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Independent Auditor's Report

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its joint ventures, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its joint ventures, as at 31 March 2022, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As detailed in Note 52 to the accompanying consolidated financial statements, the other current financial assets as at 31 March 2022 include a sum of Rs. 63 crores representing up-front processing fees paid to Yes Bank Limited ("the Bank") in respect of an undrawn loan facility of Rs. 4,200.00 crores in 2019. In view of certain developments, the Bank has expressed their inability to extend the said loan and accordingly the arrangement was terminated on 21 April 2020. Management of the Company has considered this amount as recoverable in full, on the basis of the Bank's acknowledgement of receipt of request from the Company for refund of the aforesaid upfront fees and an independent legal opinion obtained by the management. However, in the absence of clear and explicit evidence with respect to the recoverability of the said sum, we are of the opinion that management should have assessed and provided for necessary adjustments in the carrying value of the said sum in accordance with the relevant accounting principles as laid down under Ind-AS 109 "Financial Instruments". Accordingly, we are unable to comment on the extent of adjustment that may be necessitated and the consequential impact on the accompanying consolidated financial statements. Our opinion on the consolidated financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing 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, its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 and 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

5. **Impact on account of Covid-19 outbreak**
We draw attention to Note 3 to the accompanying consolidated financial statements, which describes the impact of Covid-19 pandemic outbreak on the operations and financial performance of the Company for the year ended 31 March 2022.

6. **Utilization of funds from Passenger Service Fee (Security Component) Fund ("PSF(SC) Fund")**
We draw attention to Note 60(I)(e) to the accompanying consolidated financial statements, which describes the uncertainty relating to outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF(SC) Fund upto 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation.

Our opinion is not modified in respect of these matters.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

8. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. **Utilization of deferred tax asset comprising of minimum alternate tax (MAT) credit and unabsorbed business losses** *Refer to Note 4(v) for the accounting policy and note 33 and 64 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company is under tax holiday period until financial year 2021-22 and has accumulated MAT credit asset of ₹457.59 crores (31 March 2021: ₹457.59 crores) and	Our audit procedures in relation to assessment of recognition of deferred tax asset comprising of MAT credit and unabsorbed business losses and its utilization as at reporting date, included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over recognition of the deferred tax asset; • Understood the process and tested the internal controls over preparation of the taxable profit forecast based on reasonable and supportable

deferred tax on unabsorbed business loss of ₹103.52 crores (31 March 2021: ₹74.05 crores). Recognition of these deferred tax asset requires significant judgement regarding the likelihood of its realization within the specified period through estimation of future taxable profits of the company and consequently there is a risk that the deferred tax asset comprising of minimum MAT and unabsorbed business losses may not be realized within the specified period, if these future projections are not met. In order to assess the utilization of MAT credit, the management of Holding Company has prepared revenue and profit projections which involved judgements and estimations such as estimating aeronautical tariff [which is determined by Airport Economic Regulatory Authority ("AERA")], revenue growth, passenger growth, profit margins, tax adjustments under the Income-tax Act, 1961. Further, as explained in note 63, the Holding Company had filed an appeal, challenging various aspects of the aeronautical tariff order passed by AERA in respect of third control period from 1 April 2021 to 31 March 2026. We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved and inherent subjectivity in determination of utilization of MAT credit and unabsorbed business losses through estimation of future taxable profits and projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations.	assumptions and inputs to the model used to estimate the future taxable profits; • Understood and tested the controls surrounding management's evaluation of litigations and contingent liabilities; • Challenged the judgements exercised by the management and tested the key assumptions used including the impact of COVID-19 based on our knowledge of the industry, publicly available information and Company's strategic plans; • Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process; • Tested the appropriateness of the forecasted tax liability computation as per the provisions of the IT Act, including assessment of the eligibility of various tax exemptions availed and MAT liability computation as per Section 115JB of the IT Act; • Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the future taxable profits; • Obtained and reviewed the documents with respect to the litigations during the year with AERA and the related order issued by TDSAT; and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	**How our audit addressed the key audit matter**
2. Valuation of derivative financial instruments *Refer to Note 4(o) for the accounting policy and note 56 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company has entered into derivative financial instruments, i.e. cross currency swap, coupon only swap and call	Our audit procedures to test the valuation of derivative financial instruments included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over derivative financial instruments and the related hedge accounting;

spread options to hedge its foreign currency risks relation to the long-term debt issued in foreign currency. Management has designated these derivative financial instruments and the aforesaid debt at initial recognition as cash flow hedge relationship as per Ind AS 109, Financial Instruments. The valuation of hedging instrument is complex and necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. Since valuation of hedging instruments and consideration of hedge effectiveness involves both significant assumptions and judgements such as forward exchange spot, forward rates, currency yield curves, interest rate curves and forward rate curves and involvement of management's valuation specialist, and therefore, is subject to an inherent risk of error. We have identified valuation of hedging instruments as a key audit matter in view of the aforesaid significant judgements, estimates and complexity involved.	• Reviewed the management documentation for the designated hedge instrument which defines the nature of hedge relationship; • Considered consistent application of the accounting policies and assessed the hedge accounting methodologies applied; and compared these to the Company's accounting policies and requirements under Ind AS 109, Financial Instruments. • Evaluated the management's valuation specialist's professional competence, expertise and objectivity; • Tested the accuracy of input data provided by the management to the external valuation specialist and assessed the reasonability of the assumptions used, while valuing the hedging instruments; • Involved a specialist for testing the fair values of derivative financial instruments and compared the results to management's results; • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	**How our audit addressed the key audit matter**
3. Testing of capital-work-in-progress *Refer to Note 4(e) and 4(k) for the accounting policy and notes 5 and 36 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company is in the process of expansion of Rajiv Gandhi International Airport, Hyderabad. Determining whether expenditure meets the capitalization criteria in line with Ind AS 16, Property, Plant and Equipment and the Company's accounting policy, specifically with regard to whether they are operational or capital in nature, involves significant management judgement. Further, the tariff determination by AERA for different control periods with respect to the aeronautical services is linked to the	Our audit procedures to assess appropriate capitalisation of such expenditure included, but were not limited to the following: • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalisation policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment. • Compared the additions with the budgets and the orders given to the vendors. • Ensured that the borrowing cost capitalized is as per Ind AS 23 Borrowing Costs. • Tested the additions on a sample basis for their nature and purpose to ensure that the

Regulated Asset Base, which is based on the fixed asset balance and considering these additions are significant to the asset base of the Holding Company, we have assessed inappropriate capitalization as a significant risk as part of our audit strategy. Such aforementioned capital expenditure has been funded from the specific borrowings raised for such purpose. Accordingly, the borrowing cost incurred on such borrowings have been included as a capital expenditure in accordance with the accounting principles as laid down under Ind AS 23, Borrowing Costs. Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.	capitalization is as per company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
4. **Revenue from maintenance, repair and overhaul (MRO) services** *Refer to Note 4(t) for the accounting policy and notes 26 for the financial disclosures in the accompanying consolidated financial statements.* The auditors of GMR Air Cargo and Aerospace Engineering Limited ('GACAEL'), a wholly owned subsidiary of the Holding Company has reported as follows: The subsidiary is primarily in the business of providing Aerospace Engineering and Cargo Services to the Airlines. With respect to Aerospace Engineering services, the subsidiary is having two models for the purpose of recognition of revenue for services rendered, which are time and material contracts and fixed price contracts. For the year ended March 31, 2022, revenue from such services amounted to ₹256.09 crores. The existing ERP system has limitation of capturing the manhours spent and effective use of materials issued rate for each aircraft in billing due to which billing is computed	The auditor's of GACAEL, have reported as follows: In response to the key matter, the following principal audit procedures performed: Our procedures included: • We ensured that revenue recognition method applied was appropriate based on the terms of the agreement with the customer. • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition. **For time and material-based contracts:** i. We obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate; ii. We obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and iii. We verified the revenue based on the hours charged on the projects and approved rate per hour. **For fixed price contracts:**

manually may have an impact on accuracy and completeness of the revenue recognised for the year.	We selected a sample of contracts with customers and performed the following procedures. i. We verified the total revenue with customer contracts agreements including amendments as appropriate; ii. We assessed the reliability of management's estimates by comparing actual results of delivered projects to previous estimates; iii. We evaluated management's estimates and assumptions in recognition of the revenue; iv. We verified the revenue based on the stage of completion of the projects; and v. We obtained appropriate evidence based on the circumstances to conclude whether the proportion of completion of projects was appropriate.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

9. The Holding Company's Board of Directors are 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 auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

12. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint ventures.

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

13. 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 Standards on Auditing 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.

14. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 Board of Directors' 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 joint ventures 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 Group and its associates and joint ventures to cease to continue as a going concern; and

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the 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.

15. 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.

16. 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.

17. 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.

Other Matters

18. We did not jointly audit the financial statements of six (6) subsidiaries, whose financial statements reflects total assets of ₹1,363.07 crores and net assets of ₹222.06 crores as at 31 March 2022, total revenues of ₹588.37 crores and net cash inflows amounting to ₹24.71 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited solely by K.S Rao & Co., ('KSR') one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP's ("WCC") opinion so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and WCC's report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports issued by KSR in its individual capacity.

19. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹2.88 crores for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of its 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far 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, in so far as it relates to the aforesaid joint ventures, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 18 and 19, on separate financial statements of the subsidiaries and joint ventures, we report that the Holding Company, 6 subsidiary companies incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to 2 joint venture companies incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

21. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 18 & 19 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

22. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, 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, except for the possible effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company.

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and joint venture companies, covered under the Act, none of the directors of the Group companies and joint venture companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section with respect to the Holding Company.

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed a/an unmodified opinion; and

h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint ventures as detailed in Note 60(I) to the consolidated financial statements;

ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture companies covered under the Act, during the year ended 31 March 2022;

iv.

a. The respective managements of the Holding Company and its subsidiary companies, joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 44 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies or its joint venture companies to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies or its joint venture companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies, joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 45 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its joint venture companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or its joint venture companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and joint ventures, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiary companies and one (1) joint venture have not declared or paid any dividend during the year ended 31 March 2022. Interim dividend declared and paid by a joint venture during the year is in compliance with section 123 of the Act.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103ANCERH1470

Place: New Delhi
Date: 18 July 2022

For K. S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 22233734ANDABW6283

Place: Bengaluru
Date: 18 July 2022

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Annexure I
List of subsidiaries and joint ventures included in the Report

Subsidiaries
1. GMR Hospitality and Retail Limited
2. GMR Air Cargo and Aerospace Engineering Limited
3. GMR Hyderabad Aerotropolis Limited
4. GMR Hyderabad Aviation SEZ Limited
5. GMR Hyderabad Airport Assets Limited
6. GMR Aero Technic Limited

Joint ventures
1. Laqshya Hyderabad Airport Media Private Limited
2. ESR GMR Logistics Park Private Limited (formerly GMR Logistics Park Private Limited)

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Karnataka, India

Annexure II

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its joint ventures as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and joint venture companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial controls 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the "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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, {its subsidiary companies, and joint venture companies}, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls 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.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Group’s internal financial controls with reference to financial statements as at 31 March 2022:

   The Group’s internal financial control system towards estimating the fair value of other financial assets in accordance with Ind AS 109 'Financial Instruments', as more fully explained in note 52 to the consolidated financial statements, were not operating effectively due to uncertainties in the judgments and assumptions made by the company in such estimations, which could result in the Group not providing for adjustment, if any, that may be required to the carrying value of other financial assets and its consequential impact on the earnings, reserves and related disclosures in the accompanying consolidated financial statements.

9. A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, the Group has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Group’s internal financial controls with reference to financial statements were operating effectively as at March 31, 2022.

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 financial statements of the Group as at and for the year ended 31 March 2022, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

Walker Chandiok & Co LLP
Chartered Accountants
Unit No – 1, 10th Floor
My Home Twitza, APIIC, Hyderabad Knowledge City
Raidurg (Panmaktha) Village
Serilingampally Mandal, Ranga Reddy District
Hyderabad – 500 081 Telangana

K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion
Kasturba Road, Bengaluru 560001
Karnataka, India

Other Matters

12. We did not jointly audit the internal financial controls with reference to financial statements insofar as it relates to six (6) subsidiary companies, which are companies covered under the Act, whose financial statements reflects total assets of ₹1,363.07 crores and net assets of ₹222.06 crores as at 31 March 2022, total revenues of ₹588.37 crores and net cash inflows amounting to ₹24.71 crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited solely by K.S Rao & Co., (‘KSR’) one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP’s (“WCC”) opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports issued by KSR in its individual capacity. WCC’s opinion is not modified in respect of this matter with respect to reliance on the work done by and on the reports issued by KSR.

13. The consolidated financial statements also include the Group’s share of net profit (including other comprehensive income) of ₹2.88 crores for the year ended 31 March 2022, in respect of 2 joint venture companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such joint venture companies have been audited by other auditors whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103ANCERH1470

Place: New Delhi
Date: 18 July 2022

For K. S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 22233734ANDABW6283

Place: Bengaluru
Date: 18 July 2022

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Balance Sheet as at March 31, 2022
(All amounts in Rupees Crores, except per share data and when otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	5	3,059.81	2,762.53
Capital work-in-progress	35	3,071.84	2,323.31
Right of use asset	6	73.29	76.59
Goodwill	7	36.27	36.27
Other intangible assets	7	49.57	50.89
Intangible assets under development	37	13.55	6.27
Investment in joint ventures and others	8	60.19	52.81
Financial assets			
- Loans	9	200.14	0.15
- Other financial assets	10	703.31	642.62
Non current tax assets (net)		84.87	60.52
Deferred tax asset (net)	33	452.51	373.30
Other non-current assets	11	619.48	775.71
		8,424.83	**7,160.97**
Current assets			
Inventories	12	83.82	85.78
Financial assets			
- Investments	13	887.14	1,024.54
- Trade receivables	14	105.60	160.65
- Cash and cash equivalents	15	74.97	693.83
- Bank balances other than cash and cash equivalents	16	1,258.03	1,472.98
- Loans	9	40.57	245.03
- Other financial assets	10	213.42	153.71
Other current assets	11	103.15	101.46
		2,766.70	**3,937.98**
Total assets		**11,191.53**	**11,098.95**
Equity and Liabilities			
Equity			
Equity share capital	17	378.00	378.00
Other equity	18		
- Capital reserve		107.00	107.00
- Retained earnings		936.44	1,040.25
- Cash flow hedge reserve		(44.26)	126.89
Total equity		**1,377.18**	**1,652.14**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	8,027.64	7,711.92
- Lease liabilities		92.08	89.76
- Other financial liabilities	20	171.12	194.06
Government grants	21	25.05	30.32
Long-term provisions	22	13.63	8.08
Deferred tax liability (net)	33	11.05	8.30
Other non-current liabilities	23	104.28	102.15
		8,444.85	**8,144.59**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Balance Sheet as at March 31, 2022
(All amounts in Rupees Crores, except per share data and when otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
- Borrowings	24	314.34	228.66
- Lease liabilities		0.65	0.62
- Trade payables	25		
-Total outstanding dues of micro and small enterprises		16.99	13.14
-Total outstanding dues of creditors other than micro and small enterprises		156.89	147.32
- Other financial liabilities	20	731.32	732.17
Government grants	21	5.27	5.27
Other current liabilities	23	110.41	148.87
Short-term provisions	22	33.63	26.17
		1,369.50	**1,302.22**
Total liabilities		**9,814.35**	**9,446.81**
Total equity and liabilities		**11,191.53**	**11,098.95**

The accompanying notes are an integral part of these Consolidated Financial Statements.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Kiran Kumar M
Company Secretary

Place: New Delhi
Date: July 18, 2022

Place: Bengaluru
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in Rupees Crores, except per share data and when otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	26	1,170.02	872.02
Other income	27	117.85	162.28
Total income		**1,287.87**	**1,034.30**
Expenses			
Concession fee		30.33	22.54
Purchase of traded goods		30.36	(0.38)
Changes in inventory of traded goods	28	4.39	16.55
Employee benefits expense	29	235.71	224.07
Finance costs	30	316.30	283.27
Depreciation and amortization expenses	31	271.52	240.04
Other expenses	32	552.42	500.90
Total expenses		**1,441.03**	**1,286.99**
Loss before tax and share of profit in joint ventures		(153.16)	(252.69)
Share of profit/(loss) in joint ventures		2.87	0.09
Loss before tax		**(150.29)**	**(252.60)**
Tax expense	33		
Current tax		-	(0.61)
Tax of earlier years		(5.20)	-
Deferred tax income		(41.51)	(76.24)
Total tax expense		**(46.71)**	**(76.85)**
Loss after tax		**(103.58)**	**(175.75)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans	34	(0.24)	1.75
Share of other comprehensive income in joint ventures	34	0.01	0.02
Income tax relating to items that will not be reclassified to profit or loss	34	-	(0.06)
Items that will be reclassified to profit or loss			
Cash flow hedge reserve (net of tax)	34	(206.40)	(81.75)
Deferred tax credit/(expense)	34	35.25	43.58
Total other comprehensive loss		**(171.38)**	**(36.46)**
Total comprehensive loss		**(274.96)**	**(212.21)**
Attributable to equity holders of the parent			
Loss after tax		(103.58)	(175.75)
Other comprehensive loss		(171.38)	(36.46)
Total comprehensive loss		(274.96)	(212.21)
Earnings per equity share			
Basic and diluted (in Rs.)		(2.74)	(4.65)
Weighted average number of equity shares used for computing earning per share		378,000,000	378,000,000
Nominal value per share		10.00	10.00

The accompanying notes are an integral part of these Consolidated Financial Statements.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: New Delhi
Date: July 18, 2022

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: July 18, 2022

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Changes in Equity for the year ended March 31, 2022
(All amounts in Rupees Crores, except per share data and when otherwise stated)

Equity share capital:

	Number	Amount
Equity shares of Rs.10 each issued, subscribed and fully paid		
As at April 1, 2020	378,000,000	378.00
Issue of shares during the year	-	-
As at March 31, 2021	**378,000,000**	**378.00**
Issue of shares during the year	-	-
As at March 31, 2022	**378,000,000**	**378.00**

Other equity

	Attributable to the equity holders of the parent			
	Reserves and surplus		Other reserves	Total
	Capital reserve*	Retained earnings	Cash flow hedge reserve	
As at April 1, 2020	**107.00**	**1,214.29**	**165.06**	**1,486.35**
Loss for the period	-	(175.75)	-	(175.75)
Other comprehensive income	-	1.71	(38.17)	(36.46)
As at March 31, 2021	**107.00**	**1,040.25**	**126.89**	**1,274.14**
Loss for the period	-	(103.58)	-	(103.58)
Other comprehensive income	-	(0.23)	(171.15)	(171.38)
As at March 31, 2022	**107.00**	**936.44**	**(44.26)**	**999.18**

*GMR Hyderabad International Airport Limited ("the Company") has received a contribution of Rs. 107.00 crore from its shareholder i.e. Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from a shareholder of the Company.

