

Walker Chandiok & Co LLP

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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 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, 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 notes to the consolidated financial statements, including 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 and joint ventures, as at 31 March 2023, and their consolidated profit (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 51 to the accompanying consolidated financial statements, the Company had not recognized necessary adjustments in the carrying value of the up-front processing fees receivable amounting to Rs. 63 crores from Yes Bank Limited ("the Bank") basis the factors mentioned in the aforesaid note. However, owing to the delays in obtaining requisite approvals by the Bank for refund of the upfront processing fee, the management of the Company has assessed and written-off the upfront fee receivable during the quarter and year ended 31 March 2023.

Our opinion on the consolidated financial statements for the year ended 31 March 2022 was qualified in respect of above matter for lack of sufficient appropriate evidence to support management's assessment of recoverability of the said balance.

The comparative financial information included in the consolidated financial statements has not been restated in accordance with the requirements of Indian Accounting Standard 8 on account of aforesaid matter, and hence, our opinion on the accompanying consolidated financial statements is also modified because of the possible effects of this matter on the comparability of the current year figures and the corresponding figures.

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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 and 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 17 & 18 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Utilization of funds from Passenger Service Fee (Security Component) Fund ("PSF(SC) Fund")

5. We draw attention to Note 59(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. Our opinion is not modified in respect of these matters.

Key Audit Matters

6. 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.
7. In addition to the matters described in the Basis for Qualified Opinion, 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 <i>Refer to Note 3(v) for the accounting policy and note 32 and 63 for the financial disclosures in the accompanying consolidated financial statements.</i> The Holding Company was under tax holiday period until financial year 2021-22 and had accumulated MAT credit asset of ₹446.28 crores (31 March 2022: ₹457.59 crores) and deferred tax on unabsorbed business loss of ₹ 100.08 crores (31 March 2022: ₹103.52 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	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 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;

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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 62, 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.	- Challenged the judgements exercised by the management and tested the key assumptions used 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 with AERA and the related order issued by Telecom Dispute Settlement and Appellate Tribunal (TDSAT); and - Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.
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Key audit matter	How our audit addressed the key audit matter
2. Valuation of derivative financial instruments <i>Refer to Note 3(o) for the accounting policy and note 55 for the financial disclosures in the accompanying consolidated financial statements.</i> The Holding Company has entered into derivative financial instruments, i.e. cross currency swap, coupon only swap and call 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	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; - 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

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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.	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.
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Key audit matter	How our audit addressed the key audit matter
3. Testing of capital-work-in-progress <i>Refer to Note 3(e) and 3(k) for the accounting policy and notes 4 and 34 for the financial disclosures in the accompanying consolidated financial statements.</i> 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 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.	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 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.

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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.	
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Key audit matter	How our audit addressed the key audit matter
4. Revenue from maintenance, repair and overhaul (MRO) services <i>Refer to Note 3(t) for the accounting policy and notes 25 for the financial disclosures in the accompanying consolidated financial statements.</i> 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, 2023, revenue from such services amounted to ₹274.21 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 manually may have an impact on accuracy and completeness of the revenue recognised for the year.	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: - We obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate; - We obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and - We verified the revenue based on the hours charged on the projects and approved rate per hour. For fixed price contracts: We selected a sample of contracts with customers and performed the following procedures. - We verified the total revenue with customer contracts agreements including amendments as appropriate;

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

8. 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

9. 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.

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10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of 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.
11. 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

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.
13. 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 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 its 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 joint ventures to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements 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

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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.

14. 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.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matter

17. We did not jointly audit the financial statements of 6 subsidiaries, whose financial information reflects total assets of ₹1,551.15 Crores and net assets of ₹356.77 Crores as at 31 March 2023, total revenues of ₹824.61 Crores and net cash outflows amounting to ₹(24.56) Crores for the year ended on that date. These financial results 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 aforesaid subsidiaries, and WCC's report in terms of sub-section (3), in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports issued by KSR in its individual capacity.
18. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹7.55 Crores for the year ended 31 March 2023, as considered in the consolidated financial statements in respect of one (1) joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures 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 venture is based solely on the audit report of such 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.

19. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹1.40 crores for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of 1 joint venture, whose financial statements is unaudited and 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 the aforesaid joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

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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 matter with respect to our reliance on the financial statements certified by the management.

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 17 & 18, on separate financial statements of the subsidiaries and joint ventures, we report that the Holding Company, 6 subsidiary companies and 2 joint venture 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 17 & 18 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 and other financial information have been audited under the Act, we report, to the extent applicable, that:
 - a) We have sought and except for the matter 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 matters 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 2023 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;

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- 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 modified 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 59(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, its subsidiary companies and joint venture companies covered under the Act, during the year ended 31 March 2023;
- iv.
 - a. The respective managements of the Holding Company, its subsidiary companies and 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 43 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 persons or entities, 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, its subsidiary companies and 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 44 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 persons or entities, 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

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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

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 2023. Interim dividend declared and paid by a joint venture during the year ended 31 March 2023 and until the date of this audit report is in compliance with section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.: 001076N/N500013

For K. S. Rao & Co.,

Chartered Accountants
Firm Registration No.: 003109S

Sd/-**Danish Ahmed**

Partner

Membership No.: 522144

UDIN: 23522144BGZHZMO4724

Place: New Delhi

Date: 04 May 2023

Sd/-**Hitesh Kumar P**

Partner

Membership No.: 233734

UDIN: 23233734BGRCMY4569

Place: Bengaluru

Date: 04 May 2023

Walker Chandiok & Co LLP

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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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Annexure II to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited on the consolidated financial statements for the year ended 31 March 2023

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 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its 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 its 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, its 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 Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture companies as aforesaid.

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Annexure II to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited on the consolidated financial statements for the year ended 31 March 2023

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 Holding Company's internal financial controls with reference to financial statements as at 31 March 2023:

The Holding Company's internal financial control system over financial statement closure process towards restatement of the comparative financial information in accordance with the requirements of Indian Accounting Standard 8 as explained in Note 51 to the accompanying consolidated financial statements, were not operating effectively, which has resulted in the Group not providing for appropriate adjustment in the said account balance and its consequential impact on profit before taxes, other equity 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 2023, 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, 2023.
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 2023, 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
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Annexure II to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited on the consolidated financial statements for the year ended 31 March 2023

Other Matter

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 6 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹1,551.15 Crores and net assets of ₹356.77 Crores as at 31 March 2023, total revenues of ₹824.61 Crores and net cash outflows amounting to ₹(24.56) 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 ₹7.55 Crores for the year ended 31 March 2023, in respect of 1 joint venture company, which is a company 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 company has 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 company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such joint venture company 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.
14. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹1.40 Crores for the year ended 31 March 2023, in respect of 1 joint venture company. The internal financial controls with reference to financial statements of such joint venture company, which is a company covered under the Act, is unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid joint venture company, which are companies covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

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

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

Sd/-

Danish Ahmed
Partner
Membership No.: 522144
UDIN: 23522144BGZHM04724

Sd/-

Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 23233734BGRCMY4569

Place: New Delhi
Date: 04 May 2023

Place: Bengaluru
Date: 04 May 2023

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Balance Sheet

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

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	4	4,717.37	3,059.81
Capital work-in-progress	34	2,827.18	3,071.84
Right of use asset	5	71.25	73.29
Goodwill	6	36.27	36.27
Other intangible assets	6	66.95	49.57
Intangible assets under development	36	1.66	13.55
Investment in joint ventures and others	7	88.23	60.19
Financial assets			
- Loans	8	0.12	200.14
- Other financial assets	9	846.23	703.31
Non current tax assets (net)		80.38	84.87
Deferred tax asset (net)	32	485.40	452.51
Other non-current assets	10	89.70	619.48
		9,310.74	8,424.83
Current assets			
Inventories	11	121.33	83.82
Financial assets			
- Investments	12	1,095.82	887.14
- Trade receivables	13	127.61	105.60
- Cash and cash equivalents	14	145.31	74.97
- Bank balances other than cash and cash equivalents	15	654.34	1,258.03
- Loans	8	200.03	40.57
- Other financial assets	9	161.36	213.42
Other current assets	10	79.02	103.15
		2,584.82	2,766.70
Assets held for sale	69	127.44	-
Total assets		12,023.00	11,191.53
Equity and Liabilities			
Equity			
Equity share capital	16	378.00	378.00
Other equity	17		
- Capital reserve		107.00	107.00
- Debenture Redemption Reserve		199.00	-
- Retained earnings		844.12	936.44
- Cash flow hedge reserve		(127.01)	(44.26)
Total equity		1,401.11	1,377.18
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	8,565.82	8,027.64
- Lease liabilities	54	95.09	92.08
- Other financial liabilities	19	162.12	171.12
Government grants	20	19.79	25.05
Long-term provisions	21	21.24	13.63
Deferred tax liability (net)	32	7.16	11.05
Other non-current liabilities	22	138.33	104.28
		9,009.55	8,444.85

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118

Consolidated Balance Sheet

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

	Notes	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
- Borrowings	23	273.62	314.34
- Lease liabilities	54	1.07	0.65
- Trade payables	24		
-Total outstanding dues of micro and small enterprises		23.94	16.99
-Total outstanding dues of creditors other than micro and small enterprises		236.80	156.89
- Other financial liabilities	19	867.56	731.32
Government grants	20	5.27	5.27
Other current liabilities	22	102.91	110.41
Short-term provisions	21	36.44	33.63
		1,547.61	1,369.50
Liabilities classified as held for sale	69	64.73	-
Total liabilities		10,621.89	9,814.35
Total equity and liabilities		12,023.00	11,191.53

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

As per our report of even date.

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

Sd/-

Danish Ahmed

Partner

Membership No.: 522144

Sd/-

Hitesh Kumar P

Partner

Membership No.: 233734

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: May 04, 2023

Place: Hyderabad

Date: May 04, 2023

Sd/-

Pradeep Panicker

Chief Executive Officer

Place: Hyderabad

Date: May 04, 2023

Sd/-

Anand Kumar P

Chief Financial Officer

Sd/-

Kiran Kumar M

Company Secretary

Place: Hyderabad

Date: May 04, 2023

Place: Hyderabad

Date: May 04, 2023

Place: New Delhi

Date: May 04, 2023

Place: Bengaluru

Date: May 04, 2023

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Profit and Loss

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	25	1,910.80	1,170.02
Other income	26	177.55	117.85
Total income		2,088.35	1,287.87
Expenses			
Concession fee		54.41	30.33
Purchase of stock-in-trade		130.53	30.36
Changes in inventory of stock-in-trade	27	(42.59)	4.39
Employee benefits expense	28	265.65	235.71
Finance costs	29	404.10	316.30
Depreciation and amortization expenses	30	312.88	271.52
Loss on settlement of derivative financial instruments		90.77	-
Other expenses	31	744.37	552.42
Total expenses		1,960.12	1,441.03
Profit/(Loss) before tax and share of profit in joint ventures		128.23	(153.16)
Share of profit in joint ventures		6.15	2.87
Profit/(Loss) before tax		134.38	(150.29)
Tax expense	32		
Current tax		3.01	-
Taxes for earlier years		0.79	(5.20)
Minimum alternate tax credit entitlement		(3.01)	-
Deferred tax expense/ (credit)		25.69	(41.51)
Total tax expense		26.48	(46.71)
Profit/(loss) after tax		107.90	(103.58)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans, net of tax	33	(1.22)	(0.24)
Share of other comprehensive income in joint ventures	33	-	0.01
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	33	(240.23)	(206.40)
Income tax effect on above	33	99.42	35.25
Total other comprehensive loss		(142.03)	(171.38)
Total comprehensive loss		(34.13)	(274.96)
Attributable to equity holders of the parent			
Profit/(loss) after tax		107.90	(103.58)
Other comprehensive loss		(142.03)	(171.38)
Total comprehensive loss		(34.13)	(274.96)
Earnings per equity share			
Basic and diluted (in Rs.)		2.85	(2.74)
Weighted average number of equity shares		37,80,00,000	37,80,00,000
Nominal value per share		10.00	10.00

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

As per our report of even date.

