)

As at March 31, 2019 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 237 lakhs (March 31, 2018: Rs. 237 lakhs).

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.

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, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
Financial assets				
At fair value through profit and loss				
Current investments	4,981	2,293	4,981	2,293
	4,981	**2,293**	**4,981**	**2,293**
At amortised cost				
Non current investment	72,579	68,116	72,579	68,116
Loans	29,205	36,634	29,205	36,634
Trade receivables	41,718	41,877	41,718	41,877
Cash and cash equivalents	30,496	89,039	30,496	89,039
Other bank balances	26,331	48,308	26,331	48,308
Other financial assets	83,456	11,384	83,456	11,384
	283,785	**295,358**	**283,785**	**295,358**
Financial liabilities				
At amortised cost				
Floating rate Borrowings (including current maturities)	1,395,505	1,462,507	1,395,505	1,462,507
Security deposits	98,774	102,399	98,774	102,399
Retirement compensation payable to AAI	144	1,806	144	1,806
Other financial liabilities	259,198	166,287	259,198	166,287
Trade payables	20,484	25,025	20,484	25,025
	1,774,105	**1,758,024**	**1,774,105**	**1,758,024**

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-19	4,981	4,981	-	-
Current investments*	31-Mar-18	2,293	2,293	-	-

* The Group has used quoted market price for determining fair value of current investments.

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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. 75,655 lakhs (March 31, 2018: Rs. 69,414 lakhs) and provided guarantees and commitments for loans amounting Rs. 783,297 lakhs (March 31, 2018: Rs. 752,080 lakhs) taken by GVK Coal as at March 31, 2019, and has undertaken to provide financial assistance of USD 7.61 million (Rs. 5,263 lakhs) as at March 31, 2019, an entity whose current liabilities exceeds current assets by USD 2,032 million (Rs. 1,405,534 lakhs) as at March 31, 2019 and has incurred cash losses of USD 1.2 million (Rs. 873 lakhs) for the year ended March 31, 2019, 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. 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.

Additionally, the Company has carried out an impairment assessment of its carrying value of investment and other receivables on a value in use basis. Such assessment remains sensitive to a range of assumptions including investment required to be made in the mine and related logistics operations, changes in prices of coal, forecasted growth and pretax discount rates etc. Management has also carried out the sensitivity analysis for the aforesaid assumptions and noted no adverse impact on the financial statements.

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. 42,484 lakhs (March 31, 2018: Rs. 36,736 lakhs). 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. 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

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

Rs. 52,397 lakhs (March 31, 2018: Rs. 59,304 lakhs) of GVKIL and Rs. 107,984 lakhs (March 31, 2018: Rs. 118,500 lakhs) 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. 396,638 lakhs (March 31, 2018: Rs. 402,550 lakhs) 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 lakhs 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 capacity 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 2017-18 and 2018-19 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. Consequently, the lenders have referred the company to NCLT for appropriate resolution. However, the case is yet to be admitted. The Company had shown substantial improvement in cash flows during 2018-19 and declared plant availability of 66.22% of its plant capacity.

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. 396,638 lakhs (March 31, 2018: Rs. 417,818 lakhs).

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 lakhs as against carrying value of assets of Rs. 31,113 lakhs 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 lakhs 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 PPA aggregating to Rs. 3,597 lakhs (March 31, 2018: Rs. 3,597 lakhs) by GVKIL, disincentive recoverable aggregating to Rs. 2,409 lakhs (March 31, 2018: Rs. 2,409 lakhs), 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. 3,118 lakhs (March 31, 2018: Rs. 3,119 lakhs) and other receivables of Rs. 60 lakhs (March 31, 2018: Rs. 60 lakhs) which are being refuted by AP Transco/subject to approvals.

The group has receivables of loan of Rs. 26,286 lakhs and the management believes that no further provision for diminution for such loans is necessary and also no provision is required for corporate guarantees given by the company amounting to Rs. 4,500 lakhs as at March 31, 2019.

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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 Lakhs (March 31, 2018: Rs 69,499 Lakhs) 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 Land required for construction, right for way, 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 concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to which notice BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement process will be as per the Concession Agreement. Based on its internal assessment/legal advice GVK BVEPL 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 struck down and accordingly management believes that it is appropriate to recognize total assets aggregating to Rs. 69,499 Lakhs (March 31, 2018 Rs. 69,499 Lakhs) at carrying value in the financial statements and no provision for diminution is necessary.

GVK BVEPL has approached The International Centre for Alternative Dispute Resolution (ICADR) for appointment of Arbitration Tribunal (AT). Arbitration Tribunal is constituted and the dispute is being addressed. GSRDC has filed a claim of Rs 108,419 Lakhs and GVK BVEPL has filed its statement of Defence and a counter claim of Rs 348,079 Lakhs disputing the very process of termination and are also taking other necessary legal remedies in this regard and hence it is still a going concern.

GVK BVEPL is closely working with the lenders by explaining to them the intricacies of the project and outlining support required to give effect to the process of arbitration. Initially GVK BVEPL intended to bring in the substitution process. In spite of the best efforts by GVK BVEPL the substitution process could not be completed. Meanwhile, GSRDC has awarded the project to two different contractors. GVK BVEPL has included all its costs in its claim against GSRDC. Therefore the expenditure incurred during Financial Year 2018-19 amounting to Rs. 7,621 lakhs (March 31, 2018: Rs. 6,531 lakhs) is charged off to Statement of Profit and Loss.

50 GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL), step subsidiary of GVK Power and Infrastructure Limited 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. 113,761 lakhs (March 31, 2018: Rs. 126,923 lakhs) 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: 518,963 lakhs and JKPDD has made a counter claim of Rs: 540,000 lakhs. 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. 113,761 lakhs (March 31, 2018 : Rs. 126,923 lakhs) at carrying value in the consolidated financial statements and no provision for diminution is necessary.

51 As at March 31, 2019, the Group had accumulated losses and the Company has incurred loss of Rs. 30,442 lakhs during the current year and has also incurred losses during the preceding years. The 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 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

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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 delay 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 results 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 believes 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 Limited and GVK Jaipur Expressway Private Limited are operating satisfactorily. The group has also won the bid for Navi Mumbai International Airport and has achieved 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, 2019	March 31, 2018
GVK Developmental Projects Private Limited (GVKDPPL)	Subsidiary	India	100%	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 Perambalur SEZ Private Limited (GVKPSPL)	Subsidiary	India	100%	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%
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 Limited (MIAL)	Subsidiary	India	50.5%	50.5%
Navi Mumbai Airport Developers Private Limited (NMADPL)	Subsidiary	India	37.37%	37.37%
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%	13.13%

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

Name	Nature of interest	Country of incorporation	% effective equity interest	
			March 31, 2019	March 31, 2018
Bangalore Airport & Infrastructure Developers Limited (BAIDL)	Subsidiary	India	100%	100%
GVK Airport International Pte limited (GVKAIPL)	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, 2019	148%	184,504	-31%	11,342	0%	-	-31%	11,342
Balance as at March 31, 2018	238%	173,110	6%	(3,607)	0%	-	6%	(3,607)
Subsidiaries incorporated in India								
GVK Airport Developers Limited								
Balance as at March 31, 2019	-155%	(192,530)	96%	(34,796)	0%	-	95%	(34,796)
Balance as at March 31, 2018	-217%	(157,734)	66%	(37,033)	0%	-	66%	(37,033)
GVK Airport Holdings Limited								
Balance as at March 31, 2019	18%	22,728	0%	(44)	0%	-	0%	(44)
Balance as at March 31, 2018	31%	22,772	0%	(1)	0%	-	0%	(1)
Mumbai International Airport Limited**								
Balance as at March 31, 2019	191%	237,857	-33%	11,939	3%	(6)	-33%	11,933
Balance as at March 31, 2018	268%	195,075	-9%	4,948	10%	38	-9%	4,986
Bangalore Airport and Infrastructure Developers Limited								
Balance as at March 31, 2019	95%	117,748	3%	(965)	0%	-	3%	(965)
Balance as at March 31, 2018	163%	118,713	-121%	67,998	0%	-	-122%	67,998
GVK Airport Services Private Limited								
Balance as at March 31, 2019	0%	97	0%	21	0%	-	0%	21
Balance as at March 31, 2018	0%	76	0%	59	0%	-	0%	59
GVK Transportation Private Limited								
Balance as at March 31, 2019	-16%	(20,232)	0%	(172)	0%	-	0%	(172)
Balance as at March 31, 2018	-28%	(20,060)	0%	(24)	0%	-	0%	(24)
GVK Jaipur Expressway Private Limited								
Balance as at March 31, 2019	54%	67,836	-16%	5,890	-1%	1	-16%	5,891
Balance as at March 31, 2018	85%	61,945	-23%	12,834	0%	-	-23%	12,833

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(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
Sutara Roads and Infra Limited								
Balance as at March 31, 2019	78%	96,677	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2018	133%	96,677	0%	(0)	0%	-	0%	(0)
GVK Deoli Kota Expressway Private Limited								
Balance as at March 31, 2019	-12%	(15,475)	46%	(16,736)	2%	(4)	46%	(16,740)
Balance as at March 31, 2018	-4%	(3,190)	28%	(15,584)	1%	5	28%	(15,579)
GVK Shivpuri Dewas Expressway Private Limited								
Balance as at March 31, 2019	0%	(7)	0%	(83)	0%	-	0%	(83)
Balance as at March 31, 2018	0%	(11)	0%	(101)	0%	-	0%	(101)
GVK Bagodara Vasad Expressway Private Limited								
Balance as at March 31, 2019	0%	34	22%	(7,952)	0%	-	22%	(7,952)
Balance as at March 31, 2018	11%	7,982	12%	(6,531)	0%	-	12%	(6,531)
GVK Developmental Projects Private Limited								
Balance as at March 31, 2019	64%	79,712	3%	(988)	0%	-	3%	(988)
Balance as at March 31, 2018	41%	30,139	4%	(2,313)	0%	-	4%	(2,313)
GVK Ratle Hydro Electric Project Private Limited								
Balance as at March 31, 2019	3%	4,051	35%	(12,616)	0%	-	34%	(12,616)
Balance as at March 31, 2018	23%	16,666	26%	(14,450)	0%	-	26%	(14,450)
Goriganga Hydro Power Private Limited								
Balance as at March 31, 2019	0%	-	0%	-	0%	-	0%	-
Balance as at March 31, 2018	0%	-	0%	(1)	0%	-	0%	(1)
GVK Perambalur SEZ Private Limited								
Balance as at March 31, 2019	2%	2,270	0%	122	0%	-	0%	122
Balance as at March 31, 2018	3%	2,148	0%	125	0%	-	0%	125
GVK Oil & Gas Limited								
Balance as at March 31, 2019	0%	-	0%	-	0%	-	0%	-
Balance as at March 31, 2018	0%	-	0%	56	0%	-	0%	56
GVK Employee Welfare Trust								
Balance as at March 31, 2019	0%	2	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2018	0%	2	0%	(0)	0%	-	0%	(0)
Subsidiaries incorporated outside India								
GVK Airport International Pte. Ltd.								
Balance as at March 31, 2019	0%	2	0%	(9)	0%	-	0%	(9)
Balance as at March 31, 2018	0%	11	0%	(8)	0%	-	0%	(8)
PT GVK Services, Indonesia								
Balance as at March 31, 2019	7%	8,669	-8%	2,760	0%	-	-8%	2,760