The accompanying notes are an integral part of these Consolidated Financial Statements.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration
number: 001076N/N500013

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: New Delhi
Date: July 18, 2022

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm
registration

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: July 18, 2022

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: July 18, 2022

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: July 18, 2022

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Cash Flow Statement for the year ended March 31, 2022
(All amounts in Rupees Crores, except per share data and when otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit/(loss) before tax	(150.29)	(252.60)
Adjustment to reconcile profit/(loss) before tax to net cash flows		
Share of (profit)/loss in joint ventures	(2.87)	(0.09)
Depreciation and amortization expenses	271.52	240.04
Provision for bad debts/bad debts written off	0.00	0.41
Inventories written off	1.12	0.35
Amortisation of prepaid expenses	0.04	0.04
Amortisation of deferred income	(13.46)	(11.80)
Unrealised foreign exchange loss / (gain)	(1.80)	-
(Gain) / loss on sale of property, plant and equipment	(0.87)	23.97
Interest income	(82.55)	(113.83)
Interest expense	316.30	283.27
Gain on sale of financial assets (mutual funds)	(8.13)	(8.80)
Provision no longer required, written back	(2.25)	(7.23)
Income from government grants	(5.27)	(5.27)
Operating profit before working capital changes	**321.49**	**148.46**
Working capital adjustments:		
Changes in trade payables	15.77	(2.68)
Changes in other liabilities	(36.55)	103.51
Changes in other financial liabilities	(107.29)	36.91
Changes in provisions	12.77	11.54
Changes in trade receivables	55.05	42.92
Changes in inventories	0.84	(4.28)
Changes in other assets	(71.07)	(170.22)
Changes in other financial assets	(54.59)	(24.32)
Changes in loans	4.00	2.62
Cash generated from operations	**140.42**	**144.46**
Direct taxes paid (net)	(18.87)	(9.69)
Net cash generated from operating activities (A)	**121.55**	**134.77**
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP, capital advances and intangible assets under development	(733.15)	(1,137.12)
Proceeds from sale of property, plant and equipment including CWIP	115.19	0.71
Loans to group companies	-	(49.95)
Repayment of loans by group companies	-	9.95
Investment in joint venture	(4.51)	(16.35)
Recovery in inter corporate deposits	-	-
Purchase of current investments	(2,348.94)	(5,324.97)
Proceeds from sale of current investments	2,494.47	5,550.33
Movement in other bank balances	214.95	(792.05)
Interest received	122.02	142.95
Net cash used in investing activities (B)	**(139.97)**	**(1,616.50)**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Cash Flow Statement for the year ended March 31, 2022
(All amounts in Rupees Crores, except per share data and when otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from financing activities		
Proceeds from long-term borrowings	391.30	2,249.02
Repayment of long-term borrowings	(348.02)	(16.75)
Proceeds/(repayment)of short term borrowings, net	85.68	180.47
Payment of lease rentals	(6.40)	(6.68)
Interest paid including borrowing cost	(723.25)	(501.48)
Net cash generated from / (used in) financing activities (C)	**(600.69)**	**1,904.58**
Net change in cash and cash equivalents (A + B + C)	(619.11)	422.85
Cash and cash equivalents at the beginning of the year	693.83	329.42
Effects of exchange differences on cash & cash equivalents held in foreign currency	0.25	-
Adjustment on loss of control in subsidiary	-	(58.44)
Cash and cash equivalents at the end of the year	**74.97**	**693.83**
Components of cash and cash equivalents		
Cash on hand	0.53	0.81
With banks		
- on current accounts	45.61	73.34
- in foreign currency account	16.83	13.39
- on deposit accounts	12.00	606.29
Total cash and cash equivalents	**74.97**	**693.83**

The accompanying notes are an integral part of these Consolidated Financial Statements.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm registration number: 001076N/N500013

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: Hyderabad
Date: July 18, 2022

For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 003109S

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: July 18, 2022

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

1. Corporate information

GMR Hyderabad International Airport Limited ('GHIAL', 'Company' or 'the Holding Company') is a Public Limited Company domiciled in India, its subsidiaries and joint ventures herein are collectively referred as "the Group". GHIAL was incorporated in 2002 under the provisions of the Companies Act, 1956 having their registered office at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108. The Holding Company is engaged in the business of providing Airport Management Services on a Build, Owned, Operate and Transfer, and only operate model. Presently, the Company is managing the operations of Rajiv Gandhi International Airport ("RGIA" or "Airport") at Hyderabad, India and the airport in Bidar in Karnataka, India.

The Group is engaged in operation of airport infrastructure and other allied service such as cargo handling, development of airport city and SEZ area near airport, trading of goods in duty free area of airport, security services, hospitality services, development of logistics park and maintenance, repair and overhaul facility (MRO) of aircraft near and around the RGIA.

The Consolidated Financial Statements are authorized for issue in accordance with a resolution passed by the Board of Directors of Holding Company in its meeting held on July 18, 2022.

2. A. Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Sec 133 of the Companies Act,2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of schedule III to the Act, including the amendments to schedule III notified by the Ministry of Corporate Affairs ("MCA") vide its notification dated 24 March 2021.

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

Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest Crore, except per share data, per unit data and when otherwise indicated.

B. Basis of Consolidation

(i) Subsidiary

Subsidiary includes the entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiary is fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date when control ceases.

(ii) Joint ventures

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.

Joint ventures are accounted for from the date on which Group obtains joint control over the joint venture.

(iii) Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

(All amounts in Rupees crores, except per share data and when otherwise stated)

The Consolidated financial statements of subsidiary are fully consolidated on a line-by-line basis. Intragroup balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint venture is accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investee. Any excess of the cost over the Group's share of net assets in its joint venture at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions (including sale of business) with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

Entities considered in the Consolidated Financial Statements as Subsidiaries are listed below:

Name	**Principal activities**	**Place and country of operation**	**% equity interest as March 31**	
			2022	**2021**
GMR Hyderabad Aerotropolis Limited (GHAL)#	Development of commercial property	Hyderabad, India	100%	100%
GMR Hyderabad Aviation SEZ Limited (GHASL)	Development of SEZ	Hyderabad, India	100%	100%
GMR Air Cargo and Aerospace Engineering Limited (GACAEL)	Cargo handling operations and operation of maintenance, repair and overhaul (MRO) of aircrafts at Airport	Hyderabad, India	100%	100%
GMR Hospitality and Retail Limited (GHRL)	Operation of business hotel and duty free	Hyderabad, India	100%	100%
GMR Aero Technic Limited (GATL)	MRO consultancy services	Hyderabad, India	100%	100%
GMR Hyderabad Airport Assets Limited (GHAAL)*	Development of commercial property	Hyderabad, India	100%	100%

Information about joint ventures

Name	**Principal activities**	**Country of Incorporation**	**% equity interest as at March 31**	
			2022	**2021**
Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Advertisement	India	49%	49%
ESR GMR Logistics Park Private Limited (GLPPL) # *(formerly GMR Logistics Park Private Limited)*	Development of logistics park	India	30%	30%

On December 20, 2018, GHAL has incorporated a wholly owned subsidiary GMR Logistics Park Private Limited. Subsequently, pursuant to the Subscription Agreement and Shareholders' Agreement dated January 08, 2020 executed by and amongst GLPPL, GHAL and ESR Hyderabad 1 Pte. Limited, Singapore (ESR), GLPPL had allotted 4,13,35,182 equity shares of Rs. 10 each at par to ESR and 16,965,078 equity shares of Rs. 10 each at par to GHAL on private placement basis by passing a circular resolution dated April 16, 2020. Consequently, the percentage shareholding of ESR and GHAL in GLPPL stands at 70 and 30 respectively, as a result of which, GLPPL has ceased to be a wholly owned subsidiary of GHAL with effect from April 16, 2020.

* On 25 November 2020, GHAL has incorporated a wholly owned subsidiary GMR Hyderabad Airport Assets Limited.

3. Uncertainties relating to COVID-19 Pandemic:

Owing to the second wave of Covid-19 outbreak, the country during the first quarter of the current year has witnessed significant increase in the number of daily cases reported and reimposition of localized lockdowns by the respective State Governments, resulting in subdued demand for air travel, impacting the revenue reported from operations. With the decrease in the number of reported cases from the second quarter of the current year, the push from Government to vaccinate as many citizens as possible, removal of all restrictions on inter-state travel and the mild impact of third wave of covid-19 in India, the Group had witnessed gradual increase in traffic during the year and expects the demand to further improve to pre-covid levels by the end of FY23.

The demand for air travel continues to recover to the pre-COVID-19 pandemic levels, with the Group witnessing recovery in domestic traffic to 72% and 93% during Q4 FY2021-22 and Q1 FY2022-23, respectively as compared to the first quarter of FY 2020 along with recovery of 73% in the international travel during Q1 FY2022-23, subsequent to resumption of international travel effective 28 March 2022.

Currently, while the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the Group.

4. Significant accounting policies

a. Use of estimates:

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The Group based its assumptions and estimates on parameters available when these Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

b. Business combinations and goodwill:

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

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

i. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

ii. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

iii. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

iv. Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

c. Investment in joint ventures:

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. 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.

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

The Group's investments in its jointly controlled entity are accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the jointly controlled entity since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity is eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the jointly controlled entity (which includes any long term interest that, in substance, form part of the Group's net investment in the jointly controlled entity), the entity discontinues recognising its share of further losses. If the jointly controlled entity subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity' in the statement of profit or loss.

d. 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:

i) It is expected to be realised or intended to be sold or consumed in normal operating cycle
ii) It is held primarily for the purpose of trading
iii) It is expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle,
ii) It is held primarily for the purpose of trading,

iii) It is due to be settled within twelve months after the reporting period, or
iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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.

e. Property, plant and equipment:
Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress and the related advances are shown as capital advances.

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

The Group identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset.

Spares parts that can only be used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

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 de-recognition 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.

f. Depreciation:
Depreciation on property, plant and equipment is calculated on a straight line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed by Airport Economic Regulatory Authority ("AERA") in case of airport assets and as prescribed under Schedule II of the Companies Act, 2013 in case of other assets, except as stated below. The following useful lives of property, plant and equipment is adopted by the Group:

Particulars	**(Useful life in years)**
Improvements to leasehold land	30
Buildings on leasehold land *	10-30
Building interim terminal #	7
Other buildings	30-60
Runways and taxiways	30
Roads – other than RCC **	10
Recarpeting of runways	10

Electrical installations **	10-15
Plant and machinery	15
Office equipment	5
Computer equipment and IT systems	3-6
Furniture and fixtures	3-7
Vehicles	8-10

*The useful lives of modifications to buildings on leasehold land are estimated as 10 years.

**The useful lives of internal roads – other than RCC and certain electrical installations (transformers) are estimated as 10 years and 15 years respectively. These lives are longer than those indicated in schedule II.

#During the previous years, GHIAL has commissioned two interim terminals namely Interim International Departure Terminal (IIDT) and Interim Domestic Arrival Terminal (IDAT) to accommodate the growing traffic, until the expanded terminal becomes operational. Further, the area where these interim terminals are created, will eventually be used for expansion and boarding gates, therefore these interim terminals will need to be demolished after seven years. Based on the same, the management has considered the life of seven years period for these terminal buildings and related assets i.e. electrical installations and certain plant and machineries viz. Fire systems, HVAC systems. Accordingly, IIDT, IDAT building, electrical installations, Fire systems, HVAC systems are depreciated over a period of seven years.

g. Intangible assets:

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

Goodwill arising on consolidation is not amortized but tested for impairment in accordance with Ind AS 103.

h. Amortization of intangible assets:

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Cost relating to software licenses, which are acquired, are capitalized and amortized on a straight – line basis over their useful life not exceeding six years.

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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

i. Impairment of non-financial assets:

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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) fair value less cost to sell and its value in use. The 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 group 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

j. Inventories:

Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition. However, stores and spares items held for use in providing the service are not written down below cost if the services are expected to be provided at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k. Borrowing cost:

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 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.

l. Provisions, contingent liabilities and commitments:

Provisions are recognized when the Group has a present obligation 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 recognized 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.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when it cannot be measured reliably.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

m. Retirement and other employee benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group 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.

Retirement benefit in the form of Superannuation Fund and Employee State Insurance are defined contribution schemes, and the Group recognizes contribution payable to these schemes as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the funds.

The Group 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 using projected unit credit method.

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 recognized 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 recognized in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the 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.

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

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. However, the Group presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

n. Financial Instrument
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 recognized 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement:
For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost:
A 'debt instrument' is measured at the amortized 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 Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at 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 Group 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').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the group 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 Group 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 Group could be required to repay.

Impairment of financial assets:
In accordance with Ind AS 109, the Group 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 amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. 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 11 and Ind AS 115
d. Loan commitments which are not measured as at FVTPL
e. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group 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.

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 Group 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, the Group is required to consider:

a. 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.

b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: 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 Group does not reduce impairment allowance from the gross carrying amount.

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

Equity Investments:
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit, 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 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 Group 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 recognized 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group 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 amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts:
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized 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 recognized less cumulative amortization.

Derecognition:
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. 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 recognized 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. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest."

Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non- financial liability.

For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation. Hedges that meet the strict criteria for hedge accounting are accounted for, as escribed below:

Fair value hedges
The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

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

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in recognised liability and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

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

p. 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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

q. Cash dividend to equity holders of the parent
The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

r. Foreign currency Transactions
The Group's Consolidated Financial Statements are presented in INR, which is also the Group's functional currency 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 their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- certain debt instruments classified as measured at FVOCI; and
- qualifying cash flow hedges, to the extent that the hedges are effective.

s. 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:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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 recognized 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.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions
b) Quantitative disclosures of fair value measurement hierarchy
c) Financial instruments (including those carried at amortized cost)

t. Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

Income from service:

i. Revenue from Airport Operations i.e. Aeronautical and Non-Aeronautical Operations are recognized on an accrual basis, net of service tax and applicable discounts, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from Aeronautical operations includes landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

   Further, Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in non-aeronautical revenue in the statement of profit or loss due to its operating nature.

ii. In case of cargo handling revenue, revenue from outbound cargo is recognized for non-airline and airline customers at the time of departure of aircraft. Revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers.

iii. In case of MRO business, revenue is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the Government. An entity shall recognize revenue when the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset. Revenue relating to fixed price contracts is recognized based on percentage of completion method (POC method).

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

v. Income from management / technical services is recognized as per the terms of the agreement on the basis of services rendered.

vi. 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.

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

Sale of Goods:
Revenue from sale of goods is recognized at the time of delivery of goods to customers which coincides with transfer of risks and rewards to its customers. Sales are stated net of returns and discounts.

Interest income:

i. Interest on all debt instruments measured either at amortized 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 amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

ii. Interest for delayed payments from customers is accounted only when it is unconditionally accepted by the customers.

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

Significant financing component:
Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group 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 good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives long-term advances from customers for providing the license to operate at the Airport. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

u. Government Grants
Government grants are recognized 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 recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant is in the nature of capital subsidy it is treated as capital reserve.

The Holding Company has deferred payment arrangement on the concession fee payable to Ministry of Civil Aviation ('MoCA') without interest. The effect of this assistance is treated as a government grant. The assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the assistance and the fair value. The grant is subsequently measured as per the accounting policy applicable to financial liabilities.

v. Taxes:

Current income tax
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

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.

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

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

Deferred tax
Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

i. When the deferred tax liability arises from the initial recognition of goodwill or 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.

ii. In respect of taxable temporary differences associated with 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.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference 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 on items reversing within the tax holiday period is not recognized.

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

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

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as "Deferred Tax Asset." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

w. Leases
The Group assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets: The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities: At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

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.

In case of a short-term lease contract and lease contracts for which the underlying asset is of low value, lease payments are charged to statement of profit and loss on accrual basis.