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/-

Danish Ahmed

Partner

Membership No.: 522144

Sd/-

Hitesh Kumar P

Partner

Membership No.: 233734

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GBS Raju

Managing Director

DIN: 00061686

Place: New Delhi

Date: May 04, 2023

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C Prasanna

Director

DIN: 01630300

Place: Hyderabad

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Chief Executive Officer

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Chief Financial Officer

Place: Hyderabad

Date: May 04, 2023

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Kiran Kumar M

Company Secretary

Place: Hyderabad

Date: May 04, 2023

Place: New Delhi

Date: May 04, 2023

Place: Bengaluru

Date: May 04, 2023

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

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

Equity share capital:*Equity shares of Rs.10 each issued, subscribed and fully paid***As at April 1, 2021**

Issue of shares during the year

As at March 31, 2022

Issue of shares during the year

As at March 31, 2023

Number	Amount
37,80,00,000	378.00
-	-
37,80,00,000	378.00
-	-
37,80,00,000	378.00

Other equity

	Attributable to the equity holders of the parent				
	Reserves and surplus			Other reserves	Total
	Capital reserve*	Debenture Redemption Reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2021	107.00	-	1,040.25	126.89	1,274.14
Loss for the year	-	-	(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
As at April 1, 2022	107.00	-	936.44	(44.26)	999.18
Profit for the year	-	-	107.90	-	107.90
Adjustment on account of Debenture Redemption Reserve	-	199.00	(199.00)	-	-
Remeasurement of post-employment benefits obligations	-	-	(1.22)	-	(1.22)
Reclassified to Statement of Profit and Loss on account of hedge settlement (net of tax)	-	-	-	58.06	58.06
Cash flow hedge reserve (net of tax)	-	-	-	(140.81)	(140.81)
As at March 31, 2023	107.00	199.00	844.12	(127.01)	1,023.11

*GMR Hyderabad International Airport Limited ("the Company") has received a contribution of Rs. 107.00 crores 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.

As per our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

ICAI Firm registration

number: 001076N/N500013

For K.S.Rao & Co.,

Chartered Accountants

ICAI Firm registration

number: 0003109S

For and on behalf of the Board of Directors of

GMR Hyderabad International Airport Limited

Sd/-

Danish Ahmed

Partner

Membership No.: 522144

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Hitesh Kumar P

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Pradeep Panicker

Chief Executive Officer

Place: New Delhi

Date: May 04, 2023

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Kiran Kumar M

Company Secretary

Place: New Delhi

Date: May 04, 2023

Place: Bengaluru

Date: May 04, 2023

Place: Hyderabad

Date: May 04, 2023

Place: Hyderabad

Date: May 04, 2023

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Cash Flow Statement

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit/(loss) before tax	134.38	(150.29)
<i>Adjustment to reconcile profit/(loss) before tax to net cash flows</i>		
Share of (profit)/loss in joint ventures	(6.15)	(2.87)
Depreciation and amortization expenses	312.88	271.52
Provision for bad debts/bad debts written off	63.00	0.00
Income from straightlining of lease revenue		
Inventories written off	1.66	1.12
Amortisation of prepaid expenses	0.04	0.04
Amortisation of deferred income	2.14	(13.46)
Unrealised foreign exchange loss/ (gain)	4.77	(1.80)
(Gain)/ loss on sale of property, plant and equipment	2.30	(0.87)
Interest income	(101.89)	(82.55)
Interest expense	404.10	316.30
Loss on settlement of derivative financial instruments	89.25	-
Gain on sale of financial assets (mutual funds)	(25.50)	(8.13)
Provision no longer required, written back	(1.94)	(2.25)
Income from government grants	(5.27)	(5.27)
Dividend Income	(4.90)	-
Operating profit before working capital changes	868.87	321.49
<i>Working capital adjustments:</i>		
Changes in trade payables	81.40	15.77
Changes in other liabilities	29.36	(36.55)
Changes in other financial liabilities	21.35	(107.29)
Changes in provisions	9.20	12.77
Changes in trade receivables	(22.73)	55.05
Changes in inventories	(39.17)	0.84
Changes in other assets	(93.81)	(71.07)
Changes in other financial assets	120.99	(54.59)
Changes in loans	0.56	4.00
Cash generated from operations	976.02	140.42
Direct taxes paid (net)	3.88	(18.87)
Net cash generated from operating activities (A)	979.90	121.55
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP, capital advances and intangible assets under development	(889.55)	(733.15)
Proceeds from sale of property, plant and equipment including CWIP	0.81	115.19
Dividend income	4.90	
Investment in joint venture	(21.89)	(4.51)
Recovery in inter corporate deposits	40.00	-
Purchase of current investments	(2,578.48)	(2,348.94)
Proceeds from sale of current investments	2,388.21	2,494.47
Movement in other bank balances	601.17	214.95
Interest received	99.22	122.02
Net cash used in investing activities (B)	(355.61)	(139.97)

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Cash Flow Statement

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	2,127.22	391.30
Repayment of long-term borrowings	(2,050.62)	(348.02)
Proceeds/(repayment) of short term borrowings, net	(103.73)	85.68
Payment of lease rentals	(7.70)	(6.40)
Proceeds from hedge cancellation	225.49	-
Interest paid including borrowing cost	(743.96)	(723.25)
Net cash used in financing activities (C)	(553.30)	(600.69)
Net change in cash and cash equivalents (A + B + C)	70.99	(619.11)
Cash and cash equivalents at the beginning of the year	74.97	693.83
Effects of exchange differences on cash & cash equivalents held in foreign currency	(0.39)	0.25
Cash and cash equivalents at the end of the year	145.57	74.97
Components of cash and cash equivalents		
Cash on hand	0.63	0.53
With banks		-
- on current accounts	32.55	45.61
- in foreign currency account	11.63	16.83
- on deposit accounts	100.50	12.00
Cash and cash equivalents classified under asset held for sale	0.26	-
Total cash and cash equivalents	145.57	74.97

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

As per our report of even date.

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/-

Danish Ahmed

Partner

Membership No.: 522144

Sd/-

Hitesh Kumar P

Partner

Membership No.: 233734

Sd/-

GBS Raju

Managing Director

DIN: 00061686

Place: New Delhi

Date: May 04, 2023

Sd/-

C Prasanna

Director

DIN: 01630300

Place: Hyderabad

Date: May 04, 2023

Sd/-

Pradeep Panicker

Chief Executive Officer

Place: Hyderabad

Date: May 04, 2023

Sd/-

Anand Kumar P

Chief Financial Officer

Place: Hyderabad

Date: May 04, 2023

Sd/-

Kiran Kumar M

Company Secretary

Place: Hyderabad

Date: May 04, 2023

Place: New Delhi

Date: May 04, 2023

Place: Bengaluru

Date: May 04, 2023

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)

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 May 04, 2023.

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.

The Consolidated Financial Statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date, March 31, 2023.

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

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)**

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.

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	
			2023	2022
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	
			2023	2022
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%

3. 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.

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)**

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 based on the technical advice as obtained by the management. The following useful lives of property, plant and equipment is adopted by the Group:

Particulars	(Useful life in years)
Leasehold Improvements	30
Buildings on leasehold land*	10-30
Building interim terminal#	7
Buildings on freehold land	30-60
Runways	30
Roads – other than RCC **	10
Recarpeting of runways	5
Electrical installations **	10-15
Plant and equipments	15
Office equipment	5
Computer equipments	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 computer software, 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.

1. 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 except in case of Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115, 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 described 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.

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)

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 recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.

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

Revenue from contract with customer

Revenue from contracts with customers is recognised when performance obligation in relation to transfer of services is satisfied at an amount that reflects the transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

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.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Company satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Company's right to an amount of consideration that is unconditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

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 tax

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

Current 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 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 in accordance with Ind AS 116, 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. Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are measured at the lower of their carrying amount and fair value less costs to sell.

aa. 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.

bb. Standards and recent pronouncements issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is in the process of evaluating the impact of these amendments on the financial statements.

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Summary of significant accounting policies and other explanatory information

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

4 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, 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
Additions (refer note 71)	11.22	-	1,035.64	-	195.16	6.08	542.13	41.93	12.09	10.20	193.61	2.71	2,050.77
Disposals	(8.27)	-	(3.61)	-	-	(1.59)	(8.47)	(1.47)	(0.02)	(0.16)	(0.64)	(0.14)	(24.37)
Adjustments*	(5.82)	-	(86.16)	-	-	(5.44)	(8.41)	-	(0.01)	-	(2.54)	-	(108.38)
As at March 31, 2023	158.62	16.13	2,763.94	62.31	1,276.76	149.69	1,321.95	126.79	29.44	82.04	543.86	13.33	6,544.86
Depreciation													
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
Charge for the year	7.12	-	91.13	1.33	62.63	4.68	85.96	9.22	3.79	6.66	29.80	1.52	303.84
Adjustments*	- 0.53	-	15.76	-	-	- 2.86	- 2.69	-	-	-	(1.42)	-	(23.26)
Disposals	(5.92)	-	(3.40)	-	-	(1.18)	(7.82)	(0.89)	(0.02)	(0.13)	(0.63)	(0.13)	(20.12)
Up to March 31, 2023	42.30	-	529.57	11.96	237.73	115.22	520.22	63.75	15.60	63.53	222.48	5.13	1,827.49
Net book value													
As at March 31, 2022	119.86	16.13	1,360.47	51.68	906.50	36.06	351.93	30.91	5.55	15.00	158.70	7.02	3,059.81
As at March 31, 2023	116.32	16.13	2,234.37	50.35	1,039.03	34.47	801.72	63.04	13.84	18.51	321.38	8.20	4,717.37

* During the year ended 31 March 2023, the Holding Company has identified certain group of Property, plant and equipment for sale, hence classified the same as "Assets Held for Sale".