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(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, 2018	10%	7,138	-3%	1,907	0%	-	-3%	1,907
Non Controlling Interests in all subsidiaries								
Balance as at March 31, 2019	197%	244,849	-16%	5,907	1%	(3)	-16%	5,904
Balance as at March 31, 2018	216%	156,872	-4%	2,430	5%	19	-4%	2,449
Investment as per equity method								
Associates incorporated in India								
Bangalore International Airport Limited								
Balance as at March 31, 2019	0%	-	0%	-	0%	-	0%	-
Balance as at March 31, 2018	0%	-	-3%	1,477	0%	-	-3%	1,477
Associate incorporated outside India								
GVK Coal Developers (Singapore) Pte Limited								
Balance as at March 31, 2019	58%	72,569	0%	-	0%	-	0%	-
Balance as at March 31, 2018	94%	68,111	0%	(25)	0%	-	0%	(25)
Jointly controlled entities incorporated in India								
GVK Energy Limited								
Balance as at March 31, 2019	0%	-	0%	-	0%	-	0%	-
Balance as at March 31, 2018	0%	-	108%	(60,418)	0%	-	108%	(60,418)
Mumbai Aviation Fuel Farm Facility Private Limited								
Balance as at March 31, 2019	6%	7,290	-4%	1,296	0%	-	-4%	1,296
Balance as at March 31, 2018	7%	5,354	-2%	1,180	0%	-	-2%	1,180
Mumbai Airport Lounge Services Private Limited								
Balance as at March 31, 2019	4%	4,424	-3%	1,255	0%	-	-3%	1,255
Balance as at March 31, 2018	4%	3,169	-2%	937	0%	-	-2%	937
Consolidation adjustments								
Balance as at March 31, 2019	-641%	(798,530)	7%	(2,519)	95%	(226)	8%	(2,746)
Balance as at March 31, 2018	-979%	(712,217)	18%	(10,022)	83%	299	17%	(9,723)
Total								
Balance as at March 31, 2019	100%	124,544	100%	(36,349)	100%	(238)	100%	(36,587)
Balance as at March 31, 2018	100%	72,746	100%	(56,167)	100%	360	100%	(55,807)

*Net assets means total assets minus total liabilities excluding minority and equity.

**Includes net assets and profits/losses of its subsidiaries and Joint venture.

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

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:

	March 31, 2019	March 31, 2018
Current assets, including cash and cash equivalents and prepayments	6,557	2,131
Non-current assets	42,707	39,353
Current liabilities	(3,943)	(4,759)
Non-current liabilities including deferred tax liabilities	(14,589)	(14,002)
Equity	**30,732**	**22,723**
Proportion of the Group's ownership	25%	25%
Group's ownership in equity	7,683	5,681
Less: Inter Company profit elimination	(393)	(327)
Carrying amount of the investment	7,290	5,354
Reconciliation of carrying amounts		
Opening balance of Group's share of net assets	5,354	4,231
Investment during the year	640	362
Add: Share in Profit of JV	1,296	1,180
Less: Inter Company profit elimination	-	(419)
Net Share	7,290	5,354
Carrying amount of the investment	**7,290**	**5,354**

Summarised statement of profit and loss of the MAFFPL

	March 31, 2019	March 31, 2018
Revenue	13,711	13,209
Other Income	832	729
Fuel farm and ITP operating expenses	(2,551)	(2,148)
Depreciation & amortization	(2,701)	(3,062)
Finance cost	(591)	(732)
Employee benefit	(292)	(215)
Other expense	(1,317)	(877)
Profit before tax	7,090	6,904
Income tax expense	(1,906)	(2,181)
Profit for the year	5,184	4,723
Total comprehensive income for the year	5,184	4,723
Group's share of comprehensive income for the year	1,296	1,180

The group had no contingent liabilities or capital commitments relating to its interest in MAFFPL as at March 31, 2019. MAFFPL cannot distribute its profits until it obtains the consent from the other venture partners.

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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:

	March 31, 2019	March 31, 2018
Current assets, including cash and cash equivalents	11,581	8,429
Non-current assets	6,310	7,250
Current liabilities	(1,185)	(1,808)
Non-current liabilities, including deferred tax liabilities	(166)	(2,169)
Equity	**16,540**	**11,702**
Proportion of the Group's ownership	26%	26%
Group's ownership in equity	4,300	3,042
Add: Fair value measurement impact	129	127
Carrying amount of the investment	4,429	3,169
Reconciliation of carrying amounts		
Opening balance of Group's share of net assets	3,169	-
Investment made during the year	-	2,232
Add: Share in Profit of JV	1,255	937
Net Share	**4,424**	**3,169**
Carrying amount of the investment	**4,424**	**3,169**

Summarised statement of profit and loss of the MALSPL

	March 31, 2019	March 31, 2018
Revenue	22,202	15,579
Other Income	525	281
Purchase of stock-in-trade	(2,522)	(1,919)
Changes in inventories of stock-in-trade	(56)	44
Employee benefits expense	(1,528)	(1,129)
Depreciation and amortisation expense	(1,375)	(992)
Finance Cost	(127)	(239)
Other expense	(10,291)	(5,877)
Profit before tax	**6,828**	**5,748**
Income tax expense	(2,001)	(2,145)
Profit for the year	**4,827**	**3,603**
Other Comprehensive Income	-	-
Total comprehensive income for the year	**4,839**	**3,603**
Proportion of the Group's ownership	26%	26%
Group's share of comprehensive income for the year	**1,255**	**937**

The group had no contingent liabilities or capital commitments relating to its interest in MALSPL as at March 31, 2019. MALSPL 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)

C. GVKEL

The 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.

Based on the rights available to the investors, the Management has considered GVKEL as venture 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, 2019	March 31, 2018
Current and non current assets, including cash and cash equivalents	1,034,284	1,056,742
Current and non-current liabilities	(1,155,491)	(1,079,254)
Equity	**(121,207)**	**(22,512)**
Proportion of the Group's ownership	62.80%	62.80%
Carrying amount of the investment*	-	-

Summarised statement of profit and loss of the GVKEL

	March 31, 2019	March 31, 2018
Revenue	226,097	153,896
Other income	1,158	17,329
Cost of fuel	(111,236)	(63,558)
Depreciation & amortization	(48,424)	(48,250)
Finance cost	(145,131)	(131,273)
Employee benefit	(3,244)	(3,084)
Other expense	(19,212)	(30,833)
Loss before tax	(99,992)	(105,773)
Share of loss from joint venture of GVKEL	(575)	(1,305)
Income tax expense	1,782	(564)
Loss for the year	(98,785)	(107,642)
Other Comprehensive Income	5	90
Total comprehensive income for the year	**(98,780)**	**(107,551)**
Proportion of the Group's ownership	62.80%	62.80%
Group's share of loss for the year before inter company elimination*	-	60,418

* Losses recognised to the extent of carrying value of investment and loans and advances given. Unrecognised share of losses is Rs. 69,158 lakhs (March 31, 2018: Rs. 7,124 lakhs)

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.

54. Investment in an associate

GVK Coal Developers (Singapore) Pte. Ltd. (GVK CDSL)

The 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.

Notes to the consolidated financial statements
(All amounts in INR lakhs, except share data and where otherwise stated)

Summarised financial information of the associate based on its unaudited Ind AS financial statements is set out below:

	March 31, 2019	March 31, 2018
Current assets including cash and cash equivalents	8,386	8,610
Non-current assets	1,126,305	1,120,887
Current liabilities	(1,429,106)	(1,407,537)
Non-current liabilities	(307,829)	(304,200)
Equity	(602,245)	(582,241)
Proportion of the Group’s ownership	10%	10%
Group’s ownership in equity	-	-

	March 31, 2019	March 31, 2018
Revenue	-	-
Other income	179,263	14,400
Employee benefits expense	-	(9)
Finance costs	(58,902)	(55,190)
Depreciation and amortisation expense	(48)	(535)
Other expenses	(6,936)	(1,664)
Profit before income tax	**113,377**	**(42,998)**
Income tax expense	-	(4,754)
Profit for the year	113,377	(47,752)
Other comprehensive income for the year, net of income tax	**(25,945)**	**(2,387)**
Total comprehensive income for the year	**87,432**	**(50,140)**
Group's share of comprehensive income/(loss) for the year	8,743	(25)

* Company has recognised loss on investment in equity shares of Rs. Nil (March 31, 2018: Rs. 25 lakhs) to the extent of equity shareholding in GVK CDSL. Cumulative unrecognised share of losses as at the year end is Rs. 60,199 lakhs (March 31, 2018: Rs. 58,199 lakhs).

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, 2019 and March 31, 2018.

The analysis excludes 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.

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 as at March 31, 2019 and March 31, 2018.

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

Notes to the consolidated financial statements

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

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, 2019	March 31, 2018
Change in interest rate		
-increase by 50 basis points	(5,256)	(5,216)
-decrease by 50 basis points	5,256	5,216

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.

Particulars	Increase/(decrease) in profit before tax	
	March 31, 2019	March 31, 2018
Change in USD		
- 5% increase	3,581	3,294
- 5% decrease	(3,581)	(3,294)
Change in SGD		
- 5% increase	12	-
- 5% decrease	(12)	-

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.

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.

Notes to the consolidated financial statements

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

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 reputed banks and deposits are with reputed 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, 2019, the Group had 16 customers (March 31, 2018: 16 customers) that owed approximately 93% (March 31, 2018: 79%) 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, 2019				
Borrowings	297,256	154,019	944,230	1,395,505
Other financial liabilities	18,270	39,054	201,874	259,198
Trade payables	-	20,484	-	20,484
Security Deposit	-	30,419	68,355	98,774
Retirement compensation payable to Airports Authority of India under OMDA	-	144	-	144
Financial guarantee contracts*	388,316	-	-	388,316
	703,842	**244,120**	**1,214,459**	**2,162,421**

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

Particulars	On Demand	Within 12 months	After 12 months	Total
Year ended March 31, 2018				
Borrowings	224,692	168,488	1,069,327	1,462,507
Other financial liabilities	42,725	36,921	86,641	166,287
Trade payables	-	25,025	-	25,025
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
	639,963	**246,024**	**1,244,583**	**2,130,570**

* 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.