Group as a lessor:
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfers from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

x. Segment Reporting Policies
Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker ('CODM') has carried out evaluation of the Group's performance at an overall Group level as one reportable operating segment i.e. 'Airport and allied services '. Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

y. Cash flow statement
Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

z. Earnings per share:
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Summary of significant accounting policies and other explanatory information
(All amounts in Rupees crores, except per share data and when otherwise stated)

5 Property, Plant and Equipment

	Leasehold Improvements	Freehold land	Buildings on leasehold land	Buildings on freehold land	Runways	Roads	Plant and equipments	Furniture and fixtures	Office equipments	Computer equipments	Electrical installations	Vehicles	Total
Gross block, At cost													
As at April 1, 2020	**137.74**	**16.13**	**1,486.94**	**62.31**	**846.80**	**130.56**	**699.74**	**69.04**	**16.30**	**81.30**	**254.76**	**8.34**	**3,809.96**
Additions	16.34	-	126.50	-	66.44	20.08	37.58	7.23	1.78	7.18	28.22	1.97	313.32
Disposals	(0.19)	-	- 34.07	-	-	-	(3.52)	(0.24)	(0.02)	-	-	(0.10)	(38.14)
Adjustments*	-	-	(0.24)	-	-	-	(1.38)	-	-	-	-	(0.01)	(1.63)
As at March 31, 2021	**153.89**	**16.13**	**1,579.13**	**62.31**	**913.24**	**150.64**	**732.42**	**76.03**	**18.06**	**88.48**	**282.98**	**10.20**	**4,083.51**
Additions	7.60	-	241.57	-	168.36	-	65.00	11.59	1.09	29.43	71.33	0.58	596.55
Disposals	-	-	(2.63)	-	-	-	(0.72)	(1.29)	(1.77)	(45.91)	(0.88)	(0.02)	(53.22)
As at March 31, 2022	**161.49**	**16.13**	**1,818.07**	**62.31**	**1,081.60**	**150.64**	**796.70**	**86.33**	**17.38**	**72.00**	**353.43**	**10.76**	**4,626.84**
Depreciation													
Up to March 31, 2020	**28.34**	**-**	**313.12**	**7.97**	**87.64**	**104.15**	**311.08**	**46.22**	**6.90**	**34.84**	**160.54**	**1.30**	**1,102.10**
Charge for the year	6.41	-	73.25	1.33	37.68	4.44	66.72	4.41	3.02	16.19	14.24	1.20	228.89
Disposals	(0.04)	-	(7.75)	-	-	-	(1.86)	(0.24)	(0.02)	-	-	(0.10)	(10.01)
Up to March 31, 2021	**34.71**	**-**	**378.62**	**9.30**	**125.32**	**108.59**	**375.94**	**50.39**	**9.90**	**51.03**	**174.78**	**2.40**	**1,320.98**
Charge for the year	6.92	-	79.22	1.33	49.78	5.99	69.43	6.32	3.06	17.64	20.67	1.35	261.71
Disposals	-	-	(0.24)	-	-	-	(0.60)	(1.29)	(1.13)	(11.67)	(0.72)	(0.01)	(15.66)
Up to March 31, 2022	**41.63**	**-**	**457.60**	**10.63**	**175.10**	**114.58**	**444.77**	**55.42**	**11.83**	**57.00**	**194.73**	**3.74**	**1,567.03**
Net book value													
As at March 31, 2021	**119.18**	**16.13**	**1,200.51**	**53.01**	**787.92**	**42.05**	**356.48**	**25.64**	**8.16**	**37.45**	**108.20**	**7.80**	**2,762.53**
As at March 31, 2022	**119.86**	**16.13**	**1,360.47**	**51.68**	**906.50**	**36.06**	**351.92**	**30.91**	**5.55**	**15.00**	**158.70**	**7.02**	**3,059.81**

*Includes reversal of project creditors liability amounting to Rs.Nil (March 31, 2021: Rs.1.63), pertaining to construction works which were earlier capitalized.

(All amounts in Rupees Crores, except otherwise stated)

6 Right of use asset

	Land and Building	Total
Gross block (at cost)		
As at April 1, 2020	**77.37**	**77.37**
Additions	5.62	5.62
As at March 31, 2021	**82.99**	**82.99**
Additions	-	-
As at March 31, 2022	**82.99**	**82.99**
Accumulated depreciation		
Up to March 31, 2020	**2.90**	**2.90**
Charge for the year	3.50	3.50
Up to March 31, 2021	**6.40**	**6.40**
Charge for the year	3.30	3.30
Up to March 31, 2022	**9.70**	**9.70**
Net book value		
As at March 31, 2021	**76.59**	**76.59**
As at March 31, 2022	**73.29**	**73.29**

7 Goodwill and other intangible assets

	Goodwill	Computer software	Technical knowhow	Right to operate - cargo facility	Total
Gross block (at cost)					
As at April 1, 2020	**36.27**	**17.42**	**8.98**	**30.01**	**92.68**
Additions	-	0.81	-	32.08	32.89
As at March 31, 2021	**36.27**	**18.23**	**8.98**	**62.09**	**125.57**
Additions	-	12.53	-	4.41	16.94
Disposals	-	(14.42)	-	-	(14.42)
As at March 31, 2022	**36.27**	**16.34**	**8.98**	**66.50**	**128.09**
Accumulated Depreciation					
Up to March 31, 2020	**-**	**6.72**	**8.98**	**15.06**	**30.76**
Charge for the year	-	2.39	-	5.26	7.65
Up to March 31, 2021	**-**	**9.11**	**8.98**	**20.32**	**38.41**
Charge for the year	-	4.10	-	2.41	6.51
Disposals	-	(2.67)	-	-	(2.67)
Up to March 31, 2022	**-**	**10.54**	**8.98**	**22.73**	**42.25**
Net book value					
As at March 31, 2021	**36.27**	**9.12**	**-**	**41.77**	**87.16**
As at March 31, 2022	**36.27**	**5.80**	**-**	**43.77**	**85.84**

(All amounts in Rupees Crores, except otherwise stated)

8 Investment in joint ventures and others

	31-Mar-22		31-Mar-21	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Investment measured at cost (accounted using equity method)				
Investment in equity shares (unquoted)				
Laqshya Hyderabad Airport Media Private Limited	9,800,000	16.87	9,800,000	13.78
ESR GMR Logistics Park Private Limited	17,715,000	16.88	17,715,000	17.09
Investment in Optionally Convertible Debentures (unquoted)				
ESR GMR Logistics Park Private Limited	2,085,000	20.85	1,635,000	16.35
Other investments				
Investment in equity shares (unquoted)				
Digi Yatra Foundation	148	0.00	148	0.00
On account of fair valuation of loans given to joint ventures below market rate				
Laqshya Hyderabad Airport Media Private Limited		5.59		5.59
		60.19		**52.81**
Aggregate value of investment in joint ventures and others		**60.19**		**52.81**

Note: Face value of Groups's investment in equity shares of the above joint ventures and other investments is Rs.10 per equity share fully paid-up, face value of investment in optionally convertible debentures is Rs. 100 per debenture fully paid-up, respectively.

9 Loans

	Non-current		Current	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Loan receivables in the nature of				
Loan to employees	0.14	0.15	0.57	5.03
Loans to related parties (refer details below)	200.00	-	40.00	240.00
	200.14	**0.15**	**40.57**	**245.03**

Break up of loans to related parties:	Non-current		Current	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
GMR Goa International Airport Limited	-	-	40.00	40.00
GMR Power & Urban Infrastructure Limited	58.80	-	-	-
GMR Infrastructure Limited	141.20	-	-	200.00
	200.00	**-**	**40.00**	**240.00**

10 Other financial assets

	Non-current		Current	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Loan receivables in the nature of				
Security deposits	15.17	14.02	8.77	13.09
Less: Provision for doubtful deposit	-	(0.20)	-	-
Carried at amortised cost	**15.17**	**13.82**	**8.77**	**13.09**
Non-trade receivables	-	-	57.03	21.04
Unbilled revenue	-	-	53.09	41.50
Interest accrued on fixed deposits	-	-	10.83	9.40
Interest accrued on investments	2.37	0.16	4.01	1.30
Interest accrued on others	-	-	14.14	0.91
Margin money deposits*	0.05	0.05	-	-
Finance lease receivables	15.10	6.41	-	-
Other receivables (Refer note 52)	-	-	65.55	66.47
Carried at fair value through other comprehensive income				
Derivative assets	670.62	622.18	-	-
	703.31	**642.62**	**213.42**	**153.71**

*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Group.

(All amounts in Rupees Crores, except otherwise stated)

11 Other assets

		Non-current		Current	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Capital advances		132.78	371.81	-	-
	(A)	**132.78**	**371.81**	**-**	**-**
Advances other than capital advances					
Passenger service fee (Security component) receivable		-	10.56	-	-
Others		7.79	7.75	16.72	10.47
		7.79	**18.31**	**16.72**	**10.47**
Less: Provision for doubtful advances		(0.04)	(0.04)	-	-
	(B)	**7.75**	**18.27**	**16.72**	**10.47**
Prepaid expenses		1.22	1.33	3.55	6.55
Lease equilisation reserve		30.56	17.10	-	-
Balances with government authorities		447.17	367.20	82.88	84.44
	(C)	**478.95**	**385.63**	**86.43**	**90.99**
Total (A+B+C)		**619.48**	**775.71**	**103.15**	**101.46**

12 Inventories

	March 31, 2022	March 31, 2021
Traded goods	10.43	14.81
Stores, spare parts and consumables	73.56	71.14
Less: Provision for non moving spares	(0.17)	(0.17)
	83.82	**85.78**

*includes material in transit of Rs. 1.95 (March 31, 2021: Rs. 4.80).

13 Investments

	As at March 31, 2022		As at March 31, 2021	
	No. of units	Amount	No. of units	Amount
Investment in mutual funds (unqouted, non-trade) at FVTPL				
Aditya Birla Sunlife Liquid Fund - Growth Regular Plan	320,349	36.84	-	-
Axis mutual fund - Liquid Growth Plan	64,745	7.25	-	-
UTI Liquid Fund - Growth	141,965	41.31	-	-
Axis Overnight Fund-Direcet Growth Plan	423,659	47.49	657,309	71.51
UTI Overnight Fund-Direct Growth Plan	28,776	8.37	181,428	51.03
ICICI Prudential Overnight Fund Direct Plan Growth	5,208,412	59.70	3,222,496	35.76
SBI Premier Liquid Fund - Regular Plan - Growth	7,823	2.71	25,215	8.45
SBI Overnight Fund - Direct Growth	116,544	40.34	165,242	55.38
L&T Liquid Fund Growth	185,963	30.84	-	-
Tata Overnight Direct Plan Growth	344,087	38.59	422,642	45.90
Invesco India Overnight Fund - Direct Plan - Growth	201,253	21.62	105,494	10.98
Aditya Birla Sunlife Overnight Fund - Growth - Direct Plan	33,354	3.82	1,599,497	178.01
Nippon India Liquidity Fund Growth Plan Growth Option	3,983,030	45.41	-	-
HDFC Liquid Fund Growth	4,801	1.52	-	-
Kotak liquid fund Institutional premium - Growth	392,936.21	44.55	352,072.61	38.65
		430.36		**495.67**
Investment in commerical paper* (unqouted, non-trade) at Amortised cost				
Time Technoplast Ltd	1,400	65.50	-	-
Edelweiss Rural and Corporate Services Limited	5,440	252.18	5,440	249.82
Edelweiss Financial Services Limited	3,000	139.10	-	-
Piramal Enterprises Limited	-	-	5,800	279.05
		456.78		**528.87**
		887.14		**1,024.54**

*Face value of all commercial paper investments is Rs.0.05 (March 31, 2021: Rs.0.05) per unit.

(All amounts in Rupees crores, except per share data and when otherwise stated)

14 Trade receivables

	March 31, 2022	March 31, 2021
Secured, considered good	46.27	33.02
Unsecured receivables, considered good	59.33	127.63
Unsecured receivables, with significant increase in credit risk	1.49	1.83
	107.09	**162.48**
Less: Allowances for doubtful receivables	(1.49)	(1.83)
	105.60	**160.65**

Trade receivables to the extent covered by security deposit or bank gurantees are conisdered as secured receivables.

15 Cash and cash equivalents

	March 31, 2022	March 31, 2021
Balances with Banks		
- In current accounts	45.61	73.34
- Deposits with original maturity of less than three months	12.00	606.29
- In foreign currency account	16.83	13.39
Cash on hand	0.53	0.81
	74.97	**693.83**

16 Bank balances other than cash and cash equivalents

	March 31, 2022	March 31, 2021
Deposits with original maturity of more than 3 months but less than 12 months	1,223.93	1,403.55
Margin money deposits*	34.10	69.43
	1,258.03	**1,472.98**

*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Group.

17 Equity

	March 31, 2022	March 31, 2021
Authorized share capital		
400,000,000 (March 31, 2021: 400,000,000) equity shares of Rs. 10 each	400.00	400.00
Issued, subscribed and fully paid-up shares		
378,000,000 (March 31, 2021: 378,000,000) equity shares of Rs.10 each fully paid up	378.00	378.00

(a) **Reconciliation of the shares outstanding at the beginning and at the end of the year**

	March 31, 2022		March 31, 2021	
Equity Shares	Number	Amount	Number	Amount
At the beginning of the year	378,000,000	378.00	378,000,000	378.00
Outstanding at the end of the year	**378,000,000**	**378.00**	**378,000,000**	**378.00**

(b) **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. 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. Further all shareholders will have their representative in the Board of Directors of the Company as per the terms of arrangement.

(c) **Shares held by holding/intermediate holding company**

	March 31, 2022		March 31, 2021	
	Number	Amount	Number	Amount
Equity shares of Rs.10 each fully paid				
GMR Airports Limited ("GAL"), Holding Company*	238,139,000	238.14	238,139,000	238.14
GMR Infrastructure Limited, GAL's Holding Company	1,000	0.00	1,000	0.00
	238,140,000	**238.14**	**238,140,000**	**238.14**

*Including 5 Equity shares held by others as nominee shareholders.

(All amounts in Rupees crores, except per share data and when otherwise stated)

(d) **Details of shareholders holding more than 5% shares in the Company**

	March 31, 2022		March 31, 2021	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each, fully paid-up				
GMR Airports Limited, Holding Company	238,139,000	63.00%	238,139,000	63.00%
Airports Authority of India	49,140,000	13.00%	49,140,000	13.00%
Government of Telangana	49,140,000	13.00%	49,140,000	13.00%
MAHB (Mauritius) Private Limited	41,573,540	11.00%	41,573,540	11.00%

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

(e) No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

18 Other equity

	March 31, 2022	March 31, 2021
Reserves and surplus		
Capital reserve	107.00	107.00
Retained earnings	936.44	1,040.25
	1,043.44	**1,147.25**
Other comprehensive income		
Cash flow hedge reserve	**(44.26)**	**126.89**
Total other equity	**999.18**	**1,274.14**

19 Long-term borrowings

	March 31, 2022	March 31, 2021
Bonds, secured		
1,750 units 4.25% Senior Secured Notes ('SSN') of USD 200,000 each	2,622.57	2,524.05
1,500 units 4.75% SSN of USD 200,000 each	2,244.44	2,156.80
1,500 units 5.375% SSN of USD 200,000 each	2,259.73	2,173.26
Debentures		
Redeemable Non Convertible Debentures (Secured)	-	99.85
Redeemable Non Convertible Debentures (Un-secured)	-	174.60
Term loans, secured		
From banks	195.12	175.51
From others	390.73	92.80
Term loan, unsecured		
From Others		
Government of Telangana	315.05	315.05
	8,027.64	**7,711.92**

i) 4.25% SSN

4.25% SSN were issued on October 27, 2017 by GHIAL to refinance secured rupee term loans and foreign currency loans and fund the airport expansion project works. The coupon rate of 4.25% p.a. plus applicable withholding tax is fixed through the tenor and is payable semi-annually. The 4.25% SSN are repayable after 10 years i.e. on October 27, 2027 (bullet repayment).

ii) 4.75% SSN

4.75% SSN were issued by GHIAL on February 02, 2021 for funding the airport expansion project works. The coupon rate of 4.75% p.a. plus applicable withholding tax is fixed through the tenor and payable semi-annually. 4.75% SSN are repayable after 5 years i.e. on February 02, 2026 (bullet repayment).

iii) 5.375% Senior Secured Notes

5.375% senior secured notes were issued on April 10, 2019 by GHIAL for funding the airport expansion project works. The coupon rate of 5.375% p.a. plus applicable withholding tax is fixed through the tenor and payable semi-annually. 5.375% SSN are repayable after 5 years i.e. on April 10, 2024 (bullet repayment).

Senior Secured Notes mentioned in notes (i) (ii) and (iii) above are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2,136.45 acres), freehold land of 8.824 acres and first pari-passu charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of GHIAL in, to and in respect of the Project Agreements (i.e. Concession Agreement, State Support Agreement, Land Lease Agreement and the CNS-ATS Agreement) as detailed in the Indenture dated October 27, 2017, April 10, 2019 and February 02, 2021 respectively to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of GHIAL; and floating charge on all the GHIAL's accounts and each of the other accounts required to be created by GHIAL pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts.

iv) Redeemable Non Convertible Debentures

During the year, GACAEL has made early redemption of 1,000 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of Rs.1,000,000 each and 1,750 Senior, Rated, Listed, Unsecured, Redeemable NCDs of face value of Rs.1,000,000 each totalling Rs. 275.00 on 29 September 2021, by paying a prepayment fee of Rs.0.25.

In order to fund the same, GACAEL has obtained Rupee Term Loan Facility from NIIF Infrastructure Limited amounting to Rs. 300.00, including current maturities, at an interest rate of 8.30%, repayable in 40 structured quarterly installments commencing from December 31, 2021 till September 30, 2031. The term loan is secured by way of:

(a) First ranking pari passu charge on all movable assets of the MRO division of GACAEL, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.

(b) First ranking pari passu charge on the Transaction Accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future of MRO division of GACAEL.

(c) First ranking pari passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of MRO division of GACAEL in the Project Documents and operation and maintenance related agreements, Clearances Approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents and the insurance Proceeds received by GACAEL.

(d) Unconditional and irrevocable corporate guarantee given by GHIAL as per Deed of guarantee.

(e) Further, Loans are secured by way of equitable mortgage of leasehold rights of the land to the extent of 17.53 acres on which MRO facilities are constructed along with the buildings, structures, etc. on the land and 46.483 Sq feet inflatable hanger.

f) Debt Service reserve of 2 quarter of Debt Service Amount

v) Loans from banks, secured

a) GHAAL has an outstanding term loan of Rs.60.29 (March 31, 2021: Rs. 55.54), including current maturities , availed from State Bank of India under LRDS (Lease Rental Discounting Scheme) at an interest rate of 1 year MCLR plus 1%, currently 8.25%(March 31, 2021: 9%). The loan is repayable over 144 structure monthly installments beginning from October 2017 and is secured by assignment of lease rental receivables from Amazon India Seller Services Private Limited accruing to GHAL arising from fulfillment center at GMR Hyderabad Airport City as a primary security and colleteral security as exclusive first charge on all the fixed assets leased out to Amazon India Seller Services Private Limited and equitable mortagage of leasehold rights of land measuring 17 acres.

b)Durring the previous year, GHAAL has taken a loan has availed from State Bank of India under LRDS (Lease Rental Discounting Scheme) amounting to Rs.30 at an interest rate of 8.25% 6 months MCLR plus 1.3% from SBI repyable over 156 monthly Installments begining from February 2021.

c) GHASL has taken loan Rs. 38.46 (March 31, 2021: Rs.24.52), including current maturities, from HSBC at an interest rate of 9% p.a i.e 1 Year MCLR plus 0.75% margin repyable over 20 Quarterly Installments begining from June 2021. However interest rate has been reset to 8.1% w.e.f 13 March 2021 and further the interest rate has been reset to 7.85% w.e.f 13 March 2022.

d) GHRL has an outstanding term loan of Rs.114.37 (March 31, 2021: Rs.107.24), including current maturities, from NBFC (Namely Aditya Birla Finance Limited and India Infradebt limited) which has been refinanced to Axis bank Limited for Rs.120.94 for outstanding balance as on 15th November, 2018 which is repayable in 46 quarterly installments commencing from January 2019 to October 2028. The Refinanced rupee term loan is secured by exclusive charge on immovable assets (including assignment of leasehold rights in the case of leasehold land), current assets, fixed assets, cash flows of the hotel division .This loan carries an interest rate of 7.6% p.a to 7.7% p.a (March 31, 2021: 7.7% p.a).