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Summary of significant accounting policies and other explanatory information

(All amounts in Rupees Crores, except otherwise stated)

5 Right of use asset

	Land and Building	Vehicles	Total
Gross block, At cost			
As at April 1, 2021	82.99	-	82.99
Additions	-	-	-
As at March 31, 2022	82.99	-	82.99
Additions	-	1.30	1.30
As at March 31, 2023	82.99	1.30	84.29
Accumulated depreciation			
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
Charge for the year	3.18	0.16	3.34
Up to March 31, 2023	12.88	0.16	13.04
Net book value			
As at March 31, 2022	73.29	-	73.29
As at March 31, 2023	70.11	1.14	71.25

6 Goodwill and other intangible assets

	Goodwill	Computer software	Technical knowhow	Right to operate - cargo facility	Total
Gross block, At cost					
As at April 1, 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
Additions	-	5.81	-	17.33	23.14
Disposals	-	-	-	(1.59)	(1.59)
As at March 31, 2023	36.27	22.15	8.98	82.24	149.64
Accumulated Depreciation					
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
Charge for the year	-	2.20	-	3.50	5.70
Disposals	-	-	-	(1.53)	(1.53)
As at March 31, 2023	-	12.74	8.98	24.70	46.42
Net book value					
As at March 31, 2022	36.27	5.80	-	43.77	85.84
As at March 31, 2023	36.27	9.41	-	57.54	103.22

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Summary of significant accounting policies and other explanatory information

(All amounts in Rupees Crores, except otherwise stated)

7 Investment in joint ventures and others

	As at March 31, 2023		As at March 31, 2022	
	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	98,00,000	24.41	98,00,000	16.87
ESR GMR Logistics Park Private Limited	1,77,15,000	15.48	1,77,15,000	16.88
Investment in Optionally Convertible Debentures (unquoted)				
ESR GMR Logistics Park Private Limited	20,85,000	42.75	20,85,000	20.85
Other investments, measured at FVTOCI				
<i>Investment in equity shares (unquoted)</i>				
Digi Yatra Foundation	148	0.00	148	0.00
<i>On account of fair valuation of loans given to joint ventures below market rate</i>				
Laqshya Hyderabad Airport Media Private Limited		5.59		5.59
		88.23		60.19
Aggregate book value of unquoted investments		88.23		60.19
Aggregate amount of impairment in the value of investments		-		-

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.

8 Loans

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loan receivables in the nature of				
Loan to employees	0.12	0.14	0.03	0.57
Loans to related parties (refer details below)	-	200.00	200.00	40.00
	0.12	200.14	200.03	40.57
Break up of loans to related parties*:				
	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
GMR Goa International Airport Limited	-	-	-	40.00
GMR Power & Urban Infrastructure Limited	-	58.80	58.80	-
GMR Infrastructure Limited	-	141.20	141.20	-
	-	200.00	200.00	40.00

* The balance of loans receivable as at March 31, 2023 and as at March 31, 2022 represents amount lent to GMR Power & Urban Infrastructure Limited, a fellow subsidiary company and GMR Airports Infrastructure Limited, GALs holding company, for the purpose of fulfilling their immediate debt service requirements. The loan is repayable in a single payment by August 21, 2023 and carries an interest rate of 11% p.a. Further, the balance loans receivable represents loans given to employees for their personal purposes.

Note: The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

9 Other financial assets

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Security deposits	18.52	15.17	2.35	8.77
	18.52	15.17	2.35	8.77
Non-trade receivables	-	-	26.63	57.03
Unbilled revenue	-	-	84.50	53.09
Interest accrued on fixed deposits	-	-	5.89	10.83
Interest accrued on investments	-	2.37	13.76	4.01
Interest accrued on others	-	-	13.91	14.14
Margin money deposits*	0.83	0.05	-	-
Finance lease receivables	7.03	15.10	-	-
Bank deposits with a maturity period more than 12 months	6.37	-	-	-
Other receivables (Refer note 51)	-	-	14.32	65.55
Derivative assets	813.48	670.62	-	-
	846.23	703.31	161.36	213.42

*Represents margin money deposits held with banks.

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Summary of significant accounting policies and other explanatory information

(All amounts in Rupees Crores, except otherwise stated)

10 Other assets

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Capital advances	31.49	132.78	-	-
(A)	31.49	132.78	-	-
Advances other than capital advances				
Others	7.79	7.79	12.59	16.72
	7.79	7.79	12.59	16.72
Less: Provision for doubtful advances	(0.04)	(0.04)	-	-
(B)	7.75	7.75	12.59	16.72
Prepaid expenses	1.22	1.22	8.95	3.55
Lease equalisation reserve	25.83	30.56	-	-
Balances with government authorities (refer note 71)	23.41	447.17	57.48	82.88
(C)	50.46	478.95	66.43	86.43
Total (A+B+C)	89.70	619.48	79.02	103.15

11 Inventories

	March 31, 2023	March 31, 2022
Traded goods	52.98	10.43
Stores, spare parts and consumables	68.42	73.56
Less: Provision for non moving spares	(0.07)	(0.17)
	121.33	83.82

*includes material in transit of Rs. 1.83 crores (March 31, 2022: Rs. 1.95 crores).

12 Investments

	As at March 31, 2023		As at March 31, 2022	
	No. of units	Amount	No. of units	Amount
Investment in mutual funds (unquoted, non-trade) measured at FVTPL				
Aditya Birla Sunlife Liquid Fund - Growth Regular Plan	9,34,685	115.61	3,20,349	36.84
Sundaram Money Fund Regular Growth	2,77,117	33.01	-	-
Sundaram Money Fund Direct Growth	1,43,443	16.85	-	-
Axis mutual fund - Liquid Growth Plan	-	-	64,745	7.25
UTI Liquid Fund - Growth	1,67,740	51.47	1,41,965	41.31
Axis Overnight Fund-Direct Growth Plan	2,43,896	33.32	4,23,659	47.49
UTI Overnight Fund-Direct Growth Plan	-	-	28,776	8.37
ICICI Prudential Overnight Fund Direct Plan Growth	2,80,052	41.79	52,08,412	59.70
SBI Premier Liquid Fund - Regular Plan - Growth	7,823	59.88	7,823	2.71
SBI Overnight Fund - Direct Growth	82,666	30.17	1,16,544	40.34
L&T Liquid Fund Growth	-	-	1,85,963	30.84
Tata Overnight Direct Plan Growth	2,21,106	28.46	3,44,087	38.59
Invesco India Overnight Fund - Direct Plan - Growth	-	-	2,01,253	21.62
Aditya Birla Sunlife Overnight Fund - Growth - Direct Plan	86,770	18.36	33,354	3.82
Nippon India Liquidity Fund Growth Plan Growth Option	38,16,414	45.89	39,83,030	45.41
HDFC Liquid Fund Growth	30,060	10.01	4,801	1.52
Tata Liquid fund Regular Plan - Growth	39,367	4.66	-	-
Kotak Liquid Regular Plan - Growth	39,504	4.72	-	-
Kotak liquid fund Institutional premium - Growth	3,05,580.02	36.54	3,92,936.21	44.55
		530.74		430.36
Investment in commerical paper* (unquoted, non-trade), measured at amortised cost				
Time Technoplast Ltd	1,000	107.59	1,400	65.50
Edelweiss Rural and Corporate Services Limited	5,440	360.10	5,440	252.18
Edelweiss Financial Services Limited	3,000	97.39	3,000	139.10
		565.08		456.78
		1,095.82		887.14
Aggregate book value of unquoted investments		1,095.82		887.14
Aggregate amount of impairment in the value of investments		-		-

*Face value of all commercial paper investments is Rs.0.05 crores (March 31, 2022: Rs.0.05 crores) per unit.

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Summary of significant accounting policies and other explanatory information

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

13 Trade receivables

	March 31, 2023	March 31, 2022
Secured, considered good	54.55	46.27
Unsecured receivables, considered good	73.06	59.33
Unsecured receivables, with significant increase in credit risk	1.36	1.49
	128.97	107.09
Less: Allowances for doubtful receivables	(1.36)	(1.49)
	127.61	105.60

Trade receivables to the extent covered by security deposit or bank guarantees are considered as secured receivables.

14 Cash and cash equivalents

	March 31, 2023	March 31, 2022
Balances with banks		
- In current accounts	32.55	45.61
- Deposits with original maturity of less than three months	100.50	12.00
- In foreign currency account	11.63	16.83
Cash on hand	0.63	0.53
	145.31	74.97

15 Bank balances other than cash and cash equivalents

	March 31, 2023	March 31, 2022
Deposits with original maturity of more than 3 months but less than 12 months	652.53	1,223.93
Margin money deposits*	1.81	34.10
	654.34	1,258.03

*Represents margin money deposits held with banks.

16 Equity

	March 31, 2023	March 31, 2022
Authorized share capital		
400,000,000 (March 31, 2022: 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, 2022: 378,000,000) equity shares of Rs.10 each fully paid up	378.00	378.00
	378.00	378.00

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

	March 31, 2023		March 31, 2022	
Equity Shares	Number	Amount	Number	Amount
At the beginning of the year	37,80,00,000	378.00	37,80,00,000	378.00
Outstanding at the end of the year	37,80,00,000	378.00	37,80,00,000	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, 2023		March 31, 2022	
Equity shares of Rs.10 each fully paid	Number	Amount	Number	Amount
GMR Airports Limited ("GAL"), Holding Company*	23,81,39,000	238.14	23,81,39,000	238.14
GMR Infrastructure Limited, GAL's Holding Company	1,000	0.00	1,000	0.00
	23,81,40,000	238.14	23,81,40,000	238.14

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

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

	March 31, 2023		March 31, 2022	
Equity shares of Rs. 10 each, fully paid-up	Number	% holding	Number	% holding
GMR Airports Limited, Holding Company	23,81,39,000	63.00%	23,81,39,000	63.00%
Airports Authority of India	4,91,40,000	13.00%	4,91,40,000	13.00%
Government of Telangana	4,91,40,000	13.00%	4,91,40,000	13.00%
MAHB (Mauritius) Private Limited	4,15,73,540	11.00%	4,15,73,540	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.

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Summary of significant accounting policies and other explanatory information

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17 Other equity

	March 31, 2023	March 31, 2022
Reserves and surplus		
Capital reserve	107.00	107.00
Debenture Redemption Reserve	199.00	-
Retained earnings	844.12	936.44
	1,150.12	1,043.44
Other comprehensive income		
Cash flow hedge reserve	(127.01)	(44.26)
Total other equity	1,023.11	999.18

Nature and purpose of reserves**Capital Reserve**

The Company has received a contribution of Rs.107 crores 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 share holder of the Company.

Debenture Redemption Reserve

Debenture redemption reserve was created on issue of listed secured Non-Convertible Debentures (NCDs) in the current year. The Company shall use the debenture redemption reserve in accordance with the provisions of the Act.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to the shareholders.