Particulars	March 31, 2019	March 31, 2018
Borrowings including interest accrued on borrowings	1,424,260	1,511,906
Trade payables	20,484	25,025
Other liabilities	584,159	260,558
Less: Cash and cash equivalents (Note 17)	(30,496)	(89,039)
Net debt	**1,998,407**	**1,708,450**
Equity	15,792	15,792
Other Equity	(136,097)	(99,918)
Non controlling interest	244,849	156,872
Total Equity	**124,544**	**72,746**
Gearing ratio (Net Debt/ Total Equity)	**16.05**	**23.49**

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)

Year ended March 31, 2019

GVKPIL

Particulars		Year ended March 31, 2019	Delay in days
Interest on loans from banks	Paid	4,322	340-730
Principal payment on loans from banks	Paid	6,000	210-423
Principal payment on loans from banks	Paid	849	340-730
Principal payment on loans from banks unpaid	Unpaid	3,898	365 - 396
Interest payment on loans from banks unpaid	Unpaid	2,556	1 - 365

GVKADL

Particulars		Year ended March 31, 2019	Delay in days
Payment of interest to banks	Paid	1909	1-90
Payment of interest to banks	Unpaid	1587	1-90
Repayment of principal to banks	Paid	8109	1-90
Repayment of principal to banks	Unpaid	8109	1-90
Interest payments on loans from banks	Unpaid	17501	0-365

GVKDKEPL

Particulars		Year ended March 31, 2019	Delay in days
Payment of interest to banks	Paid	913	1-30
Payment of interest to banks	Paid	461	31-60
Payment of interest to banks	Paid	4,267	61-90
Repayment of principal to Bank	Paid	102	1-30
Repayment of principal to Bank	Paid	2	31-60
Repayment of principal to Bank	Paid	281	61-90
Payment of interest to financial institutions	Paid	147	1-30
Payment of interest to financial institutions	Paid	855	61-90
Repayment of principal to financial institutions	Paid	32	1-30
Repayment of principal to financial institutions	Paid	62	31-60
Payment of interest to banks	Unpaid	629	1-30
Payment of interest to banks	Unpaid	700	31-60
Repayment of principal to Bank	Unpaid	148	1-30
Payment of interest to financial institutions	Unpaid	130	1-30
Payment of interest to financial institutions	Unpaid	144	31-60
Repayment of principal to financial institutions	Unpaid	32	1-30

GVKBVEPL

Particulars		Year ended March 31, 2019	Delay in days
Payment of principal to banks & Financial Institution	Unpaid	54,854	1-855
Payment of interest to banks & Financial Institution	Unpaid	12,486	1-855

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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

Year ended March 31, 2018

GVKPIL

Particulars		Year ended March 31, 2018	Delay in days
Interest on loans from banks	Paid	1,679	1 - 275
Principal payment on loans from banks	Paid	4,552	93 - 222
Interest on loans from banks	Unpaid	4,322	1 - 365
Principal payment on loans from banks	Unpaid	10,594	1 - 365

GVKDKEPL

Particulars		Year ended March 31, 2018	Delay in days
Payment of interest to banks	Paid	4,124	1-30
Payment of interest to banks	Paid	2,636	31-60
Repayment of principal to Bank	Paid	46	1-30
Repayment of principal to Bank	Paid	68	31-60
Payment of interest to financial institutions	Paid	410	1-30
Payment of interest to financial institutions	Paid	997	31-60
Payment of interest to financial institutions	Paid	138	61-90
Repayment of principal to financial institutions	Paid	15	1-30
Repayment of principal to financial institutions	Paid	15	31-60

GVKBVEPL

Particulars		Year ended March 31, 2018	Delay in days
Payment of interest to banks	Unpaid	875	1-30
Payment of interest to banks	Unpaid	1,172	31-60
Payment of interest to banks	Unpaid	379	61-90
Payment of interest to banks	Unpaid	1,978	91-180
Payment of interest to banks	Unpaid	633	181 & Above
Payment of interest to financial institutions	Unpaid	122	1-30
Payment of interest to financial institutions	Unpaid	232	31-60
Payment of interest to financial institutions	Unpaid	121	61-90
Payment of interest to financial institutions	Unpaid	477	91-180
Payment of interest to financial institutions	Unpaid	488	181 & Above

GVKJEPL

Particulars		Year ended March 31, 2018	Delay in days
Payment of interest on term loans from banks	Paid	212	31 days

GVKRHEPPL

Particulars		Year ended March 31, 2018	Delay in days
Payment of interest on loans	Unpaid	2,823	0-30
Payment of interest on loans	Unpaid	2,823	31-91
Payment of interest on loans	Unpaid	2,823	92-183
Payment of interest on loans	Unpaid	2,823	184-365
Payment of interest on loans	Unpaid	20,539	366 and above

GVKADL

Particulars		Year ended March 31, 2018	Delay in days
Payment of interest on loans taken from banks	Unpaid	4,612	0-60

GVKDPPL

Particulars		Year ended March 31, 2018	Delay in days
Payment of interest on loans	Paid	1,895	1-187
Payment of principal to financial institutions	Paid	20,500	1-187

Notes to the consolidated financial statements

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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 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 the 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 the MIAL, this would not have any impact on the financial statements 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 (AAI) 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 the 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 lakhs (excluding Rs. 133,050 lakhs towards interest on loan taken against securitisation of Development fee (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. 50,207 lakhs (March 31, 2018: Rs. 48,016 lakhs).
b) Interest incurred and loan processing charges - Rs. 15,573 lakhs (March 31, 2018: Rs. 19,234 lakhs).
c) Principal repayment of DF loan Rs. 35,773 lakhs (March 31, 2018: Rs. 29,794 lakhs)
d) Interest earned on unutilised funds and on delayed payments by airlines - Rs. 236 lakhs (March 31, 2018: Rs. 67 lakhs).

v) MIAL had approached the Airports Economic Regulatory Authority of India (AERA) for approving the funding of two Metro rail stations in CSI Airport area for Rs. 51,800 lakhs through levy of Development Fee (DF).

AERA by its Order dated January 28, 2016 allowed funding the cost of 2 metro stations aggregating Rs. 51,800 lakhs through DF. In terms of the said Order, AERA determined a MDF (Metro Development Fee) 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 to be used to contribute towards 2 metro stations coming up in the CSIA airport area, as per the MoU entered between 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 these financial statements of group.

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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, 2019, MIAL has an accumulated amount of Rs. 2,621 lakhs (March 31, 2018: Rs. 2,999 lakhs) towards such fund.

viii) MIAL has raised a claim for refund of excess Annual Fee paid, by mistake, to Airports Authority of India (AAI) to the tune of Rs. 358,290 lakhs along with interest for the period FY 07 to FY18. The matter has been to arbitral tribunal constituted as per provisions of OMDA and it remains sub-judice. In the meantime, company continues to pay Annual Fee as per past practice under protest.

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 Private Limited
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
5	Mr. P V Prasanna Reddy
6	Mr. Krishna R Bhupal
7	Mr. Bala subramanian.S
8	Mr. S Anwar
9	Mr. Santha K John
10	Mr. K Balarama Reddi
11	Mr. CH. G. Krishna Murthy
(c)	**Jointly Controlled Entities**
1	GVK Energy Limited
2	Alaknanda Hydro Power Company Limited
3	GVK Coal (Tokisud) Company Private Limited
4	GVK Gautami Power Limited
5	GVK Industries Limited

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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)
(f)	**Entities having significant influence over NMIAL**
1	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)

	March 31, 2019	March 31, 2018
Services received		
Airport Authority of India	762	36
ACSA Global Limited, Mauritius (AGL)	492	887
Crescent EPC Projects and Technical Services Limited	133	2,189
GVK Technical and Consultancy Services Private Limited	657	624
Orbit Travels and Tours Private Limited	24	19
TAJ GVK Hotels and Resorts Limited	26	9
Green wood Palaces and Resorts Private Limited	130	156
GVK Energy Limited	-	9
Remuneration to key managerial personnel		
Dr. G V K Reddy#	1,704	437
Mr. A Issac George	54	49
Mr. G V Sanjay Reddy#	1,189	890
Mr. Krishna R Bhupal	85	342
Rent		
Paigah House Hotel Private Limited	-	56
Donation		
GVK Foundation	95	50
Excess provision written back		
GVK Foundation	-	169
Loans given		
GVK Energy Limited	17,763	30,516
GVK Industries Limited	-	1
GVK Coal Developers (Singapore) Pte Limited	406	-
Shareholder & Grantor of Concession		
CIDCO	500	-
Equity shares allotted towards Pre - development works		
Shareholder & Grantor of Concession		
CIDCO	31,538	-

	March 31, 2019	March 31, 2018
Loans recovered		
GVK Energy Limited	32,732	61
GVK Coal Developers (Singapore) Pte Limited	-	555
Services rendered (including service tax and corporate guarantee commission income)		
Mumbai Aviation Fuel Farm Facility Private Limited	1,781	1,265
Mumbai Airport Lounge Services Private Limited	6,299	4,288
Green wood Palaces and Resorts Private Limited	1,260	805
GVK Coal Developers (Singapore) Pte Limited	1,513	1,167
GVK Energy Limited	19	92
ADAA Traders Private Limited	1,029	738
TAJ GVK Hotels and Resorts Limited	7	-
GVK Gautami Power Limited	-	301
Crescent EPC Projects and Technical Services Limited	9	58
Loans/ Advances taken		
Crescent EPC Projects and Technical Services Limited	-	953
GVK Energy Limited	-	161
Cygnus Real Estates Private Limited	-	2,540
GVK Technical and Consultancy Services Private Limited	60	-
Loans repaid		
Ybrant Engineering and Construction Private Limited	-	953
Reimbursement of expenses		
Airport Authority of India	29	43
GVK Energy Limited	3	-
GVK Industries Limited	0	-
Alaknanda Hydro Power Company Limited	1	-
GVK Power (Goindwal Sahib) Limited	1	-
GVK Gautami Power Limited	0	101
Mumbai Aviation Fuel Farm Facility Private Limited	-	121
Reimbursement of pre-operative expenses		
CIDCO	11,000	-
Soft loan towards pre-development works		
CIDCO	125,089	-
Concession fees payable towards concession rights		
CIDCO	500	-
Annual fees		
Airport Authority of India	143,770	133,062
Disposal of assets		
Airport Authority of India	22	45
Advances given		
Crescent EPC Projects and Technical Services Limited	247	193
Advances recovered		
Crescent EPC Projects and Technical Services Limited	-	124
Advances Written Off		
GVK Coal Developers (Singapore) Pte Limited	50	8,861
GVK Coal (Tokisud) Company Private Limited	0	-
Seregraha Mines Limited	6	-
GVK Energy Limited	4,400	4,482
Retention money retained		
Crescent EPC Projects and Technical Services Limited	6	68