During the period, GHRL has repaid the loan of Rs.46 and has obtained a working capital term loan of Rs.46.24 under Emergency credit line Guarantee scheme (ECLGS) chargeable at 7.6% p.a. with a moratorium of 2 years for principal which is repayable in 48 installments commencing from october 2023 to september 2027. The loan is secured by second charge with exsisting credit facilities in terms of cash flows (including repayments) and security (Except guarantee's provided for existing facilities).

e) During the year, GHRL has obtained Rupee Term Loan facility sanction of Rs.41.52 from ICICI Bank Ltd on September 21, 2021 for incurring capital expenditure for Dutyfree division and renovation of hotel division with debt to equity ration of 75:25. The loan will be repayable in 32 structured quarterly installments starting from June 30, 2022 and carries the interest rate of MCLR + 0.25% spread which would be reset at the end of every one year from the date of Disbursement. The Rupee Term Loan shall be secured in favour of ICICI Bank/Security trustee by way of first pari-passu charge by way of hypothecation/charge/mortgage/security interest over immovable assets (including assignment of leasehold rights in the case of leasehold land) , current assets, fixed assets, cash flows and a pledge of equity shares of GHRL held by GHIAL. The entire security shall be shared on pari-passu basis with other lenders of GHRL.

(All amounts in Rupees crores, except per share data and when otherwise stated)

vi) Loans from others (secured)

(a) GHAL has an outstanding term loan of Rs.59.68 (31 March 2021: Rs. 44.01), including current maturities, from Aditya Birla Finance Limited at an interest rate of 8.95%p.a. (March 31, 2021:9.65% p.a)., repayable over 32 structured quarterly installments beginning from September 2021 and is secured by first ranking charge on Leasehold rights, title, interest and benefit in respect of Sub-lease Land of 1.5 acres together with all buildings, structures etc on the said land, movable assets including movable machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. of GHAL.

(b) During the year GHAL has taken an additional emergency credit facility (ECLGS loan) of Rs. 13.50 from Aditya Birla Finance Limited at an interest rate of 8.95%p.a., fully floating linked to the ABFL Long term reference rate (LTRR) repayable over 48 structured monthly installments after morotorium period of 12 months from the date of disbursement . This facility shall be in line with the existing term loan facility extended by ABFL to GHAL.

(b) GHASL has an outstanding term loan of Rs.53.57 (March 31, 2021: Rs. 55.87), including current maturities, from Aditya Birla Finance Limited at an interest rate of 9.40% p.a., i.e., 1 year MCLR plus a spread of 1.2%. However interest rate has been reset to 9.25% w.e.f 12 July 2020 and further the interest rate has been reset to 8.95% w.e.f 01 December 2021. The same is repayable over 51 structured quarterly installments beginning from September 2017 and is secured by first ranking charge on Leasehold rights, title, interest and benefit in respect of Sub-lease Land together with all buildings, structures etc on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. of GHASL.

(c) During the year, GACAEL has obtained loan from Cisco Systems Capital India Private Limited having an outstanding amount of Rs. 0.39, including current maturities, repayable in 12 quarterly installments by February 2024.

vii) Loan from Government of Telangana (unsecured)

Interest free unsecured loan received from the Government of Telangana is repayable in five equal instalments commencing from 16th anniversary of the commercial operations date (i.e. March 23, 2008).

20 Other financial liabilities

	Non-current		Current	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
At amortised cost				
Retention money	5.35	3.40	13.67	44.27
Deposit from concessionaires and others	38.38	41.55	43.52	23.34
Concession fee payable	127.39	149.11	70.75	144.45
Non trade payables	-	-	51.34	87.89
Capital creditors*	-	-	351.87	237.01
Interest accrued but not due on borrowings	-	-	200.17	195.21
	171.12	**194.06**	**731.32**	**732.17**

*includes amount payable to parties registered under the Micro, Small and Medium Enterprises Development Act, 2006 of Rs. 12.12 (March 31, 202`: Rs. 10.53).

21 Government grants

	March 31, 2022	**March 31, 2021**
Opening balance	35.59	40.86
Grant received during the year	-	-
Less: recognised in the statement of profit and loss	(5.27)	(5.27)
	30.32	**35.59**
Non-current	25.05	30.32
Current	5.27	5.27

Concession fee is payable to Ministry of Civil Aviation ("MoCA") in respect of first 10 years in 20 equal half yearly instalments commencing from 11th anniversary of the commercial operations date (i.e., March 23, 2008). Concession fee from the 11th year is payable on a half yearly basis. The difference between the fair value and carrying value of such fee payable has been treated as a government grant as per Ind AS 20.

22 Provisions

	Non-current		Current	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Provision for compensated absences	0.97	0.77	19.17	17.77
Provision for superannuation fund	-	-	0.17	0.18
Provision for gratuity (Refer note 49(b))	1.45	0.69	5.93	4.16
Other provisions	11.21	6.62	8.36	4.06
	13.63	**8.08**	**33.63**	**26.17**

(All amounts in Rupees crores, except per share data and when otherwise stated)

23 Other liabilities

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Contract liabilities	36.23	39.87	3.32	14.82
Marketing fund liability	-	-	3.28	0.58
Deferred income	68.05	60.58	16.45	7.26
Advances from customers	-	1.70	30.70	58.23
Statutory dues	-	-	25.26	36.67
Other payables	-	-	31.40	31.31
	104.28	**102.15**	**110.41**	**148.87**

24 Short-term borrowings

	March 31, 2022	March 31, 2021
Loans repayable on demand		
Secured		
From bank	150.00	71.98
Cash credit from banks and others	121.09	107.09
	271.09	**179.07**
Current maturities of long-term borrowings	35.70	28.27
Unsecured		
From bank	7.55	21.32
	314.34	**228.66**

i. Loan from bank, secured

a)The working capital demand loan of Rs.150 is repayable by GHIAL within 12 months of drawdown and carry a interest rate linked to bank's six month lending rate plus spread of 0.25% p.a (March 31, 2021:0.80% p.a).

b)GACAEL has availed the overdraft facility upto Rs.30. from ICICI Bank, which is repayable on demand and carries interest of MCLR-6M is 8.20% plus spread 1.4%, as per the terms of sanction letter. During the financial year, GACAEL has converted the loan to foreign currency loan amounting to Rs.15 repayable within 1 year. Further GACAEL has an overdraft facility from bank having an outsatnding amount of Rs.6.16

ii. Loan from others, secured

a) The working capital demand loan of Rs.100 has been availed by GHIAL from a financial istitution and is repayable within 12 months of drawdown and carry a interest rate linked to institutions's long term reference rate, currently 7.95% p.a. (March 31,2021:8.60% p.a)

Working capital arrangements mentioned in notes (i)(a) and (ii)(a) are secured by mortgage of leasehold and/or freehold rights, title and interest in respect of 2,145 acres and 11 guntas of land under the Land Lease Agreement and other land related documents, together with all buildings and structures thereon and charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of GHIAL in, to and in respect of the Project Agreements (i.e. Concession Agreement, State Support Agreement and Land Lease Agreement); floating charge on all the operating revenues/receivables of GHIAL; and floating charge on all the GHIAL's accounts and each of the other accounts required to be created by GHIAL pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts.

iii. Unsecured, working capital loan from banks

Unsecured working capital loans represents commercial credit card and vendor financing facility availed by GHIAL from banks and carry an interest rate range of 15.05% p.a. (March 31, 2020: 15.05% p.a.) and are repayable within a period of 25-90 days from the date of disbursement.

25 Trade payables

	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises	16.99	13.14
Total outstanding dues of creditors other than micro and small enterprises	156.89	147.32
	173.88	**160.46**

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as at March 31, 2022 and March 31, 2021 (along with balances due to micro and small enterprises classified as capital creditors under the head other financial liabilities):

Particulars	March 31, 2022	March 31, 2021
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	29.11	23.67
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

(All amounts in Rupees Crores, except otherwise stated)

26 Revenue from operations

	March 31, 2022	March 31, 2021
Aeronautical		
Landing and parking charges	92.65	70.36
User development fee (UDF)	144.83	80.89
Information communication and technology charges (ICT Charges)	45.39	25.99
Common infrastructure charges	-	0.27
Fuel farm	57.81	44.25
Ground handling	15.69	10.15
Cargo	84.02	78.70
Others	33.55	31.63
Revenue from Aeronautical services (A)	**473.94**	**342.24**
Non-aeronautical		
Duty Free	88.55	36.72
Retail	32.95	14.82
Advertisement	22.96	13.16
Food and beverages	32.08	14.47
Parking	47.29	24.32
Land and space - Rentals	41.20	38.91
MRO services	256.09	243.62
Others	77.87	20.64
Revenue from Non-aeronautical services (B)	**598.99**	**406.66**
Commercial property development	56.33	102.87
Hospitality services	40.76	20.25
Revenue from Non-airport services (C)	**97.09**	**123.12**
Revenue from operations (A+B+C)	**1,170.02**	**872.02**

Note:

(i) The Group earns its entire revenue from operations in India.

(ii) Timing of rendering of services is as under:

For the year ended March 31, 2022:

	At a point in time		Over time	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Aeronautical services	424.70	292.73	49.24	49.51
Non-aeronautical services	346.46	282.17	252.53	124.49
Non-airport services	14.12	7.37	82.97	115.75
Total revenue from operations	**785.28**	**582.27**	**384.74**	**289.75**

(iii) Reconcilation of revenue recognised in the statement of profit and loss with the contracted price

	March 31, 2022	March 31, 2021
Revenue as per contracted price	1,168.92	870.92
Adjustments:		
Significant financing component	1.10	1.10
Revenue from operations	**1,170.02**	**872.02**

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

	March 31, 2022	March 31, 2021
Amounts included in contract liabilities at the beginning of the year	2.80	2.80
Performanance obligations satisfied in previous years	-	-
Total	**2.80**	**2.80**

27 Other income

	March 31, 2022	March 31, 2021
Interest on:		
Bank deposits and commercial papers	4.01	12.42
Loan to group companies	1.82	0.07
Others	76.72	101.34
Gain on investments carried at fair value through profit and loss	8.13	8.80
Dividend income from joint venture	1.96	-
Gain on account of foreign exchange fluctuations (net)	1.73	-
Amortisation of deferred income	1.30	2.07
Income from government grant	5.27	5.27
Duty credit Scrips	-	1.62
Provisions no longer required, written back	2.25	7.23
Profit on sale of assets	0.99	-
Other non-operating income	13.67	23.46
	117.85	**162.28**

(All amounts in Rupees Crores, except otherwise stated)

28 Changes in inventory of traded goods

	March 31, 2022	March 31, 2021
Opening stock of traded goods	14.82	31.37
Closing stock of traded goods	10.43	14.82
	4.39	**16.55**

29 Employee benefits expense

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	206.65	196.01
Contribution to provident and other funds	12.90	13.06
Gratuity expense	3.09	3.26
Staff welfare expenses	13.07	11.74
	235.71	**224.07**

30 Finance costs

	March 31, 2022	March 31, 2021
Interest on borrowings	189.70	163.31
Premium on derivative instruments	83.88	82.45
Interest expenses on financial liability carried at amortised cost	20.86	19.57
Other borrowing costs	21.86	17.94
	316.30	**283.27**

31 Depreciation and amortization expense

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment (refer note 5)	261.71	228.89
Amortisation of right of use assets (refer note 6)	3.30	3.50
Amortisation of other intangible assets (refer note 7)	6.51	7.65
	271.52	**240.04**

32 Other expenses

	March 31, 2022	March 31, 2021
Operating and maintenance expenses	28.99	20.44
Power and fuel	25.43	21.70
Manpower hire charges	78.00	50.97
Consumption of stores and spares	87.37	92.62
Foods and beverages consumed	4.99	2.42
Cargo handling charges	5.93	4.00
Repairs and maintenance		
Plant and machinery	48.58	47.10
Buildings	10.48	6.29
Others	13.77	11.30
Insurance	11.80	10.37
Security expenses	17.04	19.57
Rent	2.19	3.39
Rates and taxes	12.68	12.15
Advertising and business promotion	13.15	6.27
Collection charges	1.97	1.08
Travelling and conveyance	32.68	22.11
Provision for planned maintenance under SCA	8.70	11.85
Communication costs	3.32	3.99
Legal and professional expenses	28.56	33.00
Technical fees	7.31	6.62
Management fees	36.42	29.17
Contribution to political parties	20.00	-
Directors’ sitting fees	0.19	0.21
Payment to auditors (refer note A below)	0.59	0.66
Donation	12.01	3.92
CSR expenditure	8.37	13.61
Loss on sale of fixed assets (net)	0.12	0.47
Loss on account of foreign exchange fluctuations (net)	-	1.81
Inventories written off	1.12	0.35
Bad debts written off	-	0.41
Construction and land development	12.45	21.88
Provision for bad and doubtful debts	0.15	0.83
Property, plant and equipment and CWIP written off	-	23.50
Miscellaneous expenses	18.06	16.84
	552.42	**500.90**

(All amounts in Rupees Crores, except otherwise stated)

32 Other expenses (continued)

A. Payment to Auditors

	March 31, 2022	March 31, 2021
As Auditor		
Audit fee	0.51	0.41
Tax audit fee	0.05	0.11
Other services		
Other services (Including certification fee)*	0.03	0.97
Reimbursement of expenses	0.00	0.04
	0.59	**1.53**
Less: SSN issuance cost considered as an adjustment to borrowings	-	(0.87)
	0.59	**0.66**

*includes Rs.Nil (March 31, 2021: Rs.0.87) towards assurance related services for issuance of SSN which are adjusted against borrowings.

33 Income tax

	March 31, 2022	March 31, 2021
Statement of profit and loss:		
Current income tax	-	(0.61)
Deferred tax	(41.51)	(76.24)
Income tax expense / (credit) reported in the statement of profit or loss	**(41.51)**	**(76.85)**
Less: Adjustments relating to previous year	(5.20)	-
Income tax expense / (credit) for the year	**(46.71)**	**(76.85)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the reported periods:

	March 31, 2022	March 31, 2021
Profit / (loss) before tax	(150.29)	(252.60)
Tax at the applicable tax rate of 34.94% (March 31, 2020: 34.94%)	(52.52)	(88.27)
Adjustments:		
Expenses disallowed in calculation of tax	9.85	5.59
Reversal of deferred tax during tax holiday period u/s 80IA	0.00	2.25
Others	1.16	4.32
Income tax expense / (credit) for the year	**(41.51)**	**(76.11)**

(All amounts in Rupees Crores, except otherwise stated)

33 Income tax (continued)

Deferred tax

	Statement of profit or loss/OCI		Balance sheet	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Deferred tax asset				
Unabsorbed business losses & depreciation	(28.32)	(70.68)	108.72	80.40
MAT Credit asset	-	(0.18)	457.59	457.59
Capital work-in progress	(20.54)	(11.13)	62.90	42.36
Others	4.27	(5.43)	4.44	8.71
	(44.59)	(87.42)	633.65	589.06
Deferred tax liability				
Property, plant and equipment	3.50	12.33	(192.10)	(188.60)
Cash flow hedge reserve	(35.24)	(43.58)	-	(35.24)
Fair value of financial assets/liabilities	(0.13)	(0.04)	(0.09)	(0.22)
	(31.87)	(31.29)	(192.19)	(224.06)
Net deferred tax assets	**(76.46)**	**(118.71)**	**441.46**	**365.00**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Reconciliations of net deferred tax assets / (liabilities)

	March 31, 2022	**March 31, 2021**
Opening balance as at beginning of the year	365.00	246.29
Recognised in profit or loss	41.21	75.19
Recognised in OCI	35.25	43.52
	441.46	**365.00**
Deferred tax asset / (liability) recognized in Balance Sheet		
Deferred tax asset (net)	452.51	373.30
Deferred tax liability (net)	(11.05)	(8.30)

The Taxation Laws (Amendment) Ordinance, 2019 was issued by the Ministry of Finance, Government of India on 20 September 2019. Pursuant to the said Ordinance, the Group is entitled to avail revised tax rates from the financial year commencing 1 April 2019. However, on the basis of a detailed analysis of the provisions of the Ordinance, management has concluded that the Group shall avail revised tax rates after utilization of various tax credits that the Group is currently entitled for. Accordingly, these consolidated financial statements for the year ended March 31, 2022 do not include any adjustments on account of changes in the corporate tax rates.