Cash flow hedge reserve

Cash flow hedge reserve was created on entering into derivative transactions in the earlier years. The same shall be reclassified to Statement of Profit or Loss on settlement of the derivative instruments

18 Long-term borrowings

	March 31, 2023	March 31, 2022
Bonds and Debentures, secured		
1,750 units 4.25% Senior Secured Notes ('SSN') of USD 200,000 each	2,850.77	2,622.57
1,436.58 units (March 31, 2022: 1,500 units) 4.75% SSN of USD 200,000 each	2,339.61	2,244.44
368 units (March 31, 2022: 1,500 units) 5.375% SSN of USD 200,000 each	603.02	2,259.73
11,500 units 8.805% Listed Secured NCD of Rs. 1,000,000 each	1,138.35	-
84,000 units 8.710% Listed Secured NCD of Rs. 100,000 each	833.39	-
Term loans, secured		
From banks	120.53	195.12
From others	428.11	390.73
Term loan, unsecured		
<i>From Others</i>		
Government of Telangana	252.04	315.05
	8,565.82	8,027.64

i) 5.375% Senior Secured Notes

5.375% senior secured notes were issued on April 10, 2019 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). During the current year, GHIAL has prepaid 5.375% SSN to the extent of USD 226.39 million.

ii) 4.75% SSN

4.75% SSN were issued 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). During the current year, GHIAL has prepaid 4.75% SSN to the extent of USD 12.685 million.

iii) 4.25% SSN

4.25% SSN were issued on October 27, 2017 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).

iv) 8.805% Listed, Secured, Rated, Redeemable Non-Convertible Debentures

During the current year, GHIAL has issued 11,500 Non-Convertible Debentures (NCD's) of Rs. 1,000,000 each, which are listed on BSE Limited. NCD's carry an interest of 8.805% per annum payable quarterly. Interest is fixed for a period of five years from the date of issue and subsequently is subject to reset in accordance with the terms of the Debenture Trust Deed. NCD's are repayable in four annual installments of Rs. 143.73 crores each starting from September 30, 2028 and balance Rs. 575 crores is repayable on December 13, 2032.

v) 8.710% Listed, Secured, Rated, Redeemable Non-Convertible Debentures

During the current year, GHIAL has issued 84,000 Non-Convertible Debentures (NCD's) of Rs. 100,000 each, which are listed on BSE Limited. NCD's carry an interest of 8.710% per annum payable quarterly. Interest is fixed for a period of five years from the date of issue and subsequently is subject to reset in accordance with the terms of the Debenture Trust Deed. NCD's are repayable in four annual installments of Rs. 105 crores each starting from December 31, 2028 and balance Rs. 420 crores is repayable on March 11, 2033.

Summary of significant accounting policies and other explanatory information

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

Senior Secured Notes mentioned in notes (i) (ii) and (iii) and NCD mentioned in (iv) and (v) 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 and Debenture Trust Deed dated December 12, 2022 and March 10, 2023 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.

vi) Loans from banks, secured

a) Loan taken by GHRL with Axis Bank carries an interest rate of 8.6% p.a (March 31, 2022: 7.70% p.a.). During the previous period, GHRL has repaid the loan of Rs. 46.00 crores and has obtained a working capital term loan (WCIL) of Rs. 46.24 crores under Emergency Credit Line Guarantee Scheme (ECLGS) chargeable at 8.35% p.a. (March 31, 2022: 7.6% p.a.) with a moratorium of 2 years. The principal is repayable in 48 installments commencing from October 2023 to September 2027. The loan is secured by second charge with the existing credit facilities in terms of cash flows (including repayments) and security (Except guarantee's provided for existing facilities).

b) During FY 2021-22, GHRL has obtained Rupee Term Loan facility of Rs. 41.52 Crores from ICICI Bank Ltd on September 21, 2021. The loan is repayable in 32 structured quarterly installments starting from June 30, 2022. The loan is secured in favour of ICICI Bank/Security trustee by way of first pari-passu charge over hypothecation/charge/mortgage/security interest of 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 the Company held by GHIAL. The entire security shall be shared on pari-passu basis with other lenders of GHRL. The loan with ICICI Bank 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.

c) GHASL had an outstanding loan facility from HSBC at an interest rate of 9% p.a. i.e 1 Year MCLR plus 0.75% margin and was repayable over 20 quarterly instalments starting from June 2021. During the FY 2022-23 GHASL has entirely repaid the loan.

vi) Loans from others (secured)

(a) GHAL has an outstanding term loan from Aditya Birla Finance Limited at an interest rate of 8.95% 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) GHASL had an outstanding term loan from Aditya Birla Finance Limited at an interest rate of 1 year MCLR plus a spread of 1.2%. The same was repayable over 51 structured quarterly installments starting from September 2017. During the FY 2022-23 GHASL has entirely repaid the loan.

(c) During the current year, GHASL has availed a sanctioned term loan facility of Rs. 62 crores from Aseem Infra, out of which Rs. 15 crores have been disbursed at an interest rate of 9.15% p.a. i.e., 6 month SBI MCLR + spread and is repayable in 120 structured monthly installment starting from April 2024.

Term loan facility mentioned in (b) and (c) 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.

(d) GACAEL has an outstanding term loan from NIIF IFL at an interest rate of 8.30% p.a. The same is repayable over 40 structured quarterly installments beginning from December 2021 and is secured by (i) first pari-passu mortgage of leasehold rights of the land along with the building, structure etc. on the land by way of a memorandum by deposit of title deeds on lease agreements, (ii) first ranking pari passu charge on (a) moveable assets including plant and machinery, spare, tools and accessories and all other moveable assets (b) all the current assets, including bank accounts, cash flows and receivables by way of a deed of hypothecation (c) Project contracts, (iii) Corporate Guarantee from GHIAL to guarantee the obligations of GACAEL under this facility and (iv) Debt service reserve of 2 quarter of the debt service amount.

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).

19 Other financial liabilities

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
At amortised cost				
Retention money		3.35	14.46	13.67
Deposit from concessionaires and others	54.50	38.38	77.36	43.52
Concession fee payable	104.27	127.39	100.31	70.75
Non trade payables	-	-	52.60	51.34
Capital creditors*	-	-	468.32	351.87
Interest accrued but not due on borrowings	-	-	154.51	200.17
	162.12	171.12	867.56	731.32

*includes amount payable to parties registered under the Micro, Small and Medium Enterprises Development Act, 2006 of Rs. 26.92 (March 31, 2022: Rs. 12.12).

20 Government grants

	March 31, 2023	March 31, 2022
Opening balance	30.32	35.59
Grant received during the year	0.01	-
Less: recognised in the statement of profit and loss	(5.27)	(5.27)
	25.06	30.32
Non-current	19.79	25.05
Current	5.27	5.27

The concession fee payable to Ministry of Civil Aviation ("MoCA") in respect of first 10 years had commenced from 11th anniversary of the commercial operations date (i.e., March 23, 2008) and is repayable in twenty equal half-yearly installments commencing from June 2018. Hence, difference between the fair value and carrying value of such fee payable has been treated as a government grant as per Ind AS 20.

Summary of significant accounting policies and other explanatory information

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

21 Provisions

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for compensated absences	-	0.97	21.50	19.17
Provision for superannuation fund	-	-	2.67	0.17
Provision for gratuity (Refer note 48(b))	2.33	1.45	7.18	5.93
Other provisions	18.91	11.21	5.09	8.36
	21.24	13.63	36.44	33.63

22 Other liabilities

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Contract liabilities	39.03	36.23	3.50	3.32
Marketing fund liability	-	-	1.81	3.28
Deferred income	99.30	68.05	12.36	16.45
Advances from customers	-	-	25.00	30.70
Statutory dues	-	-	39.84	25.26
Other payables	-	-	20.40	31.40
	138.33	104.28	102.91	110.41

23 Short-term borrowings

	March 31, 2023	March 31, 2022
Loans		
Secured		
From bank	150.00	150.00
Cash credit from banks and others	0.39	121.09
	150.39	271.09
Current maturities of long-term borrowings	94.10	35.70
Unsecured		
From bank	29.13	7.55
	273.62	314.34

i. Loan from bank, secured

The working capital demand loan of Rs. 150 crore taken by GHIAL is repayable within 12 months of drawdown and carry a interest rate linked to 1 year MCLR plus spread of 0.10% p.a.

ii. Loan from others, secured

a) The working capital demand loan of Rs. 100 crore taken by GHIAL has been entirely repaid during the year

b) During the FY 2021-22, GACAEL has obtained loan from Cisco Systems Capital India Private Limited amounting to Rs. 1.14 crores repayable in 12 quarterly instalments by February 2024 carrying an interest rate of 14.11% p.a.

Working capital arrangement mentioned in note (i) and (ii)(a) (during previous year) is 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 the 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 the 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. Loans from bank, unsecured

a) The unsecured borrowings from bank pertained to vendor financing facility availed by GHIAL. The same has been discontinued during the year.

b) GACAEL has availed an overdraft facility up to Rs. 45.00 crores from ICICI Bank which is repayable on demand and carries interest of 9% p.a.

c) During the FY 21-22, GHIAL had taken an additional emergency credit facility (ECLGS loan) of Rs. 13.50 crores from ABFL which carries an interest rate of 8.95% pa., fully linked to ABFL Long term reference rate.

Note: The Group has been sanctioned working capital limits in excess of ₹5 crores by banks based on the security of certain assets, including current assets (as detailed in note above). As required under the respective arrangements, the Group has filed quarterly statements, in respect of the working capital limits with such banks and such statements are in agreement with the unaudited books of account of the Group for the respective periods.

24 Trade payables

	March 31, 2023	March 31, 2022
Total outstanding dues of micro and small enterprises	23.94	16.99
Total outstanding dues of creditors other than micro and small enterprises	236.80	156.89
	260.74	173.88

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as at March 31, 2023 and March 31, 2022 (along with balances due to micro and small enterprises classified under capital creditors):

Particulars	March 31, 2023	March 31, 2022
the principal amount remaining unpaid to any supplier as at the end of each accounting year;	50.86	29.11
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.