	March 31, 2019	March 31, 2018
Corporate guarantee released		
GVK Energy Limited	1,913	21,817
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	134	21,672
Investment in Equity/Preference Shares allotted during the year		
GVK Coal Developers (Singapore) Pte Limited	-	61,303
Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFPL)	640	-
Mumbai Airport Lounge Services Private Limited (MALS)	1	-
Other income		
GVK Coal Developers (Singapore) Pte Limited	4,375	2,740
GVK Energy Limited	-	60
Year end balances (Payables)/ receivables		
Mr. Krishna R Bhupal	(330)	(284)
Crescent EPC Projects and Technical Services Limited	8,654	68,752
GVK Technical and Consultancy Services Private Limited	(1,582)	(1,653)
CIDCO**	(31,300)	-
Orbit Travels and Tours Private Limited	(4)	-
GVK Coal Developers (Singapore) Pte Limited	3,068	67,082
Cygnus Real Estates Private Limited	-	(2,540)
ADAA Traders Private Limited	(224)	(107)
Green wood palaces	108	221
Pinakini Share and Stock Broker Limited	(6)	(6)
GVK Energy Limited	26,118	36,400
GVK Industries Limited	140	139
GVK Gautami Power Limited	(13)	(14)
Mumbai Aviation Fuel Farm Facility Private Limited	(73)	165
Mumbai Airport Lounge Services Private Limited	(749)	73
Airport Authority of India	591	(1,740)
ACSA Global Limited, Mauritius	-	(791)
GVK Power (Goindwal Sahib) Limited	22	23
TAJ GVK Hotels and Resorts Limited	(1)	(3)
Ybrant Engineering and Construction Private Limited	-	(61,071)
Corporate Guarantee (Outstanding loan balance)		
GVK Coal Developers (Singapore) Pte Limited	383,816	368,519
GVK Energy Limited	4,500	6,413
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
Performance guarantee given to and outstanding as at period end		
AAI	600	600
CIDCO	10,000	10,000
Commitments **Shareholder having substantial interest:** **CIDCO**		
Soft loan towards pre-development works	205,709	-
Allotment of equity shares towards pre-development works to be carried out	11,202	-

Notes to the consolidated financial statements

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

Note:

a. Refer note 44 and 45 for commitments given by the Company.

b. *Pledge of 155,587,500 (March 31, 2018: 155,587,500) shares of GVK Energy Limited, 22,495,000 (March 31, 2018: 22,495,000) shares of GVK Transportation Private Limited and 48,000,000 (March 31, 2018: 48,000,000) shares of GVK Airport Developers Limited.

c. Refer note 23 and 28 for security provided by subsidiaries for loans availed by the Company.

d. The advances/ loans and guarantees have been provided to meet normal business needs of respective entity.

e. # includes Rs. 780 lakhs (March 31, 2018: Rs. 809 lakhs) relating to earlier years, recorded in the books and paid based on approval received from Central Government. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefit as they are determined on actuarial basis for the Company as a whole.

f. ** Amounts are discounted values of amounts payable to CIDCO as per the concession agreement and are presented under note - Other non-current financial liabilities.

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 the right to charge users a fee for using the toll road, which 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 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 lakhs increasing by an additional 5% as compared to the immediately preceding previous year.

During the year, GVKDKEPL has recorded revenue of Rs. 5,541 lakhs (March 31, 2018: Rs. 8,454 lakhs) consisting of Rs. 134 lakhs (March 31, 2018: Rs. 1,499 lakhs) on construction and Rs. 5,407 lakhs (March 31, 2018: Rs. 6,955 lakhs) 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 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 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 not earned any revenue. Also refer note 49.

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 lakhs 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 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. 34,276 lakhs (March 31, 2018: Rs. 35,073 lakhs) on operation of the toll road.

60. Navi Mumbai International Airport Private Limited (NMIAL) has entered into the Concession Agreement with City and Industrial Development Corporation of Maharashtra Limited (CIDCO) on 8th January 2018 for construction, operation and maintenance of Airport for public use at Navi Mumbai in the state of Maharashtra through Public Private Partnership (PPP).

a) As per the concession Agreement, NMIAL will have to pay aggregate concession fees amounting to Rs. 716,500 Lakhs to the Authority for initial 30 years as a consideration for grant of concession. Grant of concession means exclusive right, license and authority to develop, operate and maintain International airport at Navi Mumbai on design, build, finance, operate and transfer basis for an initial period of 30 years.

   As per Ind AS 38, Intangible Assets, such right should be accounted as an Intangible asset. As per the requirement of the standard if payment for an intangible asset is deferred beyond normal credit terms, the cost of such intangible assets is represented by its cash price equivalent. Management has arrived at the cash price equivalent of the intangible asset by discounting the future cash flows at an appropriate discounting rate.

b) Further, the concession Agreement, CIDCO has undertaken certain Predevelopment Works at the site. Amount paid / payable by the Authority for the implementation of these Pre development Works is to be considered as Soft Loan in the books of the company and is repayable as per the deferred payment terms in the agreement.

   As per Ind AS 20, Accounting for Government grants, the benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 and the proceeds received and is treated as revenue grant. Management has computed the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 and the proceeds received by discounting the future cash flows at an appropriate discounting rate.

61. Assets held for sale

GVK Airport Holdings Limited (GVKAHL) is a step down wholly owned subsidiary of the Company and holding company of Mumbai International Airport Limited (MIAL) with a shareholding of 50.5%. Management has been looking for certain divestment options in the airport vertical i.e., in GVKAHL. During the course of divestment process the management has obtained bids for diluting the shareholding in Airport Vertical and started discussions with one of the parties. During the current year, GVKPIL group management has obtained approval from the shareholders for raising funds by divesting its share in GVKAHL (Airport vertical). The management was able to sign a term sheet with a potential investor during April 2019.

The company is still under discussion on the terms and conditions of the transaction as at March 31, 2019 and has not reached a definitive stage about the terms and conditions that would entail the Firm Purchase Contract. Also, shares of the Airport vertical are pledged with various lenders and management is yet to receive approval from lenders with whom the shares are pledged. As a part of the divestment process, management has noted that there are certain other significant approvals from Ministry of Civil Aviation, Airport Authority of India and other approvals as necessary are to be received. The management does not have a reliable estimate on the time period in which the Firm Purchase Contract can be signed off.

Based on the above factors, management has evaluated the criteria as per Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, and is of the view that the Airport vertical should not be considered as "Held for sale" asset at this stage.

Notes to the consolidated financial statements

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

62. During the previous year the Group has divested 10% of its stake in Bangalore International Airport Limited (BIAL), an associate company, to Fairfax India Holdings Corporation ('Fairfax') for an aggregate amount of Rs: 129,000 lakhs and accordingly accounted for profit amounting to Rs. 87,293 lakhs. The Group's stake in BIAL has come down to Nil on divestment of the aforesaid stake.

63. MSME

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006.

Based on the information available with the Group, the group has outstanding dues of Rs. 1,290 lakhs (March 31, 2018: Nil) towards Micro and Small Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

64.Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new amendments to Ind AS which the group has not yet applied as they are effective from April 1, 2019:

i) Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

ii) Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.

iii) New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

iv) Amendment to Ind AS 19, Employee Benefits. This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

v) Amendment to Ind AS 23, Borrowing Costs to clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

vi) Amendment to Ind AS 28, Investments in Associates and Joint Ventures. Investors could have long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture. The amendment clarifies that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28. An illustrative example is also provided in Appendix A of Ind AS 28.

vii) Amendment to Ind AS 109 to enable an entity to measure at amortised cost some prepayable financial assets with negative compensation. This amendment will not impact the financial statements of the Company.

viii) Amendment has been made to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements to clarify measurement of previously held interest in obtaining control/joint control over a joint operation as follows: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is remeasured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation should not remeasure its previously held interest in the joint operation. The management is in the process of quantifying the effect of this standard, however no material impact is expected.

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

N.K. Varadarajan
Partner
Membership No. 90196

Place: Hyderabad
Date: May 24, 2019

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

Dr. GVK Reddy
Chairman
DIN: 00005212

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

A Issac George
CFO

P V Rama Seshu
AVP & Company Secretary

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

Report on audit of the Financial Statements

Qualified Opinion

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, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required, except for the indeterminate effects of the matter referred to in Basis for Qualified Opinion section below, 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, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

3. We draw your attention to note 44 to the standalone financial statements with regard to multiple significant uncertainties faced by certain subsidiaries and a joint venture of GVK Energy Limited (a joint venture) due to factors such as (a) non –availability of fuel (coal/gas), (b) outstanding application for increase in tariff and (c) compensation in relation to deallocated coal mine etc. Pending resolution of these uncertainties, we are unable to comment on the adequacy of impairment loss/loss allowance for expected credit losses to be recognised in relation to (i) investment in and loans to GVK Energy Limited aggregating to Rs. 104,213 lakhs and (ii) financial guarantees issued by the Company to the jointly controlled entity amounting to Rs. 4,500 lakhs. The impact of the above matters, if any, on the standalone financial statements is presently not ascertainable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to note 45 to the standalone financial statements, which states that the Company has significant accumulated losses as at year ended March 31, 2019, and has defaulted in repayment of loan and interest payments. Further, material uncertainties are faced by various projects in which the Company has made investments, provided guarantees/ commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforementioned note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

   Our opinion is not modified in respect of this matter.

Emphasis of Matter

6. We draw your attention to note 43 to the Standalone financial statements, regarding material uncertainties being faced by GVK Coal Developers (Singapore) Pte. Limited, an associate company in which the Company has investment and has receivables aggregating to Rs. 75,655 lakhs and to whom it has provided guarantees and commitments for loans aggregating to Rs. 783,297 lakhs and has undertaken to provide financial assistance of USD 7.61 million (Rs.5,263 lakhs) as at March 31, 2019.

   Our opinion is not modified in respect of this matter.

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

Key audit matters

7. Except for the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

To The Members Of Gvk Power & Infrastructure Limited

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. 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 Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d. Except for the indeterminate effects of the matter referred to in Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. The matters described in Basis for Qualified Opinion, Material Uncertainty Relation to Going Concern, and Emphasis of Matter Sections 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

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 3 above.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32(c)to the financial statements;

   ii. The Company has long-term contracts as at March 31, 2019 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, 2019.

   iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

N.K. Varadarajan
Partner
Membership Number: 090196

Place: Hyderabad
Date: May 24, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(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, 2019

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, 2019 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 17(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, 2019

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 has been identified as at March 31, 2019:

   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 the material weakness described above, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2019 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, 2019 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 24, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 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, 2019

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 10 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 and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 32(c) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(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, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax, as at March 31, 2019 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	279	July 01, 2003 to September 30,2008	High court
The Finance Act, 1994	Service tax	111	October 1, 2008 to September 30, 2009	High court
Income Tax Act, 1961	Service tax Income tax	149	October 1, 2009 to September 30, 2010	High court
Income Tax Act, 1961	Service tax	87	October 1, 2010 to June 30, 2011	High court

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 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, 2019

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Service tax	436	June 1, 2009 to March 31 2012	High court
Income Tax Act, 1961	Service tax	170	April 1, 2012 to March 31, 2013	High court
Income Tax Act, 1961	Service tax	164	April 1, 2013 to March 31, 2014	High court
Income Tax Act, 1961	Income tax	200	AY 2010-11	High court

* Paid under protest/ refund adjusted.