34 Components of other comprehensive income

Disaggregation of changes to OCI by each type of reserve in equity is shown below:

For the period ended March 31, 2022

	Cash Flow Hedge Reserve	**Retained earnings**	**Total**
Cash flow hedge reserve (net)	48.44	-	48.44
Effect of changes in foreign exchange rates	(254.84)	-	(254.84)
Deferred tax	35.25	-	35.25
Remeasurement gain on defined benefit plans	-	(0.23)	(0.23)
Closing balance	**(171.15)**	**(0.23)**	**(171.38)**

For the period ended March 31, 2021

	Cash Flow Hedge Reserve	**Retained earnings**	**Total**
Cash flow hedge reserve	(242.73)	-	(242.73)
Effect of changes in foreign exchange rates	160.98	-	160.98
Deferred tax	43.58	-	43.58
Remeasurement gain on defined benefit plans	-	1.71	1.71
Closing balance	**(38.17)**	**1.71**	**(36.46)**

(All amounts in Rupees crores, except per share data and when otherwise stated)

35 Capital work-in-progress

	March 31, 2022	March 31, 2021
Capital expenditure incurred on property, plant and equipment	2,222.25	1,805.28
Legal and professional expense	157.57	165.64
Employee benefits expense	1.77	1.38
Finance costs	866.77	473.62
Other expenses	6.38	5.68
Total (i)	**3,254.74**	**2,451.60**
Less:-		
Interest income from bank deposit	(179.16)	(125.37)
Interest income on security deposit paid	(3.17)	(2.35)
Temporary lease rentals earned net of taxes	(0.57)	(0.57)
Total (ii)	**(182.90)**	**(128.29)**
Net capital work-in-progress (i-ii)	**3,071.84**	**2,323.31**

During the year ended March 31, 2022, the following expenses of revenue nature are capitalized to the capital work-in-progress (CWIP). Consequently, expenses disclosed under the other expenses are net of amounts capitalized by the Group.

	March 31, 2022	March 31, 2021
Opening balance (A)	**518.03**	**271.50**
Expense:		
Legal and professional expense	45.84	58.54
Employee benefit expense	0.78	0.63
Finance cost	433.22	260.18
Other expenses	1.08	0.82
Total (B)	**480.92**	**320.17**
Less:		
Interest income from bank deposit	(53.79)	(29.61)
Interest income on security deposit paid	(4.13)	(1.11)
Total (C)	**(57.92)**	**(30.72)**
Less: Capitalised during the year (D)	(66.85)	(18.91)
Less: Adjustments (E)*	(24.59)	(24.01)
Closing balance (F=A+B-C-D-E)	**849.59**	**518.03**

*Represents write off of expenditure related to ongoing project of the Group.

Capital work-in-progress (CWIP) ageing schedule #

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March 2022	1,676.88	818.62	369.64	206.70	**3,071.84**
As at 31 March 2021	1,120.62	903.58	258.61	40.50	**2,323.31**

No project is temporarily suspended.

36 Completion schedule in respect of CWIP which is overdue:

	To be completed in				
As at 31 March 2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Aero Towers 3 & 4	-	-	-	1.90	**1.90**
Aero Towers 2	2.98	-	-	-	**2.98**
Retail Project(Interchange)	-	-	4.76	-	**4.76**
Edoport	-	0.48	-	-	**0.48**
Land Development	-	6.02	-	-	**6.02**
GMR 147 School	2.61	-	-	-	**2.61**
Novotel refurbishment	0.05	-	-	-	**0.05**
Convention centre- Banquet hall kitchen	0.03	-	-	-	**0.03**
New arrival store	7.42	-	-	-	**7.42**
As at 31 March 2021					
Aero Towers 3 & 4	-	-	-	1.51	**1.51**
Aero Towers 2	-	0.69	-	-	**0.69**
Retail Project(Interchange)	-	-	-	4.38	**4.38**
Land Development	-	-	5.51	-	**5.51**
Inflatable Hangar	2.35	-	-	-	**2.35**
GMR 147 School	-	0.02	-	-	**0.02**
Novotel refurbishment	3.37	-	-	-	**3.37**
Electromechanical works at convention centre	0.41	-	-	-	**0.41**
Convention centre- Banquet hall kitchen	-	0.03	-	-	**0.03**
New arrival store	-	2.51	-	-	**2.51**

(All amounts in Rupees crores, except per share data and when otherwise stated)

37 Intangible assets under development (IAUD)

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	7.72	5.00	-	-	**12.72**
Projects temporarily suspended	-	0.13	0.70	-	**0.83**

As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.43	0.84	-	-	**6.27**
Projects temporarily suspended	-	-	-	-	**-**

Completion schedule in respect of IAUD which is overdue:

		To be completed in				
Project name	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Cargo Terminal	31 March 2022	-	-	0.83	-	**0.83**
Cargo Terminal	31 March 2021	-	0.83	-	-	**0.83**

38 Trade receivables ageing

Trade Receivbles ageing schedule as on March 31, 2022 and March 31, 2021

	Outstanding for the following periods from the due date of payment						
	Not Due	**Less than 6 months**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables as at 31 March 2022							
- considered good	28.68	59.84	9.25	6.46	0.30	1.07	**105.60**
- significant increase in credit risk	-	0.16	-	0.15	0.24	0.85	**1.40**
Disputed trade receivables as at 31 March 2022							
-significant increase in credit risk	-	-	-	-	-	0.09	**0.09**
Undisputed trade receivables as at 31 March 2021							
- considered good	33.90	105.83	1.45	6.43	6.89	6.15	**160.65**
- significant increase in credit risk	-	0.16	0.16	0.32	0.96	0.14	**1.74**
Disputed trade receivables as at 31 March 2021							
-significant increase in credit risk	-	-	-	-	0.09	-	**0.09**

39 Trade payables ageing

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021

	Outstanding for the following periods from the due date of payments				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Trade payables as at 31 March 2022					
Outstanding dues to MSME	14.84	1.18	0.81	0.16	**16.99**
Others	118.36	7.34	7.16	24.03	**156.89**
Trade payables as at 31 March 2021					
Outstanding dues to MSME	12.32	0.12	0.70	-	**13.14**
Others	96.69	23.98	4.09	22.56	**147.32**

There are no disputed trade payables outstanding to MSME and other parties as at 31 March 2022 and 31 March 2021.

40 Promoter's Shareholding

	As at 31 March 2022		As at 31 March 2021	
Name of promoter	**Number of shares**	**% of total shares**	**Number of shares**	**% of total shares**
GMR Airports Limited	238,139,000	63.00%	238,139,000	63.00%
MAHB (Mauritius) Private Limited	41,573,540	11.00%	41,573,540	11.00%
Airports Authority of India	49,140,000	13.00%	49,140,000	13.00%
Hon’ble Governor of Telangana	49,140,000	13.00%	49,140,000	13.00%
GMR Infrastructure Limited	1,000	0.00%	1,000	0.00%
Malaysia Airports Holdings Berhad	6,460	0.00%	6,460	0.00%

There was no change in promoter's holding during the year ended 31 March 2022 and 31 March 2021.

41 The Group neither holds any Benami property, nor proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

42 The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 to the best of the knowledge of Group’s management.

43 The Group has not traded or invested in Crypto currency or Virtual Currency.

44 The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
(ii)Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(All amounts in Rupees crores, except per share data and when otherwise stated)

45 The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 The Group has used borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

47 The Group has not been declared willful defaulter by any bank or financial Institution or other lender.

48 No transactions, which are not recorded in the books of accounts of the Group has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

49 Retirement and other employee benefits:

a) Defined contribution plan:

Contribution to provident and other funds under employee benefits expense are as under:

	March 31, 2022	March 31, 2021
Contribution to provident fund	9.84	9.79
Contribution to ESI and Labour welfare fund	0.60	0.66
Contribution to superannuation fund	2.46	2.61
	12.90	**13.06**

b) Defined benefit plans:

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life insurance Corporation of India and liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service subject to a maximum limit of Rs. 0.20 (March 31, 2021: 0.20).

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

Net employee benefit expense (recognized in employee benefits expense):

	March 31, 2022	March 31, 2021
Current service cost	2.76	2.91
Interest cost on net Defined Benefit Obligation (DBO)	0.33	0.35
Net benefit expense	**3.09**	**3.26**

Amount recognized in other comprehensive income:

	March 31, 2022	March 31, 2021
Actuarial (gain)/loss due to DBO experience	-	(1.44)
Actuarial (gain)/loss due to DBO assumption changes	(0.27)	-
Return on plan assets (greater)/less than discount rate	0.51	(0.31)
Actuarial (gains)/ losses recognized in OCI	**0.24**	**(1.75)**

Amounts recognised in the Balance sheet are as follows:

	March 31, 2022	March 31, 2021
Fair value of plan assets	14.28	13.90
Defined benefit obligation	(21.66)	(18.75)
Plan (liability)/ asset	**(7.38)**	**(4.85)**

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

	March 31, 2022	March 31, 2021
Opening defined benefit obligation	18.75	17.99
Interest cost	1.22	1.19
Current service cost	2.69	2.91
Benefits paid	(0.52)	(1.44)
Actuarial losses /(gains) on obligation	(0.01)	(1.09)
Acquisition cost	(0.20)	(0.81)
Actuarial losses/ (gain) on financial assumption	(0.27)	-
Closing defined benefit obligation	**21.66**	**18.75**

Changes in the fair value of plan assets are as follows:

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	13.90	12.42
Expected return on plan assets	0.68	0.63
Contributions by employer	0.80	1.82
Return on plan assets greater/(lesser) than discount rate	(0.51)	0.31
Acquisition adjustment	(0.28)	-
Interest income on plan assets	0.72	0.21
Benefits paid	(1.03)	(1.49)
Closing fair value of plan assets	**14.28**	**13.90**

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

	March 31, 2022	March 31, 2021
Investments with insurer	100%	100%

(All amounts in Rupees crores, except per share data and when otherwise stated)

49 Retirement and other employee benefits: (continued)

The principal assumptions used in determining gratuity obligation for the Group's plans are shown below:

	March 31, 2022	March 31, 2021
Discount rate	6.10% to 7.10%	5.70% to 6.80%
Rate of compensation increase	6% to 8%	6% to 8%
Employee turnover	5% to 20%	5% to 20%

A quantitative sensitivity analysis for significant assumption is shown below:	March 31, 2022	March 31, 2021
Discount rate		
Effect due to 1% increase in discount rate	(1.59)	(1.47)
Effect due to 1% decrease in discount rate	1.82	1.71
Salary escalation rate		
Effect due to 1% increase in salary increase rate	1.43	1.37
Effect due to 1% decrease in salary increase rate	(1.31)	(1.25)

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

The following payments are expected contributions to the defined benefit plan in the future years

	March 31, 2022	March 31, 2021
with-in one year	2.15	1.76
between one to two years	1.90	2.00
between two to three years	3.18	1.78
between three to five years	5.85	5.76
between five to ten years	16.48	14.97

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2021: 10 years).

50 Reimbursement of expenses claimed by the Group from the concessionaries and other vendors based on the contractual arrangements have been reduced from the respective expense head as mentioned in the table below:

Expense head	March 31, 2022	March 31, 2021
Electricity and water charges	22.26	32.27
Salaries, wages and bonus	2.48	3.74
Staff welfare expenses	4.21	1.33
Rent	1.50	0.53
Travelling and conveyance	1.12	0.45
Repairs and maintenance	4.11	7.75
Miscellaneous expenses	2.72	7.27
	38.40	**53.34**

51 Segment reporting

Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The Group only has a single geographical segment operating in Hyderabad, India. As per the evaluation carried out by CODM the Group has only one reportable business segment i.e. of airport and allied services. Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment. The information relating to different products and services regarding products and services regarding revenue from contracts are given in Note 26.

Major Customers: Revenue from one customer of the Group is approximately Rs. 296.66 out of revenue from operations of the Group for the year ended March 31, 2022 (March 31, 2021: Rs. 237.56).

52 During the financial year ended 2019, GHIAL had entered into a term loan facility arrangement with Yes Bank Limited ("YBL" or "Bank"), to avail term loan of Rs. 4,200, and had incurred an up-front processing fee of Rs. 63. However, in view of certain developments, the Bank expressed its inability to extend the loan, and accordingly on April 21, 2020, the arrangement was terminated. Further YBL vide their letter dated June 9, 2020 acknowledged the receipt of request from GHIAL for refund of the aforesaid up-front fees and to present GHIAL's request to the appropriate committees for approvals. Further, management has obtained legal opinion from an independent lawyer regarding GHIAL's right to receive the refund of upfront fee. In view of the above and on the basis of on-going discussions with the Bank officials, management is confident of the recovery of the said amount in full, and accordingly, no adjustment were considered necessary in the accompanying consolidated financial statements for the year ended March 31, 2022.

53 Disclosure on changes in financing liabilities

	Current borrowings	Non-current borrowings	Assets held to hedge
Balance as on 1 April 2020	**19.92**	**5,693.40**	**865.00**
Cash flows, net	208.74	2,204.00	(192.31)
Amortization of borrowing cost	-	(24.50)	-
Effect of changes in foreign exchange rates	-	(160.98)	-
Finance cost	-	-	209.28
Change in fair values	-	-	(259.79)
Balance as on 31 March 2021	**228.66**	**7,711.92**	**622.18**
Cash flows, net	85.69	43.28	-
Amortization of borrowing cost	-	17.59	-
Effect of changes in foreign exchange rates	-	254.84	-
Finance cost	-	-	294.66
Change in fair values	-	-	(246.22)
Balance as on 31 March 2022	**314.35**	**8,027.63**	**670.62**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Summary of significant accounting policies and other explanatory information
(All amounts in Rupees crores, except per share data and when otherwise stated)

54 Related party transactions

a) Names of related parties and nature of relationship

Nature of relationship	Name of the related party
Holding company	GMR Airports Limited (GAL)
GAL's holding company	GMR Infrastructure Limited (GIL)
Ultimate holding company	GMR Enterprises Private Limited (GEPL)
Group Company	GMR Power and Urban Infra Limited (GPUIL)
Fellow subsidiary companies	GMR Aviation Private Limited Delhi International Airport Limited GMR Energy Trading Limited GMR Highways Limited GMR Corporate Affairs Private Limited GMR Airport Developers Limited Kakinada SEZ Limited GMR Aerostructure Services Limited GMR Hyderabad Vijayawada Expressways Private Limited Raxa Security Services Limited GMR Warora Energy Limited GMR Infra Developers Limited GMR Business Process and Services Private Limited GMR Vemagiri Power Generation Limited GMR Kannur Duty Free Services Limited GMR Goa International Airport Limited GMR Pochanpalli Expressways Limited
Shareholders having significant influence	Government of Telangana Airports Authority of India Malaysia Airports Holdings Berhad MAHB (Mauritius) Private Limited.
Key Management Personnel (KMP)	Mr. G M Rao, Executive Chairman Mr. GBS Raju – Managing Director Mr. SGK Kishore – Chief Executive Officer (till June 14, 2020) Mr. Pradeep Panicker – Chief Executive Officer (w.e.f June 15, 2020) Mr. Anand Kumar Polamada - Chief Financial Officer (w.e.f June 1, 2019) Mr. Anup Kumar Samal - Company Secretary **(till April 06,2022)** Mr. Srinivas Bommidala – Director Mr. HJ Dora – Director Mr. Grandhi Kiran Kumar– Director Mr. C Prasanna – Director Mr. Venkatramana Hegde – Director (till July 30, 2020) Mr. IN Murthy – Director (till January 05, 2022) Mr. K Ramakrishna Rao IAS – Director Mr. Jayesh Ranjan IAS – Director Mr. Mohd Shukrie bin Mohd Salleh- Additional Director w.e.f June 15, 2020 to February 2, 2022) Mr. RSSLN Bhaskarudu- Independent Director (till september 15,2021) Mr. Joyanta Chakraborty -Director (w.e.f March 16, 2021) Mr. NC Sarabeswaran- Independent Director (till September 15,2021) Mrs. Siva Kameswari Vissa -Independent Director Mr. Madhu Ramachandra Rao – Independent Director Mr. Antoine Crombrez - Director (w.e.f April 28, 2021) Mr. Camilo Perez Perez - Director (w.e.f April 28, 2021) Mr. Iskandar Mizal Bin Mahmood - Director (w.e.f February 02, 2022) Mr. Dharmendra Bhojwani - Director (w.e.f January 06, 2022) Mr. A. Subba Rao - Independent Director (w.e.f September 15, 2021) Dr. M. Ramachandran - Independent Director (w.e.f September 15, 2021)
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
Joint Venture of GHAL	ESR GMR Logistics Park Private Limited #
Associate of GIL	GMR Rajahmundry Energy Limited
Relative of KMP	Ramadevi Bommidala
Enterprises where KMP and their relatives exercise significant influence	GMR Varalakshmi Foundation
Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India Private Limited

On December 20, 2018, GHAL has incorporated a wholly owned subsidiary GMR Logistics Park Private Limited. Subsequent to the year end, pursuant to the Subscription Agreement and Shareholders' Agreement dated January 08, 2020 executed by and amongst GMR Logistics Park Private Limited (GLPPL), GMR Hyderabad Aerotropolis Limited (GHAL) and ESR Hyderabad 1 Pte. Limited, Singapore (ESR), GLPPL allotted 4,13,35,182 equity shares of Rs. 10 each at par to ESR and 16,965,078 equity shares of Rs. 10 each at par to GHAL on private placement basis by passing a circular resolution dated April 16, 2020. Consequently, the percentage shareholding of ESR and GHAL in GLPPL stands at 70 and 30 respectively, as a result of which, GLPPL has ceased to be a wholly owned subsidiary of GHAL with effect from April 16, 2020.