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25 Revenue from operations

	March 31, 2023	March 31, 2022
Aeronautical		
Landing and parking charges	154.33	92.65
User development fee (UDF)	440.97	144.83
Information communication and technology charges (ICT Charges)	11.77	45.39
Common infrastructure charges	-	-
Fuel farm	85.86	57.81
Ground handling	38.20	15.69
Cargo	86.92	84.02
Others	36.22	33.55
Revenue from Aeronautical services (A)	854.27	473.94
Non-aeronautical		
Duty Free	220.44	88.55
Retail	70.85	32.95
Advertisement	43.64	22.96
Food and beverages	77.46	32.08
Parking	93.66	47.29
Land and space rentals	43.96	41.20
MRO services and others	347.48	333.96
Revenue from Non-aeronautical services (B)	897.49	598.99
Commercial property development	83.15	56.33
Hospitality services	75.89	40.76
Revenue from Non-airport services (C)	159.04	97.09
Revenue from operations (A+B+C)	1,910.80	1,170.02

Note:

- (i) The Group earns its entire revenue from operations in India.
 (ii) Timing of rendering of services is as under:

	At a point in time		Over time	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Aeronautical services	779.85	424.70	74.42	49.24
Non-aeronautical services	496.81	346.46	400.68	252.53
Non-airport services	25.38	14.12	133.66	82.97
Total revenue from operations	1,302.04	785.28	608.76	384.74

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

	March 31, 2023	March 31, 2022
Revenue as per contracted price	1,910.16	1,168.92
<i>Adjustments:</i>		
Significant financing component	0.64	1.10
Revenue from operations	1,910.80	1,170.02

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

	March 31, 2023	March 31, 2022
Amounts included in contract liabilities at the beginning of the year	1.63	2.80
Total	1.63	2.80

26 Other income

	March 31, 2023	March 31, 2022
Interest on:		
Bank deposits and commercial papers	64.89	47.69
Loans	7.71	1.82
Others	29.29	33.04
Gain on investments carried at fair value through profit and loss	25.50	8.13
Dividend income from joint venture	4.90	1.96
Gain on account of foreign exchange fluctuations (net)	0.12	1.73
Amortisation of deferred income	2.98	1.30
Income from government grant	5.27	5.27
Duty credit Scrips	1.47	-
Provisions no longer required, written back	1.94	2.25
Profit on sale of assets	0.08	0.99
Other non-operating income	33.40	13.67
	177.55	117.85

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Summary of significant accounting policies and other explanatory information

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27 Changes in inventory of traded goods

Opening stock of traded goods
Closing stock of traded goods

March 31, 2023	March 31, 2022
10.43	14.82
53.02	10.43
(42.59)	4.39

28 Employee benefits expense

Salaries, wages and bonus
Contribution to provident and other funds
Gratuity expense
Staff welfare expenses

March 31, 2023	March 31, 2022
233.25	206.65
14.67	12.90
3.29	3.09
14.44	13.07
265.65	235.71

29 Finance costs

Interest on borrowings
Premium on derivative instruments
Interest expenses on financial liability carried at amortised cost
Other borrowing costs

March 31, 2023	March 31, 2022
241.99	189.70
98.97	83.88
22.27	20.86
40.87	21.86
404.10	316.30

30 Depreciation and amortization expense

Depreciation of property, plant and equipment (refer note 4)
Amortisation of right of use assets (refer note 5)
Amortisation of other intangible assets (refer note 6)

March 31, 2023	March 31, 2022
303.84	261.71
3.34	3.30
5.70	6.51
312.88	271.52

31 Other expenses

Operating and maintenance expenses
Power and fuel
Manpower hire charges
Consumption of stores and spares
Foods and beverages consumed
Cargo handling charges
Repairs and maintenance
 Plant and machinery
 Buildings
 Others
Insurance
Security expenses
Rent
Rates and taxes
Advertising and business promotion
Collection charges
Travelling and conveyance
Provision for planned maintenance under SCA
Communication costs
Legal and professional expenses
Technical fees
Management fees
Contribution to political parties
Directors' sitting fees
Payment to auditors (refer note A below)
Donation
CSR expenditure
Loss on sale of fixed assets (net)
Inventories written off
Bad debts written off
Property, plant and equipment and CWIP written off
Construction and land development
Provision for bad and doubtful debts
Miscellaneous expenses

March 31, 2023	March 31, 2022
57.79	28.99
32.07	25.43
79.22	78.00
88.41	87.37
7.94	4.99
7.41	5.93
63.64	48.58
16.84	10.48
21.48	13.77
13.23	11.80
23.87	17.04
7.49	2.19
21.76	12.68
17.72	13.15
3.52	1.97
57.78	32.68
5.99	8.70
3.67	3.32
65.72	28.56
7.62	7.31
42.62	36.42
-	20.00
0.25	0.19
0.80	0.59
0.24	12.01
8.28	8.37
0.68	0.12
1.66	1.12
63.00	-
1.70	-
5.15	12.45
0.50	0.15
16.32	18.06
744.37	552.42

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31 Other expenses (continued)
A. Payment to Auditors

	March 31, 2023	March 31, 2022
As Auditor		
Audit fee	0.52	0.51
Tax audit fee	0.05	0.05
Other services		
Other services (Including certification fee)	0.18	0.03
Reimbursement of expenses	0.05	0.00
	0.80	0.59

32 Income tax

	March 31, 2023	March 31, 2022
Statement of profit and loss:		
Current income tax	3.01	-
Minimum alternate tax credit entitlement	(3.01)	-
Deferred tax	25.69	(41.51)
Income tax expense / (credit) reported in the statement of profit or loss	25.69	(41.51)
Less: Adjustments relating to previous year	0.79	(5.20)
Income tax expense / (credit) for the year	26.48	(46.71)

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

	March 31, 2023	March 31, 2022
Profit/ (loss) before tax	134.38	(150.29)
Tax at the applicable tax rate of 34.94% (March 31, 2022: 34.94%)	46.96	(52.52)
<i>Adjustments:</i>		
Expenses disallowed in calculation of tax	6.71	9.85
Others	(27.98)	1.16
Income tax expense / (credit) for the year	25.69	(41.51)

Deferred tax

	Statement of profit or loss/OCI		Balance sheet	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deferred tax asset				
Unabsorbed business losses & depreciation	(13.90)	(28.32)	122.62	108.72
MAT Credit asset*	-	-	446.28	457.59
Capital work-in progress	22.73	(20.54)	40.17	62.90
Cash flow hedge reserve	-	(35.24)	68.23	-
Changes in the classification from Deferred tax to assets held for sale			5.25	-
Others	0.96	4.27	3.78	4.44
	9.79	(79.83)	686.33	633.65
Deferred tax liability				
Property, plant and equipment	15.92	3.50	(208.02)	(192.10)
Fair value of financial assets/liabilities	(0.02)	(0.13)	(0.07)	(0.09)
	15.90	3.37	(208.09)	(192.19)
Net deferred tax assets	25.69	(76.46)	478.24	441.46

* During the current year, GHIAL has recognised MAT credit asset amounting to Rs. 3.01 crores and has adjusted MAT credit asset amounting to Rs. 14.01 crores against provision created by GHIAL pursuant to the completion of assessments.

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.

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(All amounts in Rupees Crores, except otherwise stated)

32 Income tax (continued)**Reconciliations of net deferred tax assets/ (liabilities)**

	March 31, 2023	March 31, 2022
Opening balance as at beginning of the year	441.46	365.00
Recognised in profit or loss	(25.69)	41.21
Deferred tax on cash flow hedge reserve loss reclassified to profit or loss	(31.19)	-
Recognised in OCI	99.42	35.25
Changes in the classification from Deferred tax to assets held for sale	5.24	-
MAT credit adjustment*	(11.00)	-
	478.24	441.46
Deferred tax asset/ (liability) recognized in Balance Sheet		
Deferred tax asset (net)	485.40	452.51
Deferred tax liability (net)	(7.16)	(11.05)

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, 2023 do not include any adjustments on account of changes in the corporate tax rates.

33 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, 2023

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve (net)	323.19	-	323.19
Effect of changes in foreign exchange rates	(621.44)	-	(621.44)
Deferred tax	99.42	-	99.42
Reclassified to statement of profit and loss	90.75	-	90.75
Tax effect of the above	(32.73)	-	(32.73)
Remeasurement gain on defined benefit plans	-	(1.22)	(1.22)
Closing balance	(140.81)	(1.22)	(142.03)

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)

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34 Capital work-in-progress

	March 31, 2023	March 31, 2022
Opening balance as at the beginning of the year	3,071.84	2,323.31
Add: Incurred during the year (refer note 71)	1,525.44	1,484.41
Less: Capitalised during the year	(1,770.10)	(613.49)
Less: Adjustments during the year*	-	(122.39)
Closing balance as at the end of the year	2,827.18	3,071.84

*Represents reversal due to transfer of capital work-in progress.

	March 31, 2023	March 31, 2022
Capital expenditure incurred on property, plant and equipment	2,018.96	2,222.25
Legal and professional expense	132.39	157.57
Employee benefits expense	2.12	1.77
Finance costs	785.62	866.77
Other expenses	4.89	6.38
Total (i)	2,943.98	3,254.74

Less:-

Interest income from bank deposit	(114.33)	(179.16)
Interest income on security deposit paid	(1.90)	(3.17)
Temporary lease rentals earned net of taxes	(0.57)	(0.57)
Total (ii)	(116.80)	(182.90)

Net capital work-in-progress (i-ii)

2,827.18	3,071.84
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During the year ended March 31, 2023, 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, 2023	March 31, 2022
Opening balance (A)	849.59	518.03
<i>Expense:</i>		
Legal and professional expense	45.26	45.84
Employee benefit expense	0.76	0.78
Finance cost	369.06	433.22
Other expenses	1.63	1.08
Total (B)	416.72	480.92

Less:

Interest income from bank deposit	(1.90)	(53.79)
Interest income on security deposit paid		(4.13)
Total (C)	(1.90)	(57.92)

Less: Capitalised during the year (D)	(456.19)	(66.85)
Less: Adjustments (E)*	-	(24.59)

Closing balance (F=A+B-C-D-E)

808.22	849.59
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*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 2023	1,434.87	932.02	226.32	233.97	2,827.18
As at 31 March 2022	1,676.88	818.62	369.64	206.70	3,071.84

No project is temporarily suspended.

35 Completion schedule in respect of CWIP which is overdue:

As at 31 March 2023	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Aero Towers 3 & 4	-	-	-	0.89	0.89
Aero Towers 2	1.80	-	-	-	1.80
Retail Project (Interchange)	-	-	5.44	-	5.44
Edoport	1.71	-	-	-	1.71
Land Development	-	5.81	-	-	5.81
GMR 147 School	23.23	-	-	-	23.23
Novotel Refurbishment	11.93	-	-	-	11.93
Convention centre - Banquet hall Kitchen Design	0.04	-	-	-	0.04
Transit Lounge	0.01	-	-	-	0.01
Duty Free	0.19	-	-	-	0.19

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

36 Intangible assets under development (IAUD)

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.83	0.14	-	0.69	1.66

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

Completion schedule in respect of IAUD which is overdue:

Project name	As at	To be completed in				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Cargo Terminal	31 March 2023	-	-	0.83	-	0.83
Cargo Terminal	31 March 2022	-	0.83	-	-	0.83

37 Trade receivables ageing

Trade Receivbles ageing schedule as on March 31, 2023 and March 31, 2022

	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables as at 31 March 2023							
- considered good	21.64	92.79	8.70	4.02	0.06	0.40	127.61
- significant increase in credit risk	0.50	-	-	0.16	-	0.69	1.36
Unbilled receivables as at 31 March 2023	84.50	-	-	-	-	-	84.50
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
Unbilled receivables as at 31 March 2022	53.09	-	-	-	-	-	53.09

38 Trade payables ageing

Trade payables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022

	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 2023					
Outstanding dues to MSME	21.76	1.28	0.81	0.08	23.94
Others	172.77	30.98	11.57	21.48	236.80
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

There are no disputed trade payables outstanding to MSME and other parties as at 31 March 2023 and 31 March 2022.