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. 3,897, 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)
Axis Bank Limited	Principal	Since August 2015	3,898

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 24, 2019

Standalone Balance sheet as at March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	3	92	35
Financial assets			
Investments	4	234,837	233,969
Loans	5	5	5
Other financial assets	6	933	971
Non Current tax assets (net)	7	3,830	13
Other non-current assets	8	13	13
		239,710	**235,006**
Current assets			
Financial assets			
Investments	9	1,567	1,647
Trade receivables	10	355	130
Cash and cash equivalents	11	49	56
Loans	12	322	6,156
Other financial assets	13	2,248	2,500
Other current assets	14	37	11
		4,578	**10,500**
Total		**244,288**	**245,506**
Equity and Liabilities			
Equity			
Equity share capital	15	15,792	15,792
Other equity		168,711	157,317
		184,503	**173,109**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	-
Unearned financial guarantee income	17	5,221	5,262
		5,221	**5,262**
Current liabilities			
Financial liabilities			
Borrowings	18	47,142	43,692
Trade payables	19		
• Total outstanding dues of micro enterprises and small enterprises		-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		208	191
Other financial liabilities	20	7,079	18,704
Provisions	21	8	2
Current tax liabilities	22	-	4,508
Other current liabilities	23	127	38
		54,564	**67,135**
Total liabilities		**59,785**	**72,397**
General information and significant accounting policies	1&2		
Total		**244,288**	**245,506**

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 24, 2019

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

Dr. GVK Reddy
Chairman
DIN: 00005212

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

A Issac George
CFO

P V Rama Seshu
AVP & Company Secretary

Standalone Statement of profit and loss for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	24	2,321	1,654
Other income	25	7,710	7,560
Total revenue		**10,031**	**9,214**
Expenses			
Employee benefit expenses	26	211	91
Other expenses	27	5,194	9,221
Depreciation expenses	28	12	13
Finance costs	29	1,248	2,361
Total expenses		**6,665**	**11,686**
Profit / (Loss) before tax		**3,366**	**(2,472)**
Tax expense			
Current tax	30	19	1,136
Taxes of earlier years	30	(8,047)	-
Total tax expense		**(8,028)**	**1,136**
Profit / (Loss) for the year		**11,394**	**(3,608)**
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)		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/loss for the year		**11,394**	**(3,608)**
General information and significant accounting policies	1 & 2		
Earnings/(Loss) per equity share:	31		
Basic earnings per share		0.72	(0.23)
Diluted earnings per share		0.72	(0.23)
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 24, 2019

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

Dr. GVK Reddy
Chairman
DIN: 00005212

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

A Issac George
CFO

P V Rama Seshu
AVP & Company Secretary

Standalone Cash flow statement for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

		Notes	Year ended March 31, 2019	Year ended March 31, 2018
1	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit/(loss) before tax		3,366	(2,472)
	Adjustments to reconcile loss before tax to net cash flows			
	Depreciation expense		12	13
	Advances and investments written off		4,403	-
	Gain on sale of current investments (net)		(153)	(82)
	Interest expense		1,248	2,361
	Fair value loss on investments in preference shares		50	8,861
	Unrealised foreign exchange (gain)/loss		276	13
	Unwinding Interest income on financial guarantees and debt instruments		(5,162)	(4,680)
	Notional commission on guarantees given to subsidiaries		(482)	(477)
	Interest income on income tax and service tax refund		(36)	(180)
	Operating profit before working capital changes		**3,522**	**3,357**
	Movement in working capital:			
	Decrease/(Increase) in trade receivables		(225)	786
	Decrease in other current/non current assets		(1,576)	1,395
	Increase/(Decrease) in trade payables, current liabilities and provisions		112	(66)
	Cash generated from operations		**1,833**	**5,472**
	Taxes paid (net of refunds)		-	(22)
	Net cash generated from operating activities	**(A)**	**1,833**	**5,450**
2	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Net Purchase/ Sale of current investments		233	(686)
	Investments in subsidiaries/associates/related party including share application money		(137)	(28,465)
	Loans (given)/refunds to/from subsidiaries/related party		5,834	(2,799)
	Purchase of property, plant and equipment		(69)	-
	Interest received		-	6,817
	Net Cash (used in)/ generated from Investing Activities	(B)	**5,861**	**(25,133)**
3	**CASH FLOW ROM FINANCING ACTIVITIES**			
	Repayment of long term borrowings		(6,696)	(15,189)
	Proceeds from short term borrowings (net)		3,450	35,072
	Interest paid		(4,455)	(160)
	Net Cash generated from/(used in) Financing Activities	(C)	**(7,701)**	**19,723**
	Net increase/ (decrease) in Cash and Cash Equivalents	(A+B+C)	(7)	40
	Cash and Cash Equivalents at the beginning of the year		56	16
	Cash and Cash Equivalents at the end of the year		**49**	**56**

Standalone Cash flow statement for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Components of cash and cash equivalents			
Balance with banks:			
Current accounts		49	56
Total cash and cash equivalents (refer note 11)		49	56
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 24, 2019

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

Dr. GVK Reddy
Chairman
DIN: 00005212

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

A Issac George
CFO

P V Rama Seshu
AVP & Company Secretary

Standalone Statement of Changes in Equity

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

a) Equity share capital

	Number of Shares	Rs. In Lakhs
As at April 01, 2017	**1,579,210,400**	**15,792**
Issued during the year	-	-
At March 31, 2018	**1,579,210,400**	**15,792**
Issued during the year	-	-
At March 31, 2019	**1,579,210,400**	**15,792**

b) Other Equity

	Reserves and Surplus			Total
	Retained Earnings	Securities premium	General reserve	
As at April 01, 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**
Add:Profit/ (Loss) for the year	11,394	-	-	11,394
At March 31, 2019	**(47,351)**	**215,935**	**127**	**168,711**

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 24, 2019

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

Dr. GVK Reddy
Chairman
DIN: 00005212

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Vice Chairman
DIN: 00005282

A Issac George
CFO

P V Rama Seshu
AVP & Company Secretary

Notes to Standalone financial statements for the year ended March 31, 2019

(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.

(iii) New standards adopted by the Company

The Company has applied Ind AS 115, Revenue from contracts with customers for the first time for the annual period commencing from April 01, 2018, this change in accounting policy did not have any impact on the amounts recognised in the prior periods and are not expected to significantly affect the current or future periods.

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 currency translation

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 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.

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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 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.

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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not recognised if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

Notes to Standalone financial statements for the year ended March 31, 2019

(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, 2019

(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.

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

- The date of the plan amendment or curtailment, and

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

- 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.

(l) 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 amoritsed 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.

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

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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.

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:

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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.

(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.

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

(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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

i) Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

ii) Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.

iii) New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

(iv) Amendment to Ind AS 19, Employee Benefits. This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

v). Amendment to Ind AS 19, Employee Benefits. This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

vi). Amendment to Ind AS 23, Borrowing Costs to clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

vii) Amendment to Ind AS 28, Investments in Associates and Joint Ventures. Investors could have long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture. The amendment clarifies that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28. An illustrative example is also provided in Appendix A of Ind AS 28.

viii) Amendment to Ind AS 109 to enable an entity to measure at amortised cost some prepayable financial assets with negative compensation. This amendment will not impact the financial statements of the Company.

ix) Amendment has been made to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements to clarify measurement of previously held interest in obtaining control/joint control over a joint operation as follows: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is remeasured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation should not remeasure its previously held interest in the joint operation.

The management is in the process of quantifying the effect of this standard, however no material impact is expected.

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

3. Property, plant and equipment

	Furniture and fittings	Office equipment	Vehicles	Data processing equipment	Total
At Cost					
As at April 1, 2017	1	2	72	1	76
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
At March 31, 2018	**1**	**2**	**72**	**1**	**76**
Additions	-	1	59	8	68
Deletions	-	-	-	-	-
At March 31, 2019	**1**	**3**	**131**	**9**	**144**
Accumulated depreciation					
At April 1, 2017	1	2	25	-	28
Charge for the year	-	-	12	1	13
Deletions	-	-	-	-	-
At March 31, 2018	**1**	**2**	**37**	**1**	**41**
Charge for the year	-	-	11	1	12
Deletions	-	-	-	-	-
At March 31, 2019	**1**	**2**	**47**	**2**	**53**
Net Block					
At March 31, 2018	**-**	**-**	**35**	**-**	**35**
At March 31, 2019	**-**	**1**	**84**	**7**	**92**

Notes: Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil. (March 31, 2018: Rs. Nil)

4. Investments

	As at March 31, 2019	As at March 31, 2018
a. Unquoted, in fully paid equity shares (at cost)		
In subsidiaries		
300,000,000 (March 31, 2018: 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, 2018: 37,700,000) equity shares of Rs.10 each fully paid-up in GVK Transportation Private Limited	3,770	3,770
10,000 (March 31, 2018: 10,000) Equity shares of Rs.10 each fully paid-up in GVK Perambalur SEZ Private Limited	1	1
10,000 (March 31, 2018: 10,000) equity shares of Rs.10 each fully paid-up in GVK Developmental Projects Private Limited	1	1
190,000 (March 31, 2018: 190,000) equity shares of Rs.10 each fully paid-up in GVK Airport Services Private Limited	19	1 9
Sub Total	**33,791**	**33,791**
In Joint Ventures		
557,869,479 (March 31, 2018: 557,869,479) equity shares of Rs.10 each fully paid-up in GVK Energy Limited	103,923	108,323
Sub Total	**103,923**	**108,323**
Share application money given to subsidiaries		
GVK Perambalur SEZ Private Limited	-	4,999
GVK Developmental Projects Private Limited	-	1
Sub Total	**-**	**5,000**
A	**137,714**	**147,114**

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As at March 31, 2019	As at March 31, 2018
b. Unquoted, in fully paid non-cumulative redeemable preference shares (at amortised cost)		
In subsidiary		
59,200 (March 31, 2018: 59,200) non-cumulative redeemable preference shares of Rs. 10,000 each fully paid-up in GVK Airport Developers Limited	4,522	2,924
B	**4,522**	**2,924**
c. Unquoted, in fully paid equity shares (at cost) and preference shares (at amortised cost)		
In Associate		
50,000 (March 31, 2018: 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, 2018:17,03,60,918) non-cumulative redeemable preference shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.	72,189	67,865
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.	380	246
C	**72,594**	**68,136**
d. Loan given to subsidiaries classified as equity (at cost)		
GVK Perambalur SEZ Private Limited	9,232	4,229
D	**9,232**	**4,229**
e. Deemed investment in subsidiaries		
GVK Transportation Private Limited	1,181	946
GVK Airport Developers Limited	6,897	7,922
GVK Jaipur Expressway Private Limited	2,284	2,284
GVK Ratle Hydro Electric Project Private Limited	414	414
E	**10,776**	**11,566**
Aggregate carring value of unquoted investments (A+B+C+D+E)	**234,837**	**233,969**

5. Loans

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good: - Security deposits	5	5
Total	**5**	**5**

6. Other financial assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good:		
Guarantee Commission receivable	25	26
Financial guarantee assets	908	945
Total	**933**	**971**

7. Non current tax assets (net)

	As at March 31, 2019	As at March 31, 2018
Advance income-tax (net of provision for taxation)	3,830	13
Total	**3,830**	**13**

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

8. Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good:		
Balance with government authorities	13	13
Total	**13**	**13**