(All amounts in Rupees crores, except per share data and when otherwise stated)

54 Related party disclosures (continued)

b) Transactions with related parties

	March 31, 2022	March 31, 2021
Services received		
Raxa Security Services Limited	21.95	24.65
Airports Authority of India	0.06	0.01
GMR Airport Developers Limited	23.94	27.10
GMR Infrastructure Limited	7.68	10.21
GMR Airports Limited	28.78	25.83
Laqshya Hyderabad Airport Media Private Limited	0.13	0.33
Delhi International Airport Limited	0.77	0.15
GMR Power Urban and Infra Limited	7.68	-
Security deposit (paid) /received		
ESR GMR Logistics Parks Private Limited	-	36.23
GMR Airport Developers Limited	-	10.00
Income from operations		
Airports Authority of India	0.64	0.19
GMR Aviation Private Limited	0.01	0.00
GMR Infrastructure Limited	0.01	0.02
Laqshya Hyderabad Airport Media Private Limited	19.43	10.99
Kakinada SEZ Limited	-	0.24
GMR Airport Developers Limited	0.20	0.24
GMR Airports Limited	0.20	0.00
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.04	0.04
GMR Highways Limited	0.00	0.06
GMR Varalakshmi Foundation	0.42	0.40
GMR Business Process and Services Private Limited	3.40	3.18
GMR Kannur Duty Free Services Limited	2.90	0.97
GMR Goa International Airport Limited	2.00	0.21
Delhi International Airport Limited	0.06	0.01
GMR Power and Urban Infra Limited	0.01	-
Unsecured loans given		
GMR Goa International Airport Limited	-	40.00
GMR Infrastructure Limited	-	9.95
Unsecured loan received back		
GMR Infrastructure Limited	-	9.95
Investment in Joint Venture		
ESR GMR Logistics Parks Private Limited	4.50	33.32
Interest on unsecured loan given		
GMR Infrastructure Limited	20.25	22.27
GMR Power and Urban Infra Limited	1.75	-
GMR Goa International Airport Limited	-	0.22
Interest income on optionally convertible debentures		
ESR GMR Logistics Parks Private Limited	2.21	0.16
Interest on delayed payments from customers		
GMR Aviation Private Limited	-	0.00
Purchase of captial asset / services for Capital work-in-progress:		
GMR Airport Developers Limited	40.80	44.06
Raxa Security Services Limited	1.77	0.17
CSR expenditure		
GMR Varalakshmi Foundation	8.20	10.97
Straight lining of lease rental income		
Laqshya Hyderabad Airport Media Private Limited	(0.01)	(0.00)
GMR Business Process Services Private Limited	0.04	0.04
GMR Highways Limited	(0.00)	(0.00)
GMR Airport Developers Limited	(0.01)	0.00
GMR Varalakshmi Foundation	0.00	0.02
Raxa Security Services Limited	(0.00)	(0.00)
Depreciation and Interest cost as per Ind AS 116		
GMR Family Fund Trust	0.48	0.41
Government of Telangana	8.83	8.52
Sri Varalakshmi Jute Twine Mills Private Limited	0.35	0.30
Delhi International Airport Limited	0.55	0.67
Advance received from customer		
Laqshya Hyderabad Airport Media Private Limited	-	7.00

(All amounts in Rupees crores, except per share data and when otherwise stated)

b) Transactions with related parties (continued)

	March 31, 2022	March 31, 2021
Income on amortization of deposit received		
GMR Infrastructure Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.06
GMR Varalakshmi Foundation	0.01	0.01
GMR Logistics Park Private Limited	0.76	-
Interest income on amortization of deposit paid:		
Raxa Security Services Limited	0.17	0.16
Sri Varalakshmi Jute Twine Mills Private Limited	0.01	0.01
GMR Family Fund Trust	0.02	0.03
Interest expense on amortization of deposit received:		
GMR Infrastructure Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
ESR GMR Logistics Parks Private Limited	0.03	0.01
Amortisation of expense on deposit paid		
Raxa Security Services Limited	0.17	0.16
Delhi International Airport Limited	-	0.02
Reimbursement of expenses claimed by the Group during the year from its related parties		
GMR Infrastructure Limited	0.00	0.170
Laqshya Hyderabad Airport Media Private Limited	0.75	0.50
Kakinada SEZ Limited	0.00	0.06
Delhi International Airport Limited	0.01	0.01
GMR Airports Limited	0.02	0.02
Airports Authority of India	3.23	3.11
GMR Airport Developers Limited	1.85	1.70
GMR Highways Limited	0.00	0.08
Raxa Security Services Limited	0.01	0.01
GMR Varalakshmi Foundation	0.05	0.04
Geokno India Private Limited	0.01	0.00
GMR Business Process and Services Private Limited	0.42	0.27
GMR Pochanpalli Expressways Limited	0.01	0.02
GMR Goa International Airport Limited		-
Reimbursement of expenses claimed from the Group during the year by its related parties		
Delhi International Airport Limited	0.14	0.12
GMR Airport Developers Limited	0.47	0.60
Rent		
Ramadevi Bommidala	0.21	0.22
Remuneration paid to Key managerial personnel		
Short term employee benefits	12.34	7.46
Sitting fees	0.17	0.21

c) Outstanding balances at the end of the year

	March 31, 2022		March 31, 2021	
	Non-Current	Current	Non-Current	Current
Balance recoverable/(payable)				
GMR Aerostructure Services Limited	-	-	-	0.03
Raxa Security Services Limited	-	(4.97)	-	(4.87)
Airports Authority of India	-	4.13	-	3.46
GMR Infrastructure Limited	-	0.29	-	(0.86)
Delhi International Airport Limited	-	(0.23)	-	(0.12)
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Airports Limited	-	(74.94)	-	(6.61)
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Airport Developers Limited	-	(8.87)	-	(7.76)
Laqshya Hyderabad Airport Media Private Limited	-	(3.78)	-	(5.60)
Kakinada SEZ Limited	-	-	-	0.01
GMR Varalakshmi Foundation	-	0.16	-	0.59
GMR Highways Limited	-	0.25	-	0.25
Geokno India Private Limited	-	0.88	-	0.84
GMR Business Process and Services Private Limited	-	2.84	-	1.05
GMR Goa International Airport Limited	-	-	-	0.41
GMR Kannur Duty Free Services Limited	-	0.74	-	0.97
ESR GMR Logistics Parks Private Limited	-	0.28	-	0.16
GMR Power and Urban Infra Limited	-	2.26	-	-

(All amounts in Rupees crores, except per share data and when otherwise stated)

c) Outstanding balances at the end of the year (continued)

	March 31, 2022		March 31, 2021	
	Non-Current	Current	Non-Current	Current
Security deposit receivable /(payable)				
GMR Infrastructure Limited	-	(0.04)	-	(0.04)
Laqshya Hyderabad Airport Media Private Limited	(0.42)	-	(0.39)	-
GMR Varalakshmi Foundation	(0.12)	-	(0.11)	-
Raxa Security Services Limited	-	1.69	-	1.69
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.10	-	0.10
GMR Family Fund Trust	-	0.38	-	0.36
Delhi International Airport Limited	0.23	-	0.20	-
Ramadevi Bommidala	0.03	-	0.03	-
GMR Airport Developers Limited	-	-	-	4.65
ESR GMR Logistics Parks Private Limited	-	-	(0.29)	-
Loans given				
GMR Infrastructure Limited	-	141.00	-	200.00
GMR Goa International Airport Limited	-	40.00	-	40.00
GMR Power and Urban Infra Limited	-	59.00	-	-
Investment in optionally convertible debentures				
ESR GMR Logistics Parks Private Limited	20.85	-	16.35	-
Lease Liabilities				
GMR Family Fund Trust	(2.41)	-	(2.46)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(1.75)	-	(1.77)	-
Government of Telanagana	(81.13)	-	(76.98)	-
Delhi International Airport Limited	-	(0.65)	(0.60)	(0.50)
Borrowings				
Government of Telangana	(315.05)	-	(315.05)	-

55 Leases

(a) Group as a lessee

Group has taken land, office and other spaces on operating lease having a term ranging from 5 years to 60 years. The land lease has an escalation of 5% per annum from the 8th anniversary of the Commercial Operations Date (i.e., March 23, 2008) and is co-terminus with the concession period. The office and other space leases have an escalation of 5% per annum and are renewable at the end of the lease period with mutual consent.

Following are the changes in the carrying value of right of use assets:

	Category of ROU asset		Total
	Land	Building	
Recognition on account of adoption of Ind AS 116 effective April 1, 2020	**66.05**	**8.42**	74.47
Additions	-	1.95	1.95
Deletion	-	3.67	3.67
Depreciation	(1.38)	(2.12)	(3.50)
Balance as at March 31, 2021	**64.67**	**11.92**	**76.59**
Additions	-	-	-
Depreciation	(1.38)	(1.92)	(3.30)
Balance as at March 31, 2022	**63.29**	**10.00**	**73.29**

The following is the break-up of current and non-current lease liabilities:

	March 31, 2022	March 31, 2021
Current lease liabilities	0.65	0.62
Non-current lease liabilities	92.08	89.76
	92.73	**90.38**

The following is the movement in lease liabilities during the year:

	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	90.38	83.05
Movement:		
Additions	-	1.95
Additions on account of modification in the terms of contract	-	3.67
Finance cost accrued during the year	8.75	8.39
Payment of lease liabilities	(6.40)	(6.68)
Balance at the end of the year	**92.73**	**90.38**

(All amounts in Rupees crores, except per share data and when otherwise stated)

55 Leases (continued)

Following amount has been recognized in statement of profit and loss:

	March 31, 2022	March 31, 2021
Depreciation/amortisation on right to use asset	3.30	3.50
Interest on lease liability	8.75	8.39
Expenses related to short term lease (included under other expenses)	2.19	3.39
Total amount recognized in the statement of profit and loss	**14.24**	**15.28**

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

	March 31, 2022	March 31, 2021
Within one year	11.02	10.59
After one year but not more than five years	28.14	27.43
More than five years	717.92	725.47

(b) **Group as a lessor**

The Group has sub-leased land to various parties under operating leases having a term of 9 to 30 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	March 31, 2022	March 31, 2021
Within one year	87.05	72.00
After one year but not more than five years	320.87	245.40
More than five years	823.10	566.85

(All amounts in Rupees crores, except per share data and when otherwise stated)

56 Fair values

The carrying amount of all financial assets and liabilities (except for certain other financial assets and liabilities, i.e. "Instruments carried at fair value") appearing in these standalone financial statements are reasonable approximation of fair values.

	Carrying value		Fair value	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Financial assets				
I. At fair value through Profit or loss				
Investments in mutual funds	430.36	495.67	430.36	495.67
II. At fair value through Other comprehensive income				
Cash flow hedges (refer note V(a))				
Cross currency swap	457.18	466.25	457.18	466.25
Coupon only swap	(3.09)	0.00	(3.09)	0.00
Call spread option	216.53	155.93	216.53	155.93
III. At amortized cost				
Investments in commercial paper	456.78	528.87	456.78	528.87
Loans	240.71	245.18	240.71	245.18
Trade receivables	105.60	160.65	105.60	160.65
Cash and cash equivalents	74.97	693.83	74.97	693.83
Bank balances other than cash and cash equivalents	1,258.03	1,472.98	1,258.03	1,472.98
Other financial assets	246.11	174.15	246.11	174.15
	3,483.18	**4,393.51**	**3,483.18**	**4,393.51**
Financial liabilities				
IV. At amortized cost				
Borrowings	8,341.98	7,940.58	8,128.55	7,981.35
Other financial liabilities	902.44	926.23	902.16	926.23
Lease liabilities	92.73	90.38	92.73	90.38
Trade payables	173.88	160.46	173.88	160.46
	9,511.03	**9,117.65**	**9,297.32**	**9,158.42**

V. Assumption used in estimating the 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 assumption were used to estimate the fair values:

(a) Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at March 31, 2021, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

(b) The fair values of quoted mutual funds are based on price quotations at the reporting date.

(c) The fair value of borrowings is based on the traded price of the bond and the prevailing exchange rate.

(d) Management has assessed that cash and cash equivalent, trade receivables, trade payables, other bank balances and other current liabilities balances approximate their carrying amounts largely due to the short-term maturities of these instruments, hence the carrying value is considered to the same as its fair value.

57 Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at the reporting date.

	Fair value measurement using		
	Market prices in active markets	**Significant observable inputs**	**Significant unobservable inputs**
	(Level 1)	**(Level 2)**	**(Level 3)**
Assets measured at fair value as at March 31, 2022			
Investment in mutual funds	430.36	-	-
Derivatives designed as Cash flow hedge	-	670.62	-
	430.36	**670.62**	**-**
Assets measured at fair value as at March 31, 2021			
Investment in mutual funds	495.67	-	-
Derivatives designed as Cash flow hedge	-	622.18	-
	495.67	**622.18**	**-**

There have been no transfers between Level 1, Level 2 and Level 3 during the current and previous year.

(All amounts in Rupees crores, except per share data and when otherwise stated)

58 Financial risk management objectives and policies

Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents are derived from its operations.

Group is exposed to market risk, credit risk and liquidity risk. Group's senior management oversees the management of these risks. Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management team that have the appropriate skills, experience and supervision. It is Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, investments, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The sensitivity analysis for borrowings have been not prepared as the amount of debt is fully hedged at the fixed currency exchange rate, therefore there is no impact on account of foreign exchange fluctuation. The analysis also excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The assumptions made in calculating the sensitivity analyses are:

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, 2022 and March 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group does not have any exposure to the risk of changes in market interest rates as Group's long-term debt obligations are in the form of Senior Secured Notes ("SSN") with fixed interest rate of 4.25% p.a., 5.375% p.a. and 4.75% p.a on total amount of USD 350 million, USD 300 million and USD 300 million respectively. 4.25% SSN has been swapped for 8.65% p.a. (weighted average of all Cross Currency Swap (CCS) contracts) on INR notional of Rs. 2,229.95; the interest obligation on 5.375% SSN has been swapped for 6.05% p.a. (weighted average of all Coupon Only Swap (COS) contracts) on INR notional of Rs. 2,094.48; and interest obligation on 4.75% SSN has been swapped for 5.41% p.a. (weighted average of all COS contracts) on INR notional of Rs. 2,188.29.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to convert variable rate loan to fixed rate loan if the perceived uncertainty of such variable market rates is for a long term. As at March 31, 2022, approximately 95% (March 31, 2021: 98%) of the Group's borrowings are at fixed rate of interest after taking into account the effect of interest rate swaps.

The exposure of the Group's borrowings to interest rate changes as at the end of the reporting period for actual outstanding balances is not significant and therefore, any change in interest rate will not materially impact the reported profit / loss for the period.

	March 31, 2022	March 31, 2021
Borrowings:		
Floating interest rate	436.06	187.69
Fixed interest rate	7,984.09	7,859.95

*The borrowings exposures are disclosed on the basis of actual transaction value.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings as enumurated above. However, Group has hedged its borrowings through cross currency swaps, call option spread and coupon only swap and designated the same as cash flow hedge.

Cash flow hedges

Foreign exchange derivative instruments measured at fair value through OCI are designated as hedging instruments in cash flow hedges to hedge the USD INR conversion rate volatility with reference to the cash outflows on settlement of its borrowings and related interest payments designated in USD. The fair value of derivative instruments varies with the changes in foreign exchange rates.

	March 31, 2022		March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts designated as hedging instruments				
Cross currency swap	457.18		466.25	-
Coupon only swap		3.09	0.00	-
Call spread option	216.53		155.93	-

Foreign currency sensitivity

Group's exposure to unhedged foreign currency risk at the end of the reporting period expressed in foreign currency is as follows:

	March 31, 2022		March 31, 2021	
Foreign Currency	**Foreign Currency**	**Rs. (in Crore)**	**Foreign Currency**	**Rs. (in Crore)**
Payable				
EURO	(891,286)	(7.42)	466,309	4.00
GBP	(837)	(0.01)	65,184	0.53
USD	1,634,080	12.38	4,104,618	30.01
CHF	73,169	0.60	23,252	0.13
CAD	-	-	25,000	0.25
AED	(173,250)	(0.36)		
SGD	22,038	0.12	-	-
Receivable				
USD	5,920,657	44.81	8,575,323	62.70
CHF	6,216	0.05	26,815	0.21
EURO	9,669	0.08	10,891	0.09
GBP	6,563	0.07	4,616	0.05
Bank balances (including credit card collection)				
USD	809,820	6.14	1,398,159	10.22
Others				
USD	5,166,900	39.53	2,689,624	19.67
GBP	644	0.01		
Foreign currency on hand				
AED	20,961	0.04	54,926	0.11
AUD	2,881	0.02	1,231	0.01
CAD	235	0.00	710	0.00
CHF	7	0.00	7	0.00
EURO	393	0.00	813	0.01
GBP	475	0.00	2,775	0.03
HKD	28	0.00	28	0.00
JPY	42	0.00	42	0.00
KWD	575	0.01	1,319	0.03
MYR	2	0.00	2	0.00
NZD	8	0.00	8	0.00
OMR	89	0.00	1,475	0.03
QAR	1,451	0.00	4,095	0.01
SAR	21,986	0.04	28,970	0.06
SGD	394	0.00	590	0.00
THB	87	0.00	87	0.00
BAH	30	0.00	83	0.00
USD	1,463,329	11.07	494,515	3.62

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on Group's profit before tax is as under.

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2022	March 31, 2021
EUR	Change in fair valuation of financial liabilities	5%	0.38	(0.20)
USD		5%	4.46	3.31

The Group's exposure to foreign currency changes for all other currencies is not material.

(All amounts in Rupees crores, except per share data and when otherwise stated)

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. Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by Group subject to Group's established policy, procedures and control relating to customer credit risk management. 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. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

Financial instruments (security deposits) and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by Group's senior management on regular basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Exposure to credit risk also includes bank guarantees provided to subsidiary companies.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts of trade receivables and bank guarantees provided to subsidiary companies.

Liquidity risk

Group monitors its risk of a shortage of funds using a rolling cash flow forecasts. Group's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities, long-term loans and finance leases. Group's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. Approximately, 3.71% of Group's debt will mature in less than one year at March 31, 2022 (March 31, 2021: 2.87%) based on the outstanding amount of borrowings reflected in these Consolidated financial statements.Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

The table below summarizes the maturity profile of Group's financial liabilities based on contractual undiscounted payments.

	On Demand	Up to 1 year	1 to 5 years	> 5 years	Total
Year ended March 31, 2022					
Borrowings		312.17	5,098.96	3,009.01	8,420.14
Lease liabilities		11.02	28.14	717.92	757.08
Trade payables		173.88	-	-	173.88
Other financial liabilities		756.03	147.15	33.25	936.43
Guarantees	656.88	-	-	-	656.88
Total	**656.88**	**1,253.10**	**5,274.25**	**3,760.18**	**10,944.41**
Year ended March 31, 2021					
Borrowings	-	230.67	4,983.86	2,833.11	8,047.64
Lease liabilities	-	10.59	27.43	725.47	763.49
Trade payables	-	160.46	-	-	160.46
Other financial liabilities	-	741.89	155.30	122.65	1,019.84
Guarantees	605.96	-	-	-	605.96
Total	**605.96**	**1,143.61**	**5,166.59**	**3,681.23**	**10,597.39**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(All amounts in Rupees crores, except per share data and when otherwise stated)

59 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of Group's capital management is to maximize the shareholder value.

Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is debt (excluding lease liabilities) divided by total equity plus debt. The Group's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

	March 31, 2022	March 31, 2021
Borrowings (A)	**8,027.63**	**7,711.92**
Share Capital	378.00	378.00
Other equity	999.18	1,274.14
Total equity (B)	**1,377.18**	**1,652.14**
Total equity and total debt (C=A+B)	**9,404.81**	**9,364.06**
Gearing ratio (A/C)	**85.36%**	**82.36%**

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 loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

60 Commitments and Contingencies

I Contingent liabilities not provided for:

GHIAL	March 31, 2022	March 31, 2021
In respect of income tax matters [refer (a) below]	21.32	24.70
In respect of service tax matters [refer (b) below]	35.66	35.47
Claim against the GHIAL not acknowledged as debt [refer (d), (e) and (f) below]	149.75	149.01
In respect of other matters [refer (c) below]	25.20	25.20

(a) Pursuant to the income tax assessment for the years mentioned below, GHIAL had received various demands from the income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities, including favourable judgements received by GHIAL from lower appellate authorities and the necessary advise received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against GHIAL is remote and accordingly do not foresee any adjustment to these consolidated financial statements in this regard. The details of the relevant financial year which is subject to the dispute and the amount of demanded is as follows:

Disputed tax amount

	March 31, 2022	March 31, 2021
Pending with the Hon'ble High Court of Karnataka		
A.Y.2013-14 [Disallowed under 115JB]	-	3.38
Pending with Income Tax Appellate Tribunal, Bangalore ("ITAT")		
A.Y.2014-15 [Disallowed under 115JB]	3.76	3.76
A.Y.2016-17 [Disallowed under 115JB]	6.46	6.46
Pending with Commissioner of Income Tax (Appeals) ("CIT(A)")		
A.Y.2017-18 [Disallowed under 115JB]	4.76	4.76
A.Y.2018-19 [Disallowed under 115JB]	6.34	6.34

Disputed disallowance of expenses, resulting in reduction in carry forward of tax losses and accordingly no tax demand has been received

	March 31, 2022	March 31, 2021
Pending with the Hon'ble High Court of Karnataka	Note	Note
A.Y 2008-09 to A.Y 2013-14	-	109.04
Pending with the Assessing Officer		
A.Y 2010-11 to 2014-15	5.25	6.85
Pending with ITAT		
A.Y 2009-10 to A.Y 2016-17		96.33
Pending with CIT (A)		
A.Y 2009-10	4.01	-
A.Y 2013-14 to A.Y 2018-19	13.27	41.99
A.Y 2014-15 to A.Y 2016-17	72.10	-
A.Y 2016-17**	0.80	-

** Orders u/s 147 passed in case of AY 2015-16 & 2016-17 disallowing capital expenditure of Rs. 15.11 cr thereby reducing depreciation claim by Rs. 0.80 cr. Demand of Rs. 34.70 cr (including interest of Rs.16.06 cr) is wrongly raised as against refund of Rs. 0.46 cr. The Company had filed an application for rectification of demand and appeal with Commissioner of Income Tax (Appeals).

Note: Tax liability on aforementioned disputed disallowance of expenses is currently not ascertainable.

(All amounts in Rupees crores, except per share data and when otherwise stated)

(b) **Disputed service tax matters**

	March 31, 2022	March 31, 2021
Irregular availment of the cenvat credit, pending with Hon'ble High Court of Telangana*	24.84	24.84
Penalty equivalent to service tax levy on delay in payment of service tax on the user development fee, pending with Hon'ble Supreme Court	7.43	7.43
Non-payment of service tax on Corporate guarantee, notice pay. OIO passed, appeal to be filed with Commissioner of Central Tax (Appeals)	0.19	-
Irregular availment of cenvat credit and non-payment of service tax on recovery of electricity and water charges from its concessionaires, pending with CESTAT Hyderabad*	3.20	3.20

*including penalty amount.

(c) GHIAL had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 (March 31, 2021: Rs. 25.20). GHIAL had received the stay order from Hon'ble High Court of Telangana against the said order in the earlier years.

(d) GHIAL had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. GHIAL had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2022 amounts to Rs. 5.70 (March 31, 2021: Rs. 5.30).

(e) **Utilization of funds from Passenger Service Fee (Security Component) Fund ("PSF(SC) Fund"):**

(i) The Ministry of Civil Aviation (MoCA) had issued orders in 2014, requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) towards (a) procurement and maintenance of security systems/equipment; (b) construction of other long lived assets (refer note (ii) below) and (c) payment of interest etc. The Group had used approximately Rs.142.00 towards the above expenses, excluding related maintenance expense, other costs and interest thereon till March 31, 2018 which is presently unascertainable. Management is of the opinion that the utilisation of funds from PSF(SC) escrow account is consistent with the Standard Operating Procedures, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

As the above order, in management's opinion, is contrary to and inconsistent with SOPs, guidelines and clarification issued by the MoCA from time to time in this regard, the Group had challenged the said order before the Hon'ble High court of Andhra Pradesh. The Hon'ble High Court, vide its order dated March 3, 2014 followed by further clarifications dated April 28, 2014 and December 24, 2014, stayed the MoCA order with an undertaking that, in the event the decision of the writ petition goes against the Group, it shall restore the PSF (SC) Fund to this extent.

Based on the internal assessment, Management of GHIAL is of the view that no further adjustments are required to be made to the GHIAL financial statements, in this regard.

(ii) As per the advice from the Ministry of Home Affairs and the SOP's issued by the MoCA on March 06, 2002, GHIAL, through its erstwhile wholly owned subsidiary, Hyderabad Airport Security Services Limited (HASSL) constructed the residential quarters for Central Industrial Security Force (CISF) deployed at the airport. After completion of such construction, the total construction cost including the cost of land and related finance cost amounting to Rs. 113.73 was debited to the PSF (SC) Fund with corresponding intimation to the MoCA. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that, GHIAL had not obtained prior approval from the MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by the MoCA. However, Management of GHIAL is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached the MoCA for approval of such debit notes to the PSF (SC) Fund account. Further, GHIAL had requested the MoCA to advice the Airport Economic Regulatory Authority (AERA) for considering the cost of construction, land and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Airport. Pending final instructions from the MoCA, residential quarters continue to be accounted under the PSF (SC) Fund and no adjustments have been made to GHIAL financial statements.

(f) Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 (March 31, 2020: Rs. 2.05).

GACAEL	March 31, 2022	March 31, 2021
In respect of income tax matters [refer (g) below]	46.17	22.31
In respect of Indirect tax matters [refer (h) below]	10.58	10.58
Claim against GACAEL not acknowledged as debt [refer (i), (j) and (k) below]	14.88	14.17

(g) Pursuant to the income tax assessment for the years mentioned below, GACAEL had received various demands from the income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities, including favourable judgements received by GACAEL from lower appellate authorities and the necessary advise received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against GACAEL is remote and accordingly do not foresee any adjustment to these consolidated financial statements in this regard. The details of the relevant financial year which is subject to the dispute and the amount of demanded is as follows:

Disputed tax amount

	March 31, 2022	March 31, 2021
Pending with the Hon'ble High Court of Telangana		
A.Y.2009-10 to A.Y.2012-13 [Disallowed under 80IA]	9.84	9.84
A.Y.2013-14 and A.Y.2014-15 [Disallowed under 80IA]	7.29	7.29
A.Y.2017-18 [Un explained Cash Credits]	23.97	-
Pending with Income Tax Appellate Tribunal, Hyderabad ("ITAT")		
A.Y.2008-09 [Disallowed under 80IA]	-	0.85
Pending with Commissioner of Income-Tax (Appeals), Hyderabad ("CIT")		
A.Y.2015-16 [Disallowed under 80IA]	4.17	4.17
A.Y.2016-17 [Disallowed under 80IA]	0.16	0.16
A.Y.2018-19 [Disallowed under 80IA]	0.72	-

(h) **Disputed service tax matters**

	March 31, 2022	March 31, 2021
Rejection of service tax refund claim, pending with CESTAT, Hyderabad	1.03	1.03
Service tax on export cargo handling services from March 2008 to June 2010, pending with CESTAT, Hyderabad*	5.92	5.92
Irregular availment of the cenvat credit, pending with CESTAT, Hyderabad*	1.28	1.28
Irregular availment of the cenvat credit on capital goods, pending with Hon'ble High Court of Telangana	0.24	0.24
Non reversal of CENVAT credit and disallowance of export of service from DGGI	2.11	2.11

*including penalty amount.

(i) GACAEL accrued customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the customs department on GHIAL as the ultimate cost has to be borne by the custodian i.e. GACAEL. GHIAL filed a writ petition under article, 226 of the Constitution of India in the Honorable High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised in previous years, GHIAL had received an order from the Honorable High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by customs department were wholly unsustainable and accordingly GACAEL had reversed the accrued customs cost amounting to Rs. 14.02 for the period from March 23, 2008 to March 31, 2012 during the earlier years.

Subsequent to the above order, the Customs Department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Honorable High Court of Andhra Pradesh passed an order for interim suspension of the said order passed by the Honorable Single Judge and the matter is pending.

(j) During the previous year, GACAEL had received an order from Regional PF Commissioner – I, Regional Office II, Hyderabad, regarding the payment of contributions to International Worker under Employees Provident Funds and Miscellaneous Provisions Act, 1952 demanding an amount of Rs. 0.14. GACAEL has filed writ petition before the High Court of Telangana.

(k) During the current period, GACAEL has received an order from District Consumer Forum (RR District), regarding the compensation for short delivery of cargo to M/s. Excell Media Pvt.Ltd. amounting to 0.01 along with applicable interest. The Company has filed an appeal vide. FA. No.821/2020 before the Telangana State District Consumer Redressal Commission challenging the final order passed by the Ranga Reddy District Consumer Redressal Forum.

(l) During the current year, the GACAEL has received an order from Sub Registrar, Shamshabad regarding the payment of fine of Rs. 69.09 Lakhs equal to five times of Registration fee of Rs.13.82 Lakhs. The company has filed writ petition before the High Court of Telangana and received Stay Interim Order dated September 27, 2021. However, based on an internal assessment 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.

(m) During the current year, the Customs has issued a penalty of Rs. 1.50 Lakhs on M/s GMR Air cargo and Aerospace Engineering Limited for their role in irregular import of aircraft vide Order dated 26th October, 2021. The Company is in the process of filing Appeal with Customs, Excise and Service Tax Appellate Tribunal. However, based on an internal assessment 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.

(n) As per the terms of issuance of Compulsory Convertible Cumulative Preference Shares (Series A and Series B), the Company shall pay preference dividends at a coupon rate of 11.97% on the paid up value of compulsorily convertible cumulative preference shares (Series A and Series B). the Company has not declared preference dividend on Compulsorily Convertible Cumulative Preference Shares ("CCCPS") which is amounting to Rs.593.12 lakhs and tax thereon as on March 31, 2022 (March 31, 2021: Rs. 377.44).

In respect of other subsidiaries:

(o) GHRL during the previous year has received an order from Income Tax Officer for the AY 2016-17 demanding income tax of Rs. 0.05 on account of disallowance. GHRL has filed an appeal with CIT (Appeals). The CIT(Appeals) has passed an order dated February 20, 2020 dismissing the appeal of GHRL. During the period GHRL has filed an appeal against the said order with Income Tax Appellate Tribunal.. During the period, the Company has received order from ITAT deleting the disallowance in favour of the Company.

(p) During the previous year, GHRL had received an order for AY 2018-19 disallowing unpaid GST of Rs. 0.001. GHRL had filed an appeal against the said order with the Commissioner of Income Tax - Appels.

(r) In case of GHRL, during the current period one of the customer has filed the complaint against GHRL for an amount of Rs.0.05 under Consumer Protection Act, 2019. The company has filed a reply with commission.

(s) GHAL has preferred an appeal with CESTAT against Order-in-Appeal passed by The Commissioner of Central Tax (Appeals) confirming the demand of Rs. 1.47 in the matter of short payment of service tax under RCM on purchase of designs and drawings under Architecture service. GHAL has filed an appeal with CESTAT against the order.

(t) GHASL had received Show Cause Notice dated July 17, 2015 from the Office of the Assistant Commissioner of Customs, Central Excise and Service Tax wherein service tax refund of Rs. 0.01 has been denied.

(u) GHRL has filed appeal with Appellate Tribunal against the orders of Deputy Commissioner and Appellate Joint Commissioner against the order confirming the demand of Rs. 0.42 towards, levying Value Added Tax on leasing of Audio-visual equipment by the hotel customers for the period from October 2010 to November 2012 and December 2012 to March 2014 respectively. Further, GHRL had filed reply to the SCN for Rs. 0.20 on May 16, 2019 for the period from Apr-14 to Jun-17 on same issue. Order awaited.

(v) GHRL during the previous year, has received an order from Deputy Commissioner of Customs, RGI Airport in respect of alleged stock variance. GHRL has filed an appeal with the Commissioner of Customs & Central Tax (Appeals-1) against the order passed by the Deputy Commissioner Customs, RGIA. The Commissioner Customs & Central Tax (Appeals-1) upheld the order passed by the Deputy Commissioner of Customs, RGI Airport and reduced the penalty to Rs. 0.01. GHRL is in the process of filling an appeal with CESTAT.

(w) During the previous year, the Assistant Commissioner of Central tax, Hyderabad has filed appeals before the Commissioner (appeals) against the service tax refund orders of Rs.376.99 lakhs issued to the GHRL pertaining to October 2016 to June 2017. During the year, GHRL is in receipt of Order in Appeal passed by the Commissioner (Appeals) dismissing the appeals filed by the Assistant Commissioner of Central tax, Hyderabad. The Assistant Commissioner of Central tax, Hyderabad has filed appeals with the CESTAT against the of Order in Appeal passed by the Commissioner (Appeals). The Company is in the process of filing counter against the Appeal.

(s) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, Group has amended the pay structure and made the consequent payment of provident fund on a prospective basis form the date of the SC order.

(y) In case of GHRL GST dispute of Rs. Nil (March 31, 2021: NIL)
During the year, the Assistant Commissioner of Central tax, Hyderabad has filed appeal before the Joint Commissioner (Appeals) against the GST refund orders (amounting to Rs.1737.25 Lakhs) issued to the Company pertaining to July 2017 to May 2019. During the period, the Company has received Order in Appeal dismissing the appeal in favour of the Company.

Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (a) to (y) above, no further provision is required to be made as at March 31, 2022.

II Guarantees including financial guarantees	**March 31, 2022**	**March 31, 2021**
Particulars of guarantees		
Corporate guarantee given on behalf of its subsidiaries to banks against the loan taken		
(a) sanctioned	745.69	665.94
(b) outstanding	655.35	604.43
(c) sanctioned during the year	354.75	60.00
Bank guarantee given		
(a) sanctioned	57.84	60.42
(b) outstanding	57.84	60.42

Note: The above guarantees also includes performance guarantees given by Group on its own behalf.

III Commitments

a) *Capital commitments:*
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounting to Rs. 1,122.63 (March 31, 2021: Rs. 1998.41).

b) *Other commitments :*
i) As per the terms of Concession Agreement, the Group is required to pay concession fees to MoCA @ 4% on its gross revenue (as defined in the Concession Agreement) of the Group for a term of 60 years commencing from March 23, 2008.

ii) During previous years, GHIAL had entered into "Cross Currency Swap" with various banks in order to hedge principal portion and to protect interest component of 4.25% senior secured notes (2027 SSN) of USD 350 million which is repayable in October 2027, with interest payable on semi-annually basis. Further GHIAL had also entered into "Call Spread (CS)" arrangements in order to hedge principal portion of 5.375% senior secured notes (2024 SSN) for USD 300 million and 4.75% senior secured notes (2024 SSN) for USD 300 million which are repayable in April 2024 and February 2026 respectively and "Coupon Only Swap" (COS) to hedge the payment of interest liability on semi-annually basis on 2024 SSN for USD 300 million and 2026 SSN for USD 300 million.

61 Significant accounting judgments, estimates and assumptions

The preparation of these 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.

a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which has the effect on the amounts recognised in these consolidated financial statements:

Discounting rate

Group has considered incremental borrowing rate of Airport sector as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost till March 31, 2018. From period starting from April 01, 2018, management has considered revised incremental borrowing rate of airport sector i.e. 10.73% for all the deposits given/received post March 31, 2018; and impact has been duly accounted in these consolidated financial statements.

Non applicability of Service Concession Agreement (SCA)

GHIAL had entered into Concession agreement with the Ministry of Civil Aviation ("MoCA"), which gives GHIAL an exclusive right of development, design, financing, construction, commissioning, maintenance, operation and management of the Hyderabad Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years at the option of GHIAL. Under the agreement, the MoCA has granted exclusive right and authority to perform some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, up gradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Airport activities' (regulated services) and 'Non-Airport Activities' (non-regulated services). Airport Activities are regulated while there is no control over determination of prices for Non-Airport activities. Charges for Non-Airport activities are determined at the sole discretion of GHIAL.

Appendix D to Ind AS 115 contains provisions to cover arrangements between public and private enterprises- referred to as service concession arrangement ("SCA"). An entity is required to evaluate applicability of SCA for its arrangement under public to private partnership based on SCA guidance. The applicability of service concession depends whether the grantors control or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and also control the residual interest in the infrastructure.

GHIAL's management conducted detailed analysis to determine applicability of Appendix D of Ind AS 115. The concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from GHIAL, MoCA and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. Airport premises is being used both for providing regulated services and for providing non-regulated services. Based on GHIAL's proportion of regulated and non-regulated activities, the directors have determined that over the concession period, the unregulated business activities drives the economics of the arrangement and contributes substantially to the profits of GHIAL and hence concluded that SCA does not apply in its entirety to GHIAL.

Concession fee:

As per the Concession Agreement (CA), GHIAL is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of GHIAL with certain specified exclusions.

Management of GHIAL is of the view that certain income / credits arising on adoption of Ind-AS, mark to market gain on valuation of derivative instruments and gain on restatement of long-term borrowings was not in contemplation of parties in December 2004 when this Concession Agreement was signed / entered. Further, these income/credits in statement of profit and loss along with interest income on investment of part proceeds from borrowings earmarked for airport expansion project and adjusted from the value of capital work-in-progress, do not represent actual receipts from business operations, from any external sources and therefore, these incomes/ credits should not be treated as "Revenue" for calculation of concession fee payable. Accordingly, GHIAL, basis above and Legal Opinion obtained in this regard, has provided the concession fee payable to MoCA after adjusting such incomes/credits.