39 Promoter's Shareholding

Name of promoter	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of total shares	Number of shares	% of total shares
GMR Airports Limited	23,81,39,000	63.00%	23,81,39,000	63.00%
MAHB (Mauritius) Private Limited	4,15,73,540	11.00%	4,15,73,540	11.00%
Airports Authority of India	4,91,40,000	13.00%	4,91,40,000	13.00%
Government of Telangana	4,91,40,000	13.00%	4,91,40,000	13.00%
GMR Airports Infrastructure Limited (<i>formerly GMR Infrastructure Limited</i>)	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 2023 and 31 March 2022.

40 The Group neither holds any Benami property, nor any 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.

41 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.

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

43 The Group have not advanced or loaned or invested funds to any other persons or entities, 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.

44 The Group have not received any fund from any persons or entities, 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.

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

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

47 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).

48 Retirement and other employee benefits:**a) Defined contribution plan:**

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

	March 31, 2023	March 31, 2022
Contribution to provident fund	11.74	9.84
Contribution to ESI and Labour welfare fund	0.37	0.60
Contribution to superannuation fund	2.57	2.46
	14.67	12.90

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 crores (March 31, 2022: 0.20 crores).

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, 2023	March 31, 2022
Current service cost	2.83	2.76
Interest cost on net Defined Benefit Obligation (DBO)	0.46	0.33
Net benefit expense	3.29	3.09

48 Retirement and other employee benefits: (continued)**Amount recognized in other comprehensive income:**

	March 31, 2023	March 31, 2022
Actuarial loss due to DBO experience	1.07	0.03
Actuarial gain due to DBO assumption changes	(0.18)	(0.27)
Return on plan assets less than discount rate	0.33	0.48
Actuarial losses recognized in OCI	1.22	0.24

Amounts recognised in the Balance sheet are as follows:

	March 31, 2023	March 31, 2022
Fair value of plan assets	15.29	14.28
Defined benefit obligation	(24.80)	(21.66)
Plan liability	(9.51)	(7.38)

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

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	21.66	18.75
Interest cost	1.39	1.22
Current service cost	2.79	2.69
Benefits paid	(2.42)	(0.52)
Actuarial losses /(gains) on obligation	1.51	(0.01)
Acquisition cost	0.05	(0.20)
Actuarial gain on financial assumption	(0.18)	(0.27)
Closing defined benefit obligation	24.80	21.66

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

	March 31, 2023	March 31, 2022
Opening fair value of plan assets	14.28	13.90
Expected return on plan assets	0.72	0.68
Contributions by employer	2.17	0.80
Return on plan assets greater/(lesser) than discount rate	0.29	(0.51)
Acquisition adjustment	(0.10)	(0.28)
Interest income on plan assets	0.20	0.72
Benefits paid	(2.27)	(1.03)
Closing fair value of plan assets	15.29	14.28

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

	March 31, 2023	March 31, 2022
Investments with insurer	100%	100%

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

	March 31, 2023	March 31, 2022
Discount rate	7.1% to 7.3%	6.10% to 7.10%
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, 2023	March 31, 2022
Discount rate		
Effect due to 1% increase in discount rate	(1.75)	(1.59)
Effect due to 1% decrease in discount rate	2.00	1.82
Attrition rate		
Effect due to 1% increase in attrition rate	(0.16)	(0.08)
Effect due to 1% decrease in attrition rate	0.18	0.10
Salary escalation rate		
Effect due to 1% increase in salary increase rate	1.54	1.43
Effect due to 1% decrease in salary increase rate	(1.43)	(1.31)

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 benefits payment to the defined benefit plan in the future years

	March 31, 2023	March 31, 2022
with-in one year	2.76	2.15
between one to two years	3.23	1.90
between two to three years	3.11	3.18
between three to five years	6.25	5.85
between five to ten years	18.79	16.48

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2022: 10 years).

The Group expects to contribute to Rs. 1.13 Crore to gratuity fund during the year ended on March 31, 2024 (March 31, 2023: Rs. 1.13 Crore)

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- 49 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, 2023	March 31, 2022
Electricity and water charges	35.79	22.26
Salaries, wages and bonus	4.22	2.48
Staff welfare expenses	5.64	4.21
Rent	0.84	1.50
Travelling and conveyance	1.87	1.12
Repairs and maintenance	7.00	4.11
Miscellaneous expenses	2.69	2.72
	58.04	38.40

50 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. 432.45 out of revenue from operations of the Group for the year ended March 31, 2023 (March 31, 2022: Rs. 296.66).

- 51 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 crore, and had incurred an up-front processing fee of Rs. 63 crore. 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 had obtained legal opinion from an independent lawyer regarding GHIAL's right to receive the refund of upfront fee and accordingly had considered the amount recoverable in full as of March 31, 2022.

However, owing to the delays in obtaining requisite approvals by the Bank for processing of upfront fee, which is still pending as of the date of adoption of the Consolidated Financial Statements, the management of GHIAL has assessed and written-off the carrying value of upfront processing fee receivable during the year ended March 31, 2023.

52 Disclosure on changes in financing liabilities

	Current borrowings	Non-current borrowings	Assets held to hedge
Balance as on 1 April 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	-	254.85	-
Finance cost	-	-	294.66
Change in fair values	-	-	(246.22)
Balance as on 31 March 2022	314.35	8,027.64	670.62
Cash flows, net	(103.74)	76.60	-
Amortization of borrowing cost	-	18.66	-
Effect of changes in foreign exchange rates	-	505.93	-
Finance cost	-	-	279.99
Other adjustments	63.01	(63.01)	-
Change in fair values	-	-	(137.13)
Balance as on 31 March 2023	273.62	8,565.82	813.48

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53 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 Airport Infrastructure Limited (GIL) <i>(Formerly GMR Infrastructure Limited)</i>
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
Shareholders having significant influence	GMR Kannur Duty Free Services Limited
	GMR Goa International Airport Limited
	GMR Pochanpalli Expressways Limited
	Government of Telangana
Key Management Personnel (KMP)	Airports Authority of India
	Malaysia Airports Holdings Berhad
	MAHB (Mauritius) Private Limited.
	Mr. G M Rao, Executive Chairman
	Mr. GBS Raju – Managing Director
	Mr. Pradeep Panicker – Chief Executive Officer
	Mr. Anand Kumar Polamada - Chief Financial Officer
	Mr. Anup Kumar Samal - Company Secretary (till April 06,2022)
	Mr. Kiran Kumar Manikwar - Company Secretary (wef April 28, 2022)
	Mr. Srinivas Bommidala – Director
	Mr. HJ Dora – Director
	Mr. Grandhi Kiran Kumar– Director
	Mr. C Prasanna – Director
	Mr. K Ramakrishna Rao IAS – Director
	Mr. Jayesh Ranjan IAS – Director
	Mr. Joyanta Chakraborty -Director
	Mrs. Siva Kameswari Vissa - Independent Director (upto August 2022)
	Mrs. Bijal Tushar Ajinkya - Independent Director (wef September 15, 2022)
	Mr. Madhu Ramachandra Rao – Independent Director
	Mr. Antoine Crombrez - Director
Joint Venture	Mr. Camilo Perez Perez - Director
	Mr. Iskandar Mizal Bin Mahmood - Director
Joint Venture of GHAL	Mr. Dharmendra Bhojwani - Director
	Mr. A. Subba Rao - Independent Director
Associate of GIL	Dr. M. Ramachandran - Independent Director
Relative of KMP	GMR Family Fund Trust
Enterprises where KMP and their relatives exercise significant influence	Sri Varalakshmi Jute Twine Mills Private Limited
	Geokno India Private Limited
Other entities in which Directors are interested	Geokno India Private Limited

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Summary of significant accounting policies and other explanatory information

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

53 Related party disclosures (continued)**b) Transactions with related parties**

	March 31, 2023	March 31, 2022
Services received		
Raxa Security Services Limited	28.81	21.95
Airports Authority of India	0.08	0.06
GMR Airport Developers Limited	40.76	23.94
GMR Airports Infrastructure Limited	11.52	7.68
GMR Airports Limited	39.64	28.78
Laqshya Hyderabad Airport Media Private Limited	0.11	0.13
GMR Rajahmundry Energy Limited	0.03	-
Delhi International Airport Limited	0.62	0.77
GMR Power Urban and Infra Limited	-	7.68
Security deposit (paid) /received		
ESR GMR Logistics Parks Private Limited	0.24	-
GMR Airports Limited	0.25	-
Delhi International Airport Limited	0.08	-
Income from operations		
Airports Authority of India	0.57	0.64
GMR Aviation Private Limited	0.53	0.01
GMR Airports Infrastructure Limited	-	0.01
Laqshya Hyderabad Airport Media Private Limited	40.25	19.43
GMR Airport Developers Limited	0.18	0.20
GMR Airports Limited	0.22	0.20
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.03	0.04
GMR Varalakshmi Foundation	0.44	0.42
GMR Business Process and Services Private Limited	3.40	3.40
GMR Kannur Duty Free Services Limited	7.64	2.90
GMR Goa International Airport Limited	1.98	2.00
Delhi International Airport Limited	0.27	0.06
GMR School of Business	0.02	0.00
GMR Hyderabad Vijayawada Expressways Private Limited	0.01	0.00
GMR Power and Urban Infra Limited	-	0.01
ESR GMR Logistics Parks Private Limited	1.71	0.00
GMR Family fund Trust	0.69	-
Unsecured loan received back		
GMR Goa International Airport Limited	40.00	-
Investment in Joint Venture		
ESR GMR Logistics Parks Private Limited	21.90	4.50
Interest on unsecured loan given		
GMR Airports Infrastructure Limited	15.53	20.25
GMR Power and Urban Infra Limited	6.47	1.75
GMR Goa International Airport Limited	1.98	-
Interest income on optionally convertible debentures		
ESR GMR Logistics Parks Private Limited	3.74	2.21
Purchase of capital asset / services for Capital work-in-progress:		
GMR Airport Developers Limited	33.89	40.80
GMR Highways Limited	0.13	-
Raxa Security Services Limited	0.04	1.77
Airports Authority of India	9.18	-
CSR expenditure		
GMR Varalakshmi Foundation	8.52	8.20
Straight lining of lease rental income		
Laqshya Hyderabad Airport Media Private Limited	-	(0.01)
GMR Business Process Services Private Limited	(0.13)	0.04
GMR Airport Developers Limited	-	(0.01)
GMR Varalakshmi Foundation	(0.02)	0.00

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b) Transactions with related parties (continued)