9. Current investments

	As at March 31, 2019	As at March 31, 2018
Quoted mutual funds at fair value through statement of profit and loss		
4,915 (March 31, 2018: Nil) Franklin India Liquid Fund - Direct Growth	138	-
2,309,958 (March 31, 2018: 4,027,056) Franklin India Ultra Short Bond Fund – Super Institutional Growth plan	609	972
3,669,042 (March 31, 2018: 3325,467) Franklin India Low Duration Fund - Direct-Growth	820	675
Total	**1,567**	**1,647**
Aggregate carrying and market value of quoted investments	**1,567**	**1,647**

10. Trade receivables

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good:		
Receivables from related parties	355	130
Total	**355**	**130**

11. Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balance with banks:		
- In current accounts	49	56
Total	**49**	**56**

There are no repatriation restrictions on the usage of Cash and Bank Balances

12. Loans

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good:		
Interest free loans to related parties receivable on demand	322	6,156
Total	**322**	**6,156**

13. Other financial assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good:		
Guarantee commission receivable	1,771	1,389
Financial guarantee assets	470	1,105
Other receivables	7	6
Total	**2,248**	**2,500**

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

14. Other current assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good:		
Advances recoverable in cash or kind	34	10
Prepayments	2	1
Total	**37**	**11**

15. Equity share capital and other equity

(A) Equity share capital

	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
2,500,000,000 (March 31, 2018: 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, 2018: 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, 2019		March 31, 2018	
	Number of Shares	Amount	Number of Shares	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**

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, 2019		March 31, 2018	
	Number of Shares	% of holding	Number of Shares	% of holding
Vertex Projects LLP (Formerly Vertex Infratech Private Limited)	732,893,902	46.41%	732,893,902	46.41%

(B) Reserves and surplus

	As at March 31, 2019	As at March 31, 2018
Retained Earnings	(47,351)	(58,745)
Securities premium	215,935	215,935
General reserve	127	127
Total reserves and surplus	**168,711**	**157,317**

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

(i) Retained Earning

	As at March 31, 2019	As at March 31, 2018
Opening balance	(58,745)	(55,137)
Profit / Loss for the year	11,394	(3,608)
Closing balance	**(47,351)**	**(58,745)**

(ii) Securities premium

	As at March 31, 2019	As at March 31, 2018
Opening balance	215,935	215,935
Movement during the year	-	-
Closing balance	**215,935**	**215,935**

(iii) General reserve

	As at March 31, 2019	As at March 31, 2018
Opening balance	127	127
Movement during the year	-	-
Closing balance	**127**	**127**

16. Long-term borrowings

	As at March 31, 2019	As at March 31, 2018
From Banks (Secured)		
Indian rupee loans	3,898	10,594
	3,898	**10,594**
Less - Current maturities (Refer note 20)	(3,898)	(10,594)
Total	-	-

a) Term loan aggregating to Rs. 3,898 (March 31, 2018: Rs. 9,745) (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 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.

b) Term loan aggregating to Nil (March 31, 2018: Rs. 849) (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.

Net debt reconciliation

This Section sets out an analysis of net debt and the movement in net debt for the period presented

	As at March 31, 2019	As at March 31, 2018
Current maturities of non-current borrowings (refer note 16)	3,898	10,594
Current Borrowings (refer note 18)	47,142	43,692
Cash and cash equivalents	(49)	(56)
Total	**50,991**	**54,230**
Opening balance	54,230	34,099
Add: Proceeds from short term borrowings	3,450	35,072
Less: Repayment of long term borrowings	(6,696)	(15,189)
Add: Cash generated from operations	(7)	40
Add: Fair value adjustments	14	208
Closing balance	**50,991**	**54,230**

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

17. Unearned financial guarantee liability

	As at March 31, 2019	As at March 31, 2018
Unearned guarantee commission income on financial guarantees given to related parties	5,221	5,262
Total	**5,221**	**5,262**

18. Short-term borrowings

	As at March 31, 2019	As at March 31, 2018
Unsecured:		
Loans from related parties repayable on demand	47,142	43,692
Total	**47,142**	**43,692**

19. Trade payables

	As at March 31, 2019	As at March 31, 2018
- Outstanding dues to micro enterprises and small enterprises (refer note 34)	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises	208	191
Total	**208**	**191**

20. Other financial liabilities

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings (refer note 16)	3,898	10,594
Interest accrued and due on borrowings	2,556	5,763
Unearned guarantee commission income on financial guarantees given to related parties	625	2,347
Total	**7,079**	**18,704**

21. Provisions

	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences	8	2
Total	**8**	**2**

22. Current tax liabilities

	As at March 31, 2019	As at March 31, 2018
Opening balance	4,508	3,683
Add: Current tax payable for the year	-	1,136
Less: Excess provisions reversed to the Statement of Profit and Loss including interest	(8,051)	-
Less: Reclassified as advance tax asset	3,543	-
Less: Refunds received/TDS credits	-	(311)
Closing balance	**-**	**4,508**

* Subsequent to year, the Company received a favorable order from Income Tax Apellate Tribunal which is presently not contested by the income tax authorities. The Company believes that the provision for tax is no longer required and the same has been reversed with corresponding credit in the Statement of Profit and Loss.

23. Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Statutory liabilities	125	38
Other liabilities	2	-
Total	**127**	**38**

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

24. Revenue from operations

	As at March 31, 2019	As at March 31, 2018
Sale of services		
- Operation and maintenance services	-	401
– Manpower and consultancy services	2,321	1,253
Total	**2,321**	**1,654**

25. Other income

	As at March 31, 2019	As at March 31, 2018
Income from current investments	153	82
Commission on financial guarantees	2,270	2,496
Interest income on financial guarantees and debt instruments	5,162	4,680
Foreign exchange gain (net)	62	-
Interest on income tax and service tax refund	36	180
Miscellaneous income	27	122
Total	**7,710**	**7,560**

26. Employee benefit expense

	As at March 31, 2019	As at March 31, 2018
Salaries, wages and bonus	192	77
Contribution to provident and other funds	7	5
Retirement and other employee benefit expense (refer note 33)	-	3
Staff welfare expenses	12	6
Total	**211**	**91**

27. Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Rent	10	11
Communication costs	1	22
Travelling and conveyance	17	19
Operating and maintenance expenses	36	45
Repairs and maintenance- others	6	9
Legal and professional charges	284	35
Rates and taxes	42	55
Printing and stationery	1	4
Insurance	4	6
Remuneration to statutory auditors (refer note below)	26	25
Directors' sitting fees	7	7
Expenses for manpower	-	100
Written off of investments in a joint venture and advances	4,403	-
Foreign exchange loss (net)	276	13
Miscellaneous expenses	31	9
Fair value loss on investment in preference shares	50	8,861
Total	**5,194**	**9,221**

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Payment to auditor

	Year ended March 31, 2019	Year ended March 31, 2018
As auditor:		
Audit fee	22	22
Limited review	3	3
In other capacity:		
Other services	-	-
Reimbursement of expenses	1	-
Total	**26**	**25**

28. Depreciation expense

	As at March 31, 2019	As at March 31, 2018
Depreciation of property, plant and equipment	12	13
Total	**12**	**13**

29. Finance costs

	As at March 31, 2019	As at March 31, 2018
Interest expense	1,247	2,356
Bank charges	1	5
Total	**1,248**	**2,361**

30. Taxes

a. Income tax expense

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	19	1,136
Taxes of earlier years (refer note 22)	(8,047)	-

b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(Loss) before taxes	3,366	(2,472)
Enhanced tax rates in India	27.553%	27.553%
Expected tax expense	927	(681)
Add: Effect of non-deductible expenses:		
Impairment of investments in a joint venture and advances written off	4,403	-
Fair value loss on investments	50	8,861
Finance costs	-	2,361
Less: Effect of non-taxable incomes:		
Interest income on financial guarantees and debt instruments	(5,591)	(4,680)
Profit on sale of mutual funds taxable at other rates	(153)	-
Utilisation of brought forward losses	(2,075)	-
Others	-	54
Effect of non-deductible expenses (net)	(3,366)	6,596
Tax effect on the above	(927)	1,817
Tax on sale of mutual funds	19	-
Net current tax expense recognised in Statement of Profit and Loss	**19**	**1,136**

c. Tax losses

	Year ended March 31, 2019	Year ended March 31, 2018
Unused tax losses for which no deferred tax asset has been recognised	54,695	56,770
Potential tax benefit	13,498	14,070

Notes to Standalone financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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 / loss and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(Loss) after tax	11,394	(3,608)
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	0.72	(0.23)

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. 10 lakhs (March 31, 2018: Rs. 11 lakhs).

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 has no outstanding capital commitments as at year end. (March 31, 2018: Nil)

ii) Other Commitments

a) The company has given undertaking to infuse equity aggregating to Rs. 400,819 lakhs (March 31, 2018: Rs. 383,561 lakhs) 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, 2018: 155,587,500), 22,495,000 (March 31, 2018: 22,495,000) and 48,000,000 (March 31, 2018: 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 associate entity in which Company has 10% stake. Management believes that GVK Coal Developers (Singapore) Pte. Limited 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 lakhs 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.

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

C. Contingent liabilities

	Year ended March 31, 2019	Year ended March 31, 2018
Direct and indirect taxes		
Claims not acknowledged as debts by the company		
Income tax	200	344
Service tax	1,620	1,620

Security against loan taken by group companies

i) The Company had provided security by way of pledge of 251,999,900 (March 31, 2018: 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, 2018: 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.228,227 lakhs (March 31, 2018: Rs. 209,445 lakhs) to subsidiaries and joint ventures and Rs. 383,816 lakhs to an associate (March 31, 2018: Rs. 368,519 lakhs) for various fund and nonfund 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.