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. Group based its assumptions and estimates on parameters available when these consolidated financial statements were prepared, existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

61 Significant accounting judgments, estimates and assumptions (continued)

Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, 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.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

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. 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.

Impairment of financial asset

The impairment provisions for financial assets are based on the 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 Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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 discounting 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 Group 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.

Taxes

Deferred tax assets on unused tax losses and minimum alternate tax credit entitlement are recognised to the extent that it is probable that taxable profit will be available against which these amounts can be utilised. Significant management estimate 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.

62 The accompanying consolidated financial statements of the Group do not include Accounts for Passenger Service Fee - Security Component [PSF-(SC)] as the same are maintained separately in the fiduciary capacity by the Group on behalf of Government of India and are governed by the Standard Operating Procedure issued vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by Ministry of Civil Aviation, Government of India.

As per the MOCA notification, the PSF(SC) is replaced by Aviation Security Fee, effective July 1, 2019 and will be governed by the National Aviation Security Fee Trust.

(All amounts in Rupees crores, except per share data and when otherwise stated)

63 Determination of aeronautical tariff

GHIAL had filed an appeal, challenging the disallowance of pre-control period losses, foreign exchange loss on external commercial borrowings, classification of revenues from ground handling, cargo and fuel farm as aeronautical revenues and other issues for determination of aeronautical tariff for the First Control Period ("FCP") commencing from April 1, 2011 to March 31, 2016 by Airport Economic Regulatory Authority ('AERA'). During the previous year, the Adjudicating Authority, Telecom Disputes Settlement Appellate Tribunal (TDSAT), in its disposal order dated March 06, 2020 has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from April 01, 2021.

In relation to determination of tariff for the Second Control Period ("SCP"), commencing from April 1, 2016 to March 31, 2021, AERA had issued a consultation paper on December 19, 2017. However, as the aforesaid consultation paper does not address the issues arising out of the FCP, including true up for shortfall of receipt vis-a-vis entitlement for the FCP, GHIAL had filed a writ petition with the Hon'ble High Court at Hyderabad in the month of February 2018 in respect of further proceedings in determination of tariff order for the SCP.

Consequent to the Order passed by TDSAT date March 06, 2020, AERA, in respect of the remainder of the SCP, i.e. from April 1, 2020 to March 31, 2021, has determined the Aeronautical tariff vide its Order no: 34/2019-20/HIAL dated March 27, 2020. Accordingly, GHIAL has applied aeronautical tariff for determination of aeronautical revenue as per the aforesaid order, for the year ended 31 March 2021 and for the period ended 30 September 2021 pending finalization of aeronautical tariff for the TCP. During the period, AERA vide its Order dated 31 August 2021, has issued Tariff Order for the TCP effective from 1 October 2021 and accordingly GHIAL has applied aeronautical tariff for the determination of aeronautucal revenue as per the aforesaid order for the period effective 1 October 2021.

Alternatively GHIAL also filed an appeal against the Tariff Order for the TCP with TDSAR, as the management is of the view that AERA has not considered the outstanding issues of FCP and SCP in determination of aeronautical tariff for the TCP as directly by TDSAT vide its oder dated March 06, 2020.

64 GHIAL has recognized, deferred tax asset comprising of Minimum Alternate Tax (MAT) credit entitlement and unabsorbed business losses aggregating to Rs.560.91 (March 31, 2021: Rs. 531.33) as at March 31, 2022. GHIAL based on the future taxable income expects to adjust these amounts after expiry of the tax holiday period. The ultimate realisation of the deferred tax asset is dependent upon the generation of future taxable income projected by considering the anticipated tariff orders for the control period commencing from April 1, 2021, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income including projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations as detailed in note 63 above, any changes in such future taxable income could impact its recoverability. However, basis the sensitivity analysis performed, management believes that any reasonable possible change in the key assumptions would not effect GHIAL's ability to recover the deferred tax asset within the specified period as per the provisions of Income Tax Act, 1961.

65 Minimum Alternative Tax (MAT) Credit Entitlement claimed by GACAEL in the income tax returns aggregating Rs. 37.01 has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

66 As detailed in note 61(a), to these consolidated financial statements, certain incomes/credits recognised on adoption of Ind-AS are not considered for computation of concession fee payable to MoCA basis a legal opinion obtained. Accordingly, the following sources of income have not been considered for accrual of the concession fee:

	Income forming part of	**March 31, 2022**	**March 31, 2021**
Discounting on fair valuation of deposit received from concessionaries	Revenue from operations	6.35	7.46
Income recognised on advance from customers under Ind AS 115	Revenue from operations	1.10	1.10
Impact on account of straight lining of lease rentals	Revenue from operations	4.71	5.65
Income arising from fair valuation of financial guarantee*	Other income	2.54	0.96
Discounting on fair valuation of deposit paid to vendors	Other income	0.25	0.25
Income from government grant	Other income	5.27	5.27
Amortisation of deferred income	Other income	0.26	0.26

*These transactions got eliminated in the Consolidated Financial Statements of the Group.

67 The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 26. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

Contract balances	**March 31, 2022**	**March 31, 2021**
Trade receivables *	105.60	160.65
Contract assets**	53.09	41.50
Contract liabilities***	70.25	114.62

* Trade receivables, beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2022: Rs. 1.49 (March 31, 2021: Rs. 1.83) was recognized as provision for expected credit losses on trade receivables.

** Contract asset includes unbilled revenue.

*** Contract liabilities includes advance received from customers (current and non-current)

(All amounts in Rupees crores, except per share data and when otherwise stated)

Details of movement in provision for trade receivable is as below:

Particulars	**March 31, 2022**	**March 31, 2021**
Opening balance	1.83	1.03
Add: Provision made during the year	0.14	1.21
Less: Bad debts written off	(0.48)	(0.41)
Closing balance	**1.49**	**1.83**

68 GMR Air Cargo and Aerospace Engineering Limited

Pursuant to the agreement entered by the GMR Group dated February 20, 2020, the GMR Group has executed a definitive agreement with Aeroports De Paris ("ADP") for acquisition of 49% stake by ADP in GMR Airports Limited (the holding company of GHIAL, which is the holding company of the GACAEL) on fully diluted basis. The MRO CGU is part of the Airports business. To assess whether the Cash Generating Unit ("MRO CGU") (including goodwill of Rs. 36.27) is impaired, management has reckoned the values attributed to MRO CGU which are higher than its carrying value, on the basis of an independent valuation of the Airport business carried out as part of entering the aforesaid agreement. The Management has reviewed such assessment as at March 31, 2021, the updated business plans and the projections considering the COVID-19 impact and believes that there would not be any change in the original conclusion as of 31 March 2022.

Management has also performed sensitivity analysis considering different scenarios to build in the uncertainties attached. Based on such assessment, management is of the view that no impairment is required in the carrying value of MRO CGU as at March 31, 2022.

69 The Hon'ble Orissa High Court vide Judgement in W.P. No.20463/2018, in the case of Safari Retreats Private Limited, observed that the GST provisions w.r.t input tax credit allowability in respect of Civil work are not in line with the objective of the GST Act, and accordingly, held that if an assessee is required to discharge GST on the rental income, it is eligible to avail the Input Tax Credit (ITC) of GST w.r.t. civil work. The Group is engaged in rendering output supplies which is in the nature of letting out space/ facilities to various airline operators and other parties/concessionaires, in return for consideration, known by different nomenclatures and are given that the same is leviable to GST. Hence, the Group has availed the GST ITC in respect of the costs for civil work incurred as part of the expansion project and regular operations, upon application of the said judicial pronouncement. Further, department has filed an appeal in Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court. Pending outcome of judgement of Hon'ble Supreme Court of India, considering the judgement of Hon'ble Orissa High Court and based on the opinion obtained by the Group in this regard, the Management is of the view that GST ITC in respect of such civil work is eligible to be availed by the Group. Having regard to the same, GST ITC amounting to Rs.476.71 (including Rs.395.06 pertaining to earlier years) has been claimed in GST returns and disclosed under balance with government authorities in the consolidated financial statements.

Further, GHIAL has filed a writ petition (10367/2020) with Hon'ble High Court of Telangana requesting to strike down the relevant provisions of GST which denies ITC in respect of works contract services or goods and services received for construction of immoveable property (other than plant & machinery). The Hon'ble High Court had passed interim order directing the Respondents to not take any coercive action against the petitioner.

70 Utilisation of money raised through issue of Senior Secured Notes (SSN)

During the year ended 31 March 2021, GHIAL has raised USD 300 million (INR 2,188.29) through issue of 4.75% SSN from overseas market to fund the airport expansion plan. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 5 years i.e. February 02, 2026. Details of utilization of funds raised are as under:

	March 31, 2022	**March 31, 2021***
Unutilised amount at the beginning of the year	2,027.96	749.23
Amount raised during the year		2,188.29
Less: Utilized for capital project works	(1,111.07)	(939.18)
Add: Income on temporary cash investment	56.84	29.62
Unutilised amount at the end of the year	**973.73**	**2,027.96**

* Represents unutilized proceeds out of the USD 300 million (Rs. 2,067.15) funds raised through issue of 5.375% SSN during FY 2019-20.

Details of temporary cash investment made from unutilized proceeds of SSN is as follows:

	March 31, 2022	**March 31, 2021**
Funds parked in:		
Current accounts	0.39	12.53
Fixed deposits*	973.34	2,015.43
	973.73	**2,027.96**

* including accrued interest of Rs.8.52 (March 31, 2021: 9.14)

(All amounts in Rupees crores, except per share data and when otherwise stated)

71 Interest in Joint Ventures

The Group has a 49% interest in Laqshya Hyderabad Airport Media Private Limited (LHAMPL), a joint venture engaged in offering Out of Home (OOH)/Outdoor Media Services for display of advertisement at the airport. The Group's interest in LHAMPL is accounted for using the equity method in the Consolidated Financial Statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in Consolidated Financial Statements are set out below:

Summarised Balance Sheet:

	March 31, 2022	March 31, 2021
Current assets, including cash and cash equivalents Rs. 0.95 (March 2021: Rs.1.49)	40.27	34.32
Non-current assets	13.69	16.96
Current liabilities	(4.85)	(3.59)
Non-current liabilities including borrowing Rs. Nil (March 2021: Rs.Nil)	(3.66)	(1.08)
Equity	**45.45**	**46.61**
Less: Equity component of borrowings availed at below market rate	(11.02)	(18.48)
Adjusted equity	**34.43**	**28.13**
Proportion of the Group's ownership	49%	49%
Group's share in adjusted equity	**16.87**	**13.78**
Add: GHIAL's share of equity components of borrowings	5.59	5.59
Carrying amount of the investment	**22.46**	**19.37**

Summarized Statement of Profit and Loss account:

	March 31, 2022	March 31, 2021
Revenue from operations	38.03	19.56
Other income	1.45	0.64
Total Income	**39.48**	**20.20**
Operating expenses	23.83	12.16
Employee benefit expenses	2.99	2.52
Depreciation	1.71	1.89
Finance cost	0.05	0.07
Other expenses	2.17	3.25
Total expenses	**30.75**	**19.89**
Profit before tax	**8.73**	**0.31**
Tax expenses	2.45	0.11
Profit after tax	**6.28**	**0.20**
Other comprehensive income	0.03	0.04
Total comprehensive income	**6.31**	**0.24**
Group's share of total comprehensive income for the year	3.09	0.12

Group's share of contingent liabilities of the jointly controlled entity is Rs. 0.74 (March 2021: Rs. 0.74).

The Group has a 30% interest in GMR Logistics Park Private Limited (GLPPL), a joint venture of GHAL engaged in the business of acquiring land and developing warehouses on those land parcels for the purpose of renting:

Summarised Balance Sheet:	March 31, 2022	March 31, 2021
Current assets (including cash and cash equivalents Rs. 12.11)	11.65	12.14
Non-current assets	243.63	124.35
Current liabilities	(21.94)	(6.57)
Non-current liabilities (including borrowing Rs. 65.51)	(175.64)	(71.51)
Equity	**57.70**	**58.41**
Less: Equity component of borrowings availed at below market rate	-	-
Adjusted equity	**57.70**	**58.41**
Proportion of the Group's ownership	30%	30%
Group's share in adjusted equity	**17.31**	**17.52**
Less: Loss on conversion of subsidiary to joint venture	(0.43)	(0.43)
Carrying amount of the investment	**16.88**	**17.09**

Summarized Statement of Profit and Loss account:	March 31, 2022	March 31, 2021
Other income	0.08	0.18
Total Income	**0.08**	**0.18**
Employee benefit expenses	0.10	0.03
Depreciation	0.00	-
Finance cost	0.06	0.00
Other expenses	0.39	0.18
Total expenses	**0.55**	**0.22**
Loss before tax	**(0.47)**	**(0.03)**
Tax expenses	0.22	0.00
Loss after tax	**(0.69)**	**(0.03)**
Total comprehensive income	**(0.69)**	**(0.03)**
Group's share of total comprehensive income for the year	(0.21)	(0.01)

Group's share of contingent liabilities of the jointly controlled entity is Rs. Nil.

(All amounts in Rupees crores, except per share data and when otherwise stated)

72 Disclosure as per the Schedule III of the Companies Act, 2013:

A) Net Assets, i.e. total assets minus total liabilities as at:

	March 31, 2022		March 31, 2021	
Name of the Entity	**As % of consolidated net assets**	**Amount**	**As % of consolidated net assets**	**Amount**
GHIAL	87.63%	1,853.56	92.69%	2,133.06
GACAEL	0.67%	14.22	0.10%	2.30
GHAL	1.09%	23.13	3.24%	74.58
GHASL	2.42%	51.12	2.04%	46.99
GATL	0.01%	0.11	0.00%	0.11
GHAAL	2.53%	53.52	0.00%	0.09
GHRL	3.78%	79.96	0.33%	7.68
Jointly controlled entities (as per Equity method)				
Laqshya	1.06%	22.46	0.84%	19.37
GLPPL	0.81%	17.09	0.01	17.09
	100.00%	**2,115.17**	**100.00%**	**2,301.28**
Less: Consolidated adjustments/elimination*		(737.99)		(649.14)
Grand Total		**1,377.18**		**1,652.14**

*Consolidated adjustments/eliminations include intercompany eliminations and consolidated adjustments.

B) Share in profit and loss for the financial year:

	March 31, 2022		March 31, 2021	
Name of the Entity	**As % of consolidated profit or loss**	**Amount**	**As % of consolidated profit or loss**	**Amount**
GHIAL	111.16%	(108.10)	88.87%	(151.05)
GACAEL	-12.19%	11.85	-3.34%	5.68
GHAL	4.10%	(3.99)	1.77%	(3.01)
GHASL	-4.24%	4.12	0.22%	(0.37)
GATL	0.01%	(0.01)	-0.19%	0.32
GHRL	10.25%	(9.97)	12.71%	(21.61)
GHAAL	-6.15%	5.98	0.00	(0.01)
Jointly controlled entities (as per Equity method)				
Laqshya	-3.17%	3.08	-0.06%	0.10
GLPPL	0.22%	(0.21)	0.00	(0.01)
	100.00%	**(97.25)**	**100.00%**	**(169.96)**
Less: Consolidated adjustments/elimination*		(6.33)		(5.79)
Grand Total		**(103.58)**		**(175.75)**

C) Share in other comprehensive income for the financial year:

	March 31, 2022		March 31, 2021	
Name of the Entity	**As % of consolidated other comprehensive income**	**Amount**	**As % of consolidated other comprehensive income**	**Amount**
GHIAL	100.01%	(171.40)	101.56%	(37.03)
GACAEL	-0.05%	0.08	-0.49%	0.18
GHAL	0.00%	(0.00)	-0.38%	0.14
GHASL	0.00%	0.00	-0.08%	0.03
GATL	-	-	-	-
GHRL	0.04%	(0.07)	-0.55%	0.20
GHAAL	-	-	-	-
Jointly controlled entities (as per Equity method)				
Laqshya	-0.01%	0.01	-0.05%	0.02
GLPPL	-	-	-	-
	100.00%	**(171.38)**	**100.00%**	**(36.46)**
Less: Consolidated adjustments/elimination*		-		-
Grand Total		**(171.38)**		**(36.46)**

(All amounts in Rupees crores, except per share data and when otherwise stated)

D) Share of profit and loss for the financial year:

Name of the Entity	March 31, 2022 As % of consolidated profit or loss	March 31, 2022 Amount	March 31, 2021 As % of consolidated profit or loss	March 31, 2021 Amount
GHIAL	104.05%	(279.50)	91.11%	(188.08)
GACAEL	-4.44%	11.93	-2.84%	5.86
GHAL	1.49%	(3.99)	1.39%	(2.87)
GHASL	-1.53%	4.12	0.16%	(0.34)
GATL	0.00%	(0.01)	-0.16%	0.32
GLPPL	0.00%	-	0.00%	-
GHRL	3.74%	(10.04)	10.37%	(21.41)
GHAAL	-2.23%	5.98	0.00%	(0.01)
Jointly controlled entities (as per Equity method)				
Laqshya	-1.15%	3.09	-0.06%	0.12
GLPPL	0.08%	(0.21)	0.00	(0.01)
	100.00%	**(268.63)**	**100.00%**	**(206.42)**
Less: Consolidated adjustments/elimination*		(6.33)		(5.79)
Grand Total		**(274.96)**		**(212.21)**

73 Additional information required under paragraph 5 of part II of Schedule III to the Act, to the extent either "Nil" or "Not Applicable" has not been furnished

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration
Number: 001076N/N500013

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: Hyderabad
Date: July 18, 2022

For K S Rao & Co.,
Chartered Accountants
ICAI Firm Registration
Number: 003109S

Sd/-
Hitesh Kumar P
Partner
Membership No.:233734

Place: Bengaluru
Date: July 18, 2022

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

Sd/-
GBS Raju
Managing Director
DIN.: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: July 18, 2022

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: July 18, 2022