	March 31, 2023	March 31, 2022
Depreciation and Interest cost as per Ind AS 116		
GMR Family Fund Trust	0.48	0.48
Government of Telangana	9.17	8.83
Sri Varalakshmi Jute Twine Mills Private Limited	0.34	0.35
Delhi International Airport Limited	0.56	0.55
Income on amortization of deposit received		
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
ESR GMR Logistics Parks Private Limited	0.76	0.76
GMR Airports Limited	0.01	-
Interest income on amortization of deposit paid:		
Raxa Security Services Limited	0.06	0.17
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.01
GMR Family Fund Trust	-	0.02
Interest expense on amortization of deposit received:		
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	0.03
GMR Airports Limited	0.01	-
Delhi International Airport Limited	0.03	-
Amortisation of expense on deposit paid		
Raxa Security Services Limited	0.06	0.17
Reimbursement of expenses claimed by the Group during the year from its related parties		
Laqshya Hyderabad Airport Media Private Limited	0.99	0.75
Delhi International Airport Limited	-	0.01
GMR Airports Limited	0.03	0.02
Airports Authority of India	-	3.23
GMR Airport Developers Limited	1.95	1.85
Raxa Security Services Limited	0.01	0.01
GMR Varalakshmi Foundation	0.06	0.05
Geokno India Private Limited	0.02	0.01
GMR Business Process and Services Private Limited	0.57	0.42
GMR Pochanpalli Expressways Limited	-	0.01
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
GMR Airport Developers Limited	-	0.47
Dividend Income from Joint Venture		
Laqshya Hyderabad Airport Media Private Limited	4.90	-
Interest on Lease liability		
Delhi International Airport Limited	0.03	-
Rent		
Ramadevi Bommidala	0.21	0.21
Remuneration paid to Key managerial personnel		
Short term employee benefits	11.06	12.34
Sitting fees	0.25	0.17

(a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions

(b) All the liabilities for post retirement benefit being 'Gratuity' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

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Summary of significant accounting policies and other explanatory information

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

c) Outstanding balances at the end of the year

	March 31, 2023		March 31, 2022	
	Non-Current	Current	Non-Current	Current
Balance recoverable/(payable)				
Raxa Security Services Limited	-	(6.36)	-	(4.97)
Airports Authority of India	-	2.63	-	4.13
GMR Airports Infrastructure Limited	-	10.90	-	0.29
Delhi International Airport Limited	-	(0.20)	-	(0.23)
GMR Airports Limited	(8.32)	(24.53)	-	(74.94)
GMR Hyderabad Vijayawada Expressways Private Limited	-	-	-	0.01
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	0.04	-	-
GMR Airport Developers Limited	-	(11.28)	-	(8.87)
Laqshya Hyderabad Airport Media Private Limited	-	4.46	-	(3.78)
GMR Varalakshmi Foundation	-	0.17	-	0.16
GMR Highways Limited	-	0.11	-	0.25
Geokno India Private Limited	-	0.95	-	0.88
GMR Business Process and Services Private Limited	-	2.03	-	2.84
GMR Kannur Duty Free Services Limited	-	2.85	-	0.74
ESR GMR Logistics Parks Private Limited	-	6.57	-	0.28
Ramadevi Bommidala	-	(0.02)	-	-
GMR Power and Urban Infra Limited	-	4.22	-	2.26
Security deposit receivable/(payable)				
GMR Airport Infrastructure Limited	-	(0.04)	-	(0.04)
Laqshya Hyderabad Airport Media Private Limited	(0.27)	(0.20)	(0.42)	-
GMR Varalakshmi Foundation	-	(0.13)	(0.12)	-
Raxa Security Services Limited	-	1.75	-	1.69
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.10	-	0.10
GMR Family Fund Trust	-	0.39	-	0.38
Delhi International Airport Limited	-	(0.31)	0.23	-
Ramadevi Bommidala	-	0.03	0.03	-
GMR Airports Limited	0.12	-	-	-
ESR GMR Logistics Parks Private Limited	0.36	-	-	-
Loans given				
GMR Airport Infrastructure Limited	-	141.20	-	141.00
GMR Goa International Airport Limited	-	-	-	40.00
GMR Power and Urban Infra Limited	-	58.80	-	59.00
Investment in optionally convertible debentures				
ESR GMR Logistics Parks Private Limited	16.35	-	16.35	-
Investment in non convertible debentures				
ESR GMR Logistics Parks Private Limited	26.40	-	4.50	-
Lease Liabilities				
GMR Family Fund Trust	(2.33)	-	(2.41)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(1.67)	-	(1.75)	-
Government of Telanagana	(84.77)	-	(81.13)	-
Delhi International Airport Limited	-	0.05	-	(0.65)
Borrowings				
Government of Telangana	(252.04)	(63.01)	(315.05)	-

54 Leases**(a) Group as a lessee**

The Group has taken land, office, vehicles 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. The vehicle leases are for a tenure of 5 years.

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

	Category of ROU asset			Total
	Land	Building	Vehicles	
Balance as at March 31, 2021	64.67	11.92	-	76.59
Depreciation	(1.38)	(1.92)	-	(3.30)
Balance as at March 31, 2022	63.29	10.00	-	73.29
Additions	-	-	1.30	1.30
Depreciation	(1.37)	(1.81)	(0.16)	(3.34)
Balance as at March 31, 2023	61.92	8.19	1.14	71.25

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

	March 31, 2023	March 31, 2022
Current lease liabilities	1.07	0.65
Non-current lease liabilities	95.09	92.08
	96.15	92.73

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

	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	92.73	90.38
Movement:		
Additions	1.30	-
Finance cost accrued during the year	9.82	8.75
Payment of lease liabilities	(7.70)	(6.40)
Balance at the end of the year	96.15	92.73

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

	March 31, 2023	March 31, 2022
Depreciation/amortisation on right to use asset	3.34	3.30
Interest on lease liability	9.82	8.75
Expenses related to short term lease (included under other expenses)	7.49	2.19
Total amount recognized in the statement of profit and loss	20.65	14.24

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

	March 31, 2023	March 31, 2022
Within one year	6.92	11.02
After one year but not more than two years	7.25	6.53
After two years but not more than three years	7.52	6.85
After three years but not more than four years	7.76	7.23
After four years but not more than five years	8.00	7.53
More than five years	709.98	717.92

(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, 2023	March 31, 2022
Within one year	98.98	87.05
After one year but not more than five years	338.34	320.87
More than five years	640.70	823.10

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55 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
I. At fair value through Profit or loss				
Investments in mutual funds	530.74	430.36	530.74	430.36
II. At fair value through Other comprehensive income				
<i>Cash flow hedges (refer note V(a))</i>				
Cross currency swap	571.97	457.18	571.97	457.18
Coupon only swap	10.99	(3.09)	10.99	(3.09)
Call spread option	230.52	216.53	230.52	216.53
III. At amortized cost				
Investments in commercial paper	565.08	456.78	565.08	456.78
Loans	200.15	240.71	200.15	240.71
Trade receivables	127.61	105.60	127.61	105.60
Cash and cash equivalents	145.31	74.97	145.31	74.97
Bank balances other than cash and cash equivalents	654.34	1,258.03	654.34	1,258.03
Other financial assets	194.11	246.11	194.11	246.11
	3,230.82	3,483.18	3,230.82	3,483.18
Financial liabilities				
IV. At amortized cost				
Borrowings	8,839.44	8,341.98	8,408.46	8,128.55
Other financial liabilities	1,029.68	902.44	1,029.43	902.16
Lease liabilities	96.16	92.73	96.16	92.73
Trade payables	260.74	173.88	260.74	173.88
	10,226.02	9,511.03	9,794.79	9,297.32

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, 2023, 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, investments in commercial paper 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 be the same as its fair value.

56 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, 2023			
Investment in mutual funds	530.74	-	-
Derivatives designed as Cash flow hedge	-	813.48	-
	530.74	813.48	-
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	-

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

Summary of significant accounting policies and other explanatory information

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

57 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, 2023 and March 31, 2022.

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.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk on its long-term debt obligations in the form of Senior Secured Notes ("SSN") are hedged through cross currency swaps, call option spread and coupon only swap and the same has been designated as cash flow hedge. Further, for the interest rate risk on the Group's long-term debt obligations on the NCDs issued during the year, the interest rate is fixed for a period of five years from the issue.

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, 2023, approximately 97% (March 31, 2022: 95%) 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, 2023	March 31, 2022
<u>Borrowings:</u>		
Floating interest rate	221.16	436.06
Fixed interest rate	8,688.78	7,984.09

*The borrowings exposures are disclosed on the basis of actual transaction value and interest free borrowings is not considered.

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 enumerated 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, 2023		March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts designated as hedging instruments				
Cross currency swap	571.97	-	457.18	-
Coupon only swap	10.99	-	-	3.09
Call spread option	230.52	-	216.53	-

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)

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:

Foreign Currency	March 31, 2023		March 31, 2022	
	Foreign Currency	Rs. (in Crore)	Foreign Currency	Rs. (in Crore)
Payable				
EURO	(10,65,932)	(9.54)	(8,91,286)	(7.42)
GBP	(2,28,014)	(2.32)	(837)	(0.01)
USD	(23,34,025)	(19.18)	(16,34,080)	12.38
CHF	(67,133)	(0.60)	(73,169)	0.60
CAD	(7,130)	(0.04)	-	-
AED	(1,15,500)	(0.26)	(1,73,250)	(0.36)
SGD	(1,182)	(0.01)	(22,038)	0.12
Receivable				
USD	59,67,725	49.06	59,20,657	44.81
CHF	21,917	0.20	6,216	0.05
EURO	7,100	0.06	9,669	0.08
GBP	31,121	0.32	6,563	0.07
Bank balances (including credit card collection)				
USD	4,25,978	3.50	8,09,820	6.14
Others				
USD	39,21,527	32.24	51,66,900	39.53
EURO	885	0.01	-	-
GBP	-	-	644	0.01
Foreign currency on hand				
AED	11	0.00	20,961	0.04
AUD	261	0.00	2,881	0.02
CAD	60	0.00	235	0.00
CHF	7	0.00	7	0.00
CNY	175	0.00	-	-
EURO	553	0.01	393	0.00
GBP	5	0.00	475	0.00
HKD	28	-	28	0.00
JPY	42	-	42	0.00
KWD	-	-	575	0.01
MYR	662	0.00	2	0.00
NZD	8	-	8	0.00
OMR	-	-	89	0.00
QAR	315	0.00	1,451	0.00
SAR	4,366	0.01	21,986	0.04
SGD	399	0.00	394	0.00
THB	87	-	87	0.00
BAH	-	-	30	0.00
USD	10,54,894	8.67	14,63,329	11.07

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, 2023	March 31, 2022
EUR	Change in fair valuation of financial liabilities	5%	0.48	0.38
USD		5%	5.63	4.46

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

Summary of significant accounting policies and other explanatory information

(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, 2023 and March 31, 2022 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, 3.05% of Group's debt will mature in less than one year at March 31, 2023 (March 31, 2022: 3.71%) 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, 2023					
Borrowings	-	271.76	6,390.00	2,248.17	8,909.93
Lease liabilities	-	6.92	30.53	709.98	747.43
Trade payables	-	260.74	-	-	260.74
Other financial liabilities	-	867.56	157.60	5.78	1,030.94
Guarantees	714.88	-	-	-	714.88
Total	714.88	1,406.98	6,578.13	2,963.93	11,663.92
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

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.

Summary of significant accounting policies and other explanatory information

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

58 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, 2023	March 31, 2022
Borrowings (A)	8,565.82	8,027.63
Share Capital	378.00	378.00
Other equity	1,023.11	999.18
Total equity (B)	1,401.11	1,377.18
Total equity and total debt (C=A+B)	9,966.93	9,404.81
Gearing ratio (A/C)	86%	85%

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, 2023 and March 31, 2022.

59 Commitments and Contingencies**I Claim against the Group not acknowledged as debt:**

GHIAL	March 31, 2023	March 31, 2022
In respect of income tax matters [refer (a) below]	24.65	21.32
In respect of service tax matters [refer (b) below]	35.66	35.66
Claim against the GHIAL not acknowledged as debt [refer (d), (e) and (f) below]	149.85	149.75
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 advice 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 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, 2023	March 31, 2022
Pending with the Hon'ble Supreme Court of India		
A.Y.2013-14 [Disallowed under 115]B]	3.26	-
Pending with Income Tax Appellate Tribunal, Bangalore ("ITAT")		
A.Y.2014-15 [Disallowed under 115]B]	-	3.76
A.Y.2016-17 [Disallowed under 115]B]	-	6.46
Pending with Commissioner of Income Tax (Appeals) ("CIT(A)")		
A.Y.2014-15 [Disallowed under 115]B]	3.76	-
A.Y.2016-17 [Disallowed under 115]B]	6.46	-
A.Y.2016-17 [Disallowed under 115]B]	0.07	-
A.Y.2017-18 [Disallowed under 115]B]	4.76	4.76
A.Y.2018-19 [Disallowed under 115]B]	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, 2023	March 31, 2022
Pending with the Hon'ble Supreme Court of India	Note	Note
A.Y 2011-12 to A.Y 2013-14	35.60	-
Pending with the Assessing Officer		
A.Y 2010-11 to 2014-15	-	5.25
Pending with CIT(A)		
A.Y 2009-10	4.01	4.01
A.Y 2010-11 to A.Y 2013-14	23.15	-
A.Y 2017-18 to A.Y 2018-19	50.51	13.27
A.Y 2014-15 to A.Y 2016-17	67.54	72.10
A.Y 2016-17 **	0.80	0.80
A.Y 2021-22	7.15	-
A.Y 2022-23	0.48	-

** Orders u/s 147 passed in case of AY 2015-16 & 2016-17 disallowing capital expenditure of Rs. 15.11 crores thereby reducing depreciation claim by Rs. 0.80 crores. Demand of Rs. 34.70 crores (including interest of Rs.16.06 crores) is wrongly raised as against refund of Rs. 0.46 crores. 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.

Summary of significant accounting policies and other explanatory information

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

(b) Disputed service tax matters

	March 31, 2023	March 31, 2022
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	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 crores (March 31, 2022: Rs. 25.20 crores). 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, 2023 amounts to Rs. 5.80 crores (March 31, 2022: Rs. 5.70 crores).

(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) Fund towards (a) procurement and maintenance of security systems/equipment; (b) construction of other long lived assets (refer note (ii) below) along with interest till date of reversal. GHIAL had utilised approximately Rs. 142 crores towards the aforesaid expenses till March 31, 2018, excluding related maintenance expense, other costs and interest thereon which is presently unascertainable. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that the funds utilized by GHIAL is contrary to the directions issued by MoCA. 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, GHIAL had challenged the said order vide a writ petition 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 GHIAL, it shall restore the PSF (SC) Fund to this extent. The matter is currently sub judice with the Hon'ble High Court of Telangana.

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 crores 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 the accompanying consolidated financial statements.

(f) Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 crores (March 31, 2022: Rs. 2.05 crores).

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

GACAEL

	March 31, 2023	March 31, 2022
In respect of income tax matters [refer (h) below]	46.17	46.17
In respect of indirect tax matters [refer (i) below]	11.51	10.58
Claim against GACAEL not acknowledged as debt [refer (j) to (n) below]	14.88	14.88

(h) 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 advice 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, 2023	March 31, 2022
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	23.97
Pending with CIT(A)			
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	0.72
(i) Disputed service tax matters			
		March 31, 2023	March 31, 2022
Rejection of service tax refund claim, pending with CESTAT, Hyderabad		1.03	1.03
		5.92	5.92
Service tax on export cargo handling services from March 2008 to June 2010, pending with CESTAT, Hyderabad*			
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		1.17	0.24
Non reversal of CENVAT credit and disallowance of export of service from DGGI		2.11	2.11
*including penalty amount.			
(j) 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 crores 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.			
(k) 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 crores. GACAEL has filed writ petition before the High Court of Telangana.			
(l) 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 Rs. 0.01 crores along with applicable interest. GACAEL 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.			
(m) During the current year, the GACAEL has received an order from Sub Registrar, Shamshabad regarding the payment of fine of Rs. 0.69 crores equal to five times of Registration fee of Rs.0.14 crores. 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.			
(n) During the current year, the Customs has issued a penalty of Rs. 0.02 crores 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.			
(o) 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.8.09 crores and tax thereon as on March 31, 2023. (March 31, 2022: Rs. 5.93 crores).			
In respect of other subsidiaries:			
(p) GHRL had received an order from Income Tax Officer for the AY 2018-19 disallowing unpaid GST of Rs. 0.001 crores. GHRL had filed an appeal against the said order with the Commissioner of Income Tax - Appeals.			
(q) GHRL had filed appeals with VAT Appellate Tribunal against the orders of Deputy Commissioner and Appellate Joint Commissioner confirming the demand towards levying of Value Added Tax of Rs.0.43 crores on usage of Audio Video Equipment's by the Hotel customers for the periods from Oct-10 to Nov-12 and Dec-12 to June -17 respectively. Further, the Company had filed reply to the SCN on May 16, 2019, on same issue and the order awaited.			
(r) GHRL during the previous year has received order from Deputy Commissioner of Customs, RGI Airport in respect of alleged stock variance. The Company filed with Commissioner of Customs & Central Tax (Appeals-1) against the order passed by Deputy Commissioner Customs, RGIA. The Commissioner Customs & Central Tax (Appeals – I) upheld the order passed by the Deputy Commissioner of Customs, RGI Airport and reduced the penalty to Rs. 0.01 crores. GHRL is in the process of filing an appeal with CESTAT.			

Summary of significant accounting policies and other explanatory information

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

- (s) During the earlier years, the Assistant Commissioner of Central tax, Hyderabad had filed appeals with the CESTAT against the of Order in Appeals passed by the Commissioner (Appeals). During the previous year GHRL has filed counters against the said appeals. Further, the Assistant Commissioner of Central tax, Hyderabad has issued a show cause notice seeking to recover the refund amount of Rs. 13.48 crores (March 31, 2022: Rs.3.77 crores). The Company had filed its response and also filed a writ petition with Hon'ble High Court of Telangana challenging the issue of show cause notice. The Hon'ble High Court had granted interim stay of the Show Cause notice.

- (t) In lieu of the judgement of Hon'ble Supreme Court dated 28 February 2019 in relation to the provisions of Section 6 of the Employees Provident Fund Act 1952, all fixed payments/allowances shall be part of Basic Wages which are paid universally, necessarily and ordinarily to employees except variable payments. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether the interest and penalties may be assessed.

The Management have determined that on account of the practicality of application of the judgement and uncertainty with respect to retrospective applicability, GHRL would be in a position to determine the liability if any only on receipt of further clarifications on the said judgement. GHRL will take the necessary steps based on further clarifications on the above matters and accordingly is of the opinion that the amount cannot be reasonably estimated. However, as a matter of caution, GHRL has made a provision on a prospective basis.

- (u) One of the customer has filed the complaint against GHRL for an amount of Rs. 0.05 crores during the previous years under Consumer Protection Act, 2019. The company has filed a reply with commission.
- (v) GHAL has preferred an appeal with CESTAT against Order-in-Appeal 17/2017-18 dated February 28, 2018, passed by The Commissioner of Central Tax (Appeals) confirming the demand of Rs.1.47 crores (March 31, 2022: Rs.1.47 crores) in the matter of short payment of service tax under RCM on purchase of designs and drawings under Architecture service. The company has filed an appeal with CESTAT against the order.
- (w) 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 crores (March 31, 2022: Rs. 0.01 crores) has been denied.

Based on the internal assessment and legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (a) to (w) above, no further provision is required to be made as at March 31, 2023.

II Financial guarantees**Corporate guarantee given on behalf of its subsidiaries to banks against the loan taken***

	March 31, 2023	March 31, 2022
(a) sanctioned	831.61	745.69
(b) outstanding	669.52	655.35
(c) sanctioned during the year	172.00	354.75

III Guarantees other than financial guarantees***Bank guarantee given**

(a) sanctioned	46.50	57.84
(b) outstanding	46.50	57.84

*Corporate guarantees and Bank guarantees have been given by the GHIAL on behalf of its subsidiaries for the purpose of loans availed by the subsidiaries for their operational purpose.

IV 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. 700.72 (March 31, 2022: Rs. 1,122.63).

b) Other commitments :

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

ii) GHIAL has committed to provide financial support as necessary, to enable its wholly owned subsidiary company, GMR Air Cargo and Aerospace Engineering Limited to meet its operational requirements as they arise and to meet its liabilities as and when they fall due.

iii) 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 noted (2026 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. During the current period, GHIAL has cancelled/matured CS arrangements and COS arrangements of USD 126.44 million on partial repayment of 2024 SSN and USD 12.68 million on partial repayment of 2026 SSN.

Summary of significant accounting policies and other explanatory information

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

60 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.

Applicability of Service Concession Agreement (SCA) to GACAEL

GACAEL's management has assessed applicability of Appendix D of Ind AS 115 – "Service Concession Arrangements" to operations and maintenance agreements entered into by GACAEL for provisioning of cargo services at RGIA. In assessing the applicability, management has exercised significant judgement in relation to the underlying ownership of the assets, in terms of the arrangement entered with the grantor, ability to determine prices, fair value of construction service, assessment of right guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meets the criteria for recognition as service concession arrangement.

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.

Summary of significant accounting policies and other explanatory information

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

60 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.

- 61** 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.

Summary of significant accounting policies and other explanatory information

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

62 Determination of aeronautical tariff

GHIAL had filed an appeal, challenging the disallowance of pre-control period losses and 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"). 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 November 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 and obtained a stay order from 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. 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 ("TCP") from April 01, 2021.

During the month of August 2021, AERA has issued Tariff Order ("the Order") effective from October 01, 2021 for the Third Control Period commencing from April 1, 2021 to March 31, 2026. GHIAL, in the month of September 2021, has filed an appeal against the Order with TDSAT, 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 directed by TDSAT vide its order dated March 06, 2020, while continuing to charge the aeronautical tariff as determined by AERA.

- 63** GHIAL has recognized, deferred tax asset comprising of Minimum Alternate Tax (MAT) credit entitlement and unabsorbed business losses aggregating to Rs. 546.36 crore (March 31, 2022: Rs. 560