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

33. Employee benefits

A) Defined contribution plan

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	7	5

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	Year ended March 31, 2019	Year ended March 31, 2018
Current Service Cost	1	2
Past service cost adjustment	-	2
Interest expenses	(2)	(1)
Net employee benefit expenses	(1)	3

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

ii) Amount recognised in the Balance Sheet

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation	11	9
Fair value of plan assets	38	35
Net Plan Liability/(Asset)*	*	*

*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	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	9	31
Current service cost	1	2
Interest cost	1	1
Benefits paid	(20)	(7)
Transfer out	-	(20)
Past service cost adjustment	-	2
Net Actuarial (gains)/losses on obligation for the year recognised under OCI	20	-
Closing defined benefit obligation	11	9

iv) Changes in fair value of plan assets

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	35	33
Expected return	3	2
Actuarial Gain/(Loss) on plan assets for the year recognised under OCI	-	-
Closing fair value of plan assets	38	35

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Scheme of Insurance- Conventional products	100%	100%

v) Amount recognised in statement of other comprehensive income (OCI):

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.60%	7.60%
Expected rate of return on assets	8.00%	8.00%
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 Lakh to gratuity in the next year (March 31, 2018: Rs. 1)

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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 ended March 31, 2019	Year ended March 31, 2018
Within next 12 months	1	1
Between 2 and 5 years	4	3
Beyond 5 years	36	15

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as at year end is as shown below:

Assumptions	Year ended March 31, 2019	Year ended March 31, 2018
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(0)	(0)
- 1% decrease	0	0
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	0	0
- 1% decrease	(0)	(0)
(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, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

36. Related Parties

(a) Related parties where control exists

GVK Airport Developers Limited
GVK Airport Holdings Limited
Mumbai International Airport Limited (Earlier Mumbai International Airport Private Limited)
Bangalore Airport & Infrastructure Developers Limited
GVK Airports International Pte Ltd
GVK Airport Services Private Limited
PT.GVK Services, Indonesia.
GVK Transportation Private Limited
GVK Jaipur Expressway Private Limited
Sutara Roads & Infra Limited
GVK Deoli Kota Expressway Private Limited
GVK Shivpuri Dewas Expressway Private Limited
GVK Bagodara Vasad Expressway Private Limited
GVK Developmental Projects Private Limited
GVK Ratle Hydro Electrical Projects Private Limited
GVK Perambalur SEZ Private Limited
Goriganga Hydro Power Private Limited (upto December 31, 2017)
GVK Oil & Gas Limited (upto December 31, 2017)
GVK Energy Venture Private Limited (upto December 31, 2017)

(b) Related parties where joint control exists

GVK Energy Limited
GVK Industries Limited
GVK Gautami Power Limited
Alaknanda Hydro Power Company Limited
GVK Power (Goindwal Sahib) 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

Seregarha 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. P V Prasanna Reddy - Director
Mr. Krishna R Bhupal - Director
Mr. P V Rama Seshu - AVP & Company Secretary

(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, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

A Details of related party transactions during the year:

	March 31, 2019	March 31, 2018
Fees for services rendered (Includes Corporate guarantee commission income)		
GVK Energy Limited	19	92
GVK Gautami Power Limited	-	301
GVK Airport Developers Limited	500	670
Mumbai International Airport Limited	1,271	1,253
Navi Mumbai International Airport Private Limited	1,050	-
GVK Transportation Private Limited	211	-
GVK Jaipur Expressway Private Limited	152	244
GVK Ratle Hydro Electric Project Private Limited	101	101
GVK Coal Developers (Singapore) Pte Limited	1,513	1,167
Reimbursement of expenses (Billable expenses)		
GVK Energy Limited	3	0
GVK Industries Limited	0	0
GVK Gautami Power Limited	0	101
Alaknanda Hydro Power Company Limited	1	0
GVK Power (Goindwal Sahib) Limited	1	0
GVK Airport Developers Limited	18	-
Navi Mumbai International Airport Private Limited	1	-
GVK Jaipur Expressway Private Limited	0	0
GVK Deoli Kota Expressway Private Limited	0	0
GVK Technical & Consultancy Services Private Limited	-	0
Crescent EPC Projects and Technical Services Limited	-	0
Services received		
GVK Energy Limited	-	9
TAJ GVK Hotels & Resorts Limited	-	1
Orbit Travels & Tours Private Limited	13	4
GVK Technical & Consultancy Services Private Limited	180	123
GVK Employee Welfare Trust	-	0
Interest income on financial assets		
GVK Energy Limited	-	60
GVK Airport Developers Limited	577	498
GVK Coal Developers (Singapore) Pte Limited	4,375	2,740
Director sitting fees		
Mr. GV Sanjay Reddy	1	1
Mr. Krishna R Bhupal	1	1
Bala subramanian.S	1	1
S Anwar	1	1
Santha K John	0	-
K Balarama Reddi	1	2

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	March 31, 2019	March 31, 2018
CH. G. Krishna Murthy	1	2
Interest expense		
GVK Airport Developers Limited	-	-6
Advances and Investments written off/Fair value loss		
GVK Energy Limited	4,400	-
GVK Coal (Tokisud) Company Private Limited	0	-
Seregraha Mines Limited	6	-
GVK Coal Developers (Singapore) Pte Limited	50	8,861
Equity/ preference shares allotted during the year		
GVK Coal Developers (Singapore) Pte Limited	-	61,303
Share application money given		
GVK Coal Developers (Singapore) Pte Limited	134	21,672
Loans/advances given/expenditure incurred on behalf		
GVK Energy Limited	600	2,096
GVK Industries Limited	-	1
GVK Airport Developers Limited	389	594
GVK Transportation Private Limited	52	1,682
GVK Perambalur SEZ Private Limited	4	2,518
GVK Ratle Hydro Electric Project Private Limited	-	0
Goriganga Hydro Power Private Limited	-	2
GVK Oil & Gas Limited	-	10
Bangalore International Airport Limited	-	23
Crescent EPC Projects and Technical Services Limited	-	1
Loans/advances recovered		
GVK Energy Limited	4,944	61
GVK Industries Limited	-	1
GVK Airport Developers Limited	389	594
GVK Transportation Private Limited	1,638	900
GVK Perambalur SEZ Private Limited	-	2,540
GVK Developmental Projects Private Limited	-	51
GVK Ratle Hydro Electric Project Private Limited	-	0
GVK Oil & Gas Limited	-	(127)#
Bangalore International Airport Limited	-	27
Crescent EPC Projects and Technical Services Limited	-	1
Loan taken		
GVK Developmental Projects Private Limited	4,491	37,509
Sutara Roads & Infra Limited	-	3,193

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	March 31, 2019	March 31, 2018
Loan repaid		
GVK Developmental Projects Private Limited	1,042	5,631
GVK Airport Developers Limited		39
Guarantees given		
GVK Airport Developers Limited	5,194	106,128
GVK Coal Developers (Singapore) Pte Limited	15,297	-
Guarantees released		
GVK Energy Limited	1,913	21,817
GVK Power (Goindwal Sahib) Limited	-	4,050
GVK Airport Developers Limited	-	13,494
GVK Jaipur Expressway Private Limited	2,657	14,661
GVK Developmental Projects Private Limited	-	5,200
GVK Transport Private Limited	4,028	-
Seregraha Mines Limited	-	1,441
GVK Coal Developers (Singapore) Pte Limited	-	15
B Year end balances		
Receivables/ (Payables)		
GVK Energy Limited	122	4,422
GVK Industries Limited	140	140
GVK Gautami Power Limited	3	2
Alaknanda Hydro Power Company Limited	2	0
GVK Power (Goindwal Sahib) Limited	22	22
GVK Coal (Tokisud) Company Private Limited	-	0
Mumbai International Airport Limited	124	113
Navi Mumbai International Airport Private Limited	190	-
GVK Airport Services Private Limited	0	0
GVK Transportation Private Limited	0	1,586
GVK Jaipur Expressway Private Limited	82	-778
Sutara Roads & Infra Limited	-11,813	-11,813
GVK Bagodara Vasad Expressway Private Limited	5	5
GVK Deoli Kota Expressway Private Limited	1	1
GVK Perambalur SEZ Private Limited	9,232	9,228
GVK Developmental Projects Private Limited	-35,327	-31,879
GVK Ratle Hydro Electric Project Private Limited	0	-110
Goriganga Hydro Power Private Limited	2	2
GVK Oil & Gas Limited	-2	-
Seregraha Mines Limited	-	6
GVK Coal Developers (Singapore) Pte Limited	2,666	67,087
TAJ GVK Hotels & Resorts Limited	-0	-0

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	March 31, 2019	March 31, 2018
Orbit Travels & Tours Private Limited	-3	-0
GVK Technical & Consultancy Services Private Limited	-106	-84
Crescent EPC Projects and Technical Services Limited	22	21
Corporate Guarantee		
GVK Energy Limited	4,500	6,413
GVK Jaipur Expressway Private Limited	62,197	64,854
GVK Airport Developers Limited	116,899	111,705
GVK Transport Private Limited	18,159	22,187
GVK Ratle Hydro Electric Project Private Limited	26,472	26,472
GVK Coal Developers (Singapore) Pte Limited	383,816	368,519
Pledge of Investment (no. of shares)		
GVK Energy Limited	230,960,770	230,960,770
GVK Airport Developers Limited	251,999,900	251,999,900
GVK Coal Developers (Singapore) Pte Limited	226,082,500	226,082,500
Sutara Roads & Infra Limited	239,800	239,800

Note:

a. Refer note 32 for equity commitments

b. Refer note 16 for security provided by subsidiaries for loans availed by the Company.

c. The loans/ advances and guarantees have been provided to meet normal business needs of the respective entity.

d. # Includes Rs. 114 lakhs recovery of loan written off in the previous years.

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	Year ended March 31, 2019	Year ended March 31, 2018
i) GVK Oil & Gas Limited		
Balance as at the year end	-	-
Maximum amount outstanding during the year	-	3
The aforesaid loan was repayable at the option of the subsidiary.		
ii) GVK Perambalur SEZ Private Limited		
Balance as at the year end	9,232	4,229
Maximum amount outstanding during the year	9,232	4,251
The aforesaid loan is repayable at the option of the subsidiary.		
iii) GVK Developmental Projects Private Limited		
Balance as at the year end	-	-
Maximum amount outstanding during the year	-	49
The aforesaid loan was repayable on demand.		
iv) GVK Transportation Private Limited		
Balance as at the year end	1	1,586
Maximum amount outstanding during the year	1,639	1,586
The aforesaid loan is repayable on demand.		
v) GVK Power (Goindwal Sahib) Limited		
Balance as at the year end	15	15
Maximum amount outstanding during the year	15	22
The aforesaid loan was repayable on demand.		
vi) GVK Energy Limited		
Balance as at the year end	84	4,320
Maximum amount outstanding during the year	4,320	4,320
The aforesaid loan is repayable on demand.		
vii) GVK Jaipur Expressway Private Limited		
Balance as at the year end	82	82
Maximum amount outstanding during the year	82	82
The aforesaid loan is repayable on demand.		
viii) Bangalore International Airport Limited		
Balance as at the year end	-	-
Maximum amount outstanding during the year	-	4
The aforesaid loan is repayable on demand.		
ix) GVK Industries Limited		
Balance as at the year end	140	140
Maximum amount outstanding during the year	140	140
The aforesaid loan is repayable on demand.		
x) GVK Deoli Kota Expressway Private Limited		
Balance as at the year end	-	-
Maximum amount outstanding during the year	11	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 Limited Rs. 124 (March 31, 2018 Rs. 113).

Navi Mumbai International Airport Private Limited Rs. 190 (March 31, 2018 Rs. Nil)

Notes to Standalone financial statements for the year ended March 31, 2019

(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	Year ended March 31, 2019	Year ended March 31, 2018
Borrowings including interest accrued on borrowings (refer note 16, 18 & 20)	53,596	60,049
Trade payables (refer note 19)	208	191
Less: cash and short-term deposits (refer note 11)	(49)	(56)
Net debt	**53,755**	**60,184**
Equity (refer note 15A)	15,792	15,792
Retained earnings (refer note 15 (B) (i))	(47,351)	(58,745)
Other Equity (refer note 15 (B) (ii) (iii))	216,062	216,062
Total Equity	**184,503**	**173,109**
Gearing ratio (Net Debt/ Total Equity)	**0.29**	**0.35**

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 classfied 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	Status	Amount
March 31, 2019			
Principal payment on loans from banks	210-423	Paid	6,000
Interest on loans from banks	340-730	Paid	4,322
Principal payment on loans from banks	340-730	Paid	849
Principal payment on loans from banks	365 - 396	Unpaid	3,898
Interest on loans from banks	1 - 365	Unpaid	2,556
March 31, 2018			
Interest on loans from banks	1 - 275	Paid	1,679
Principal payment on loans from banks	93-222	Paid	4,552
Interest on loans from banks	1 -365	Unpaid	4,322
Principal payment on loans from banks	1 -365	Unpaid	10,594

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019.

Notes to Standalone financial statements for the year ended March 31, 2019

(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. 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.

ii. 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.

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.

Based on such determination the Company has written off carrying value of its investment in GVK Energy Limited (Joint venture) to the extent of Rs. 4,400 lakhs.

(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, 2019

(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 year.

Particulars	Impact on Profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Increase by 1%	16	16	-	-
Decrease by 1%	(16)	(16)	-	-

Notes to Standalone financial statements for the year ended March 31, 2019

(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. 3,863 lakhs (March 31, 2018: Rs. 9,762 lakhs), 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, 2019				
Borrowings	51,040	-	-	51,040
Other financial liabilities	2,556	-	-	2,556
Trade payables	-	208	-	208
Financial guarantee contracts*	591,416	-	-	591,416
Total	**645,012**	**208**	**-**	**645,219**

Year ended March 31, 2018				
Borrowings	54,286	-	-	54,286
Other financial liabilities	5,763		-	5,763
Trade payables	-	191	-	191
Financial guarantee contracts*	597,964	-	-	597,964
Total	**658,013**	**191**	**-**	**658,204**

* Based on maximum amount that can be called for under the financial guarantee contract.

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.

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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	Year ended March 31, 2019	Year ended March 31, 2018
Change in Interest Rate		
-increase by 50 basis points	94	96
-decrease by 50 basis points	(94)	(96)

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	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Investments*	1,712	1,710	72,569	68,111
Other financial liability	48	67	3,333	4,347
Other financial assets	39	51	2,666	3,324

* 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.

Increase/(decrease) in profit before tax

Rs. in Lakhs

Change in USD rate	Year ended March 31, 2019	Year ended March 31, 2018
5%	3,595	3,354
-5%	(3,595)	(3,354)

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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. 75,655 lakhs (March 31, 2018: Rs. 69,414 lakhs) and provided guarantees and commitments for loans amounting Rs. 783,297 lakhs (March 31, 2018: Rs. 752,080 lakhs) taken by GVK Coal as at March 31, 2019, and has undertaken to provide financial assistance of USD 7.61 million (Rs. 5,263 lakhs) as at March 31, 2019, an entity whose current liabilities exceeds current assets by USD 2,032 million (Rs. 1,405,534 lakhs) as at March 31, 2019 and has incurred cash losses of USD 1.2 million (Rs. 873 lakhs) for the year ended March 31, 2019, 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. 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.

Additionally, the Company has carried out an impairment assessment of its carrying value of investment and other receivables on a value in use basis. Such assessment remains sensitive to a range of assumptions including investment required to be made in the mine and related logistics operations, changes in prices of coal, forecasted growth and pretax discount rates etc. Management has also carried out the sensitivity analysis for the aforesaid assumptions and noted no adverse impact on the financial statements.

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. 42,484 lakhs (March 31, 2018: Rs. 36,736 lakhs). 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

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

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. 52,397 lakhs (March 31, 2018: Rs. 59,304 lakhs) of GVKIL and Rs. 107,984 lakhs (March 31, 2018: Rs. 118,500 lakhs) 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. 396,638 lakhs (March 31, 2018: Rs. 402,550 lakhs) 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 lakhs 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 capacity 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 2017-18 and 2018-19 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. Consequently, the lenders have referred the company to NCLT for appropriate resolution. However, the case is yet to be admitted. The Company had shown substantial improvement in cash flows during 2018-19 and declared plant availability of 66.22% of its plant capacity.

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. 396,638 lakhs (March 31, 2018: Rs. 417,818 lakhs).

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 lakhs as against carrying value of assets of Rs. 31,113 lakhs 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 lakhs 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 PPA aggregating to Rs. 3,597 lakhs (March 31, 2018: Rs. 3,597 lakhs) by GVKIL, disincentive recoverable aggregating to Rs. 2,409 lakhs (March 31, 2018: Rs. 2,409 lakhs), 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. 3,118 lakhs (March 31, 2018: Rs. 3,119 lakhs) and other receivables of Rs. 60 lakhs (March 31, 2018: Rs. 60 lakhs) which are being refuted by AP Transco/subject to approvals.

Notes to Standalone financial statements for the year ended March 31, 2019

(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. 104,213 lakhs in financial statements at carrying value and no further provision for diminution of such investments except to the extent of Rs. 4,403 lakhs and loans is necessary and also no provision is required for corporate guarantees given by the company amounting to Rs. 4,500 lakhs as at March 31, 2019.

45. As at March 31, 2019, the Company had accumulated losses and the Company 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 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 believes 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 Companies subsidiaries i.e., Mumbai International Airport 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 has achieved 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, 2019		March 31, 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Measured at amortised cost					
Non current					
Investments	3	77,091	77,091	71,035	71,035
Loans	2	5	5	5	5
Other financial assets	2	933	933	971	971
Current:					
Trade receivables	2	355	355	130	130
Loans	2	322	322	6,156	6,156
Other financial assets	2	2,248	2,248	2,500	2,500
Cash and cash equivalents	2	49	49	56	56

Notes to Standalone financial statements for the year ended March 31, 2019

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Level	March 31, 2019		March 31, 2018	
		Carrying value	Fair value	Carrying value	Fair value
Mandatorily measured at fair value through profit or loss					
Investments	1	1,567	1,567	1,647	1,647
Financial liabilities					
Measured at amortised cost					
Non current					
Borrowings (including current maturities)	3	3,898	3,898	10,594	10,594
Unearned financial guarantee liability	2	5,221	5,221	5,262	5,262
Current					
Borrowings	3	47,142	47,142	43,692	43,692
Trade payables	2	208	208	191	191
Other financial liabilities	2	3,181	3,181	8,110	8,110

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.

47. 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 24, 2019

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

Dr. GVK Reddy
Chairman
DIN: 00005212

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

A Issac George
CFO

P V Rama Seshu
AVP & Company Secretary

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GVK

GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999TG2005PLC059013

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 Fintech 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 Fintech 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: L74999TG2005PLC059013

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500003.

To
Karvy Fintech Private Limited
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 Fintech Private Limited informed as and when there is any change in the e-mail address.

GVK

GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999TG2005PLC059013
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 ____________________________

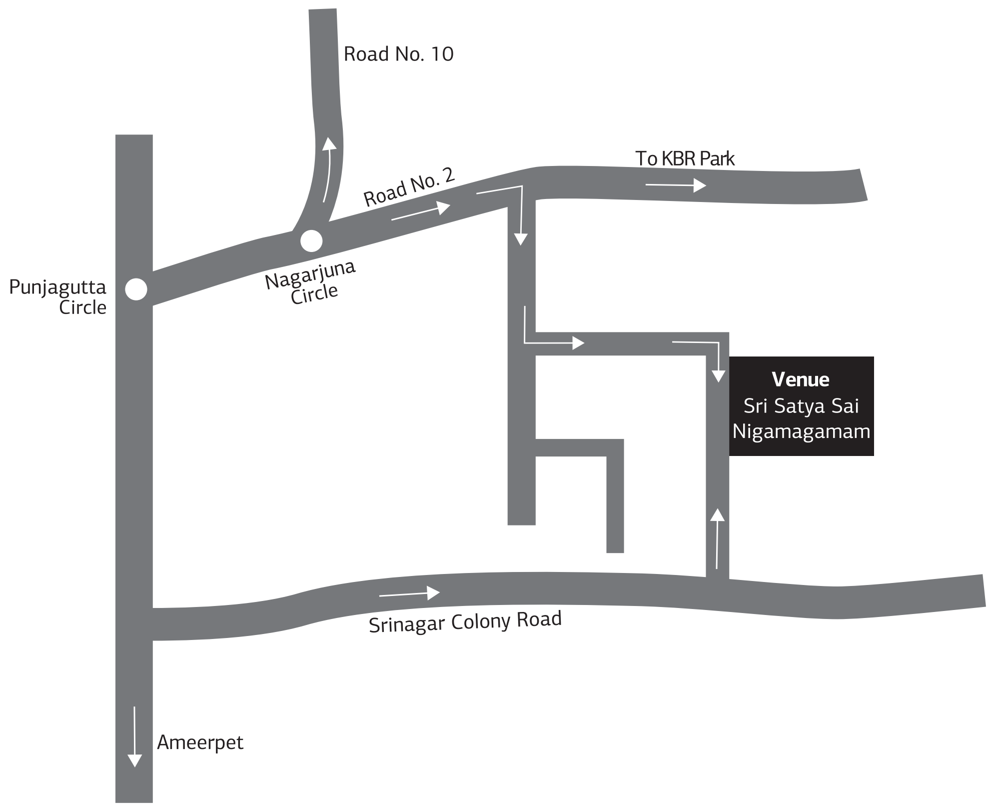
(To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 25th Annual General Meeting of the GVK Power & Infrastructure Ltd, at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 on Wednesday, September 25, 2019 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

L74999TG2005PLC059013

Registered Office:'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003.

Phone: +91 (40) 27902663, Fax: +91 (40) 27902665

E.mail: cs.gvkpil@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 25th Annual General Meeting of the Company, to be held on Wednesday, September 25, 2019 at 11.30 a.m. at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500073 and at any adjournment thereof:

Sl. No.	Resolution(s)	Vote	
		For	Against
A. Ordinary Business			
1	Adoption of Audited Financial Statements (Standalone & Consolidated) for the year ended 31-03-2019		
2	Re-appointment of Mr. G V Sanjay Reddy (DIN: 00005282) as a director retiring by rotation.		
B. Special Business			
3	Appointment of Dr. GVK Reddy (DIN:00005212) as Director of the Company		
4	Appointment of Ch G Krishna Murthy (DIN:01667614) as Independent Director of the Company		
5	Appointment of S Balasubramanian (DIN:02849971) as Independent Director of the Company		
6	Appointment of Anumolu Rajasekhar (DIN:01235041) as Independent Director of the Company		
7	Appointment of Sudha Vasanth (DIN:07095995) as Non-Independent Woman Director of the Company		
8	Re-appointment of S Anwar (DIN: 06454745) as Independent Director of the Company for a second term of five years		
9	Appointment of A Issac George as Whole-time Director & CFO of the Company for a period of five years		

Signed this ______________________ day of ______________ 2019

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.


T2, MIAL, Mumbai


GVK Gautami Power

If undelivered, please return to:

KARVY FINTECH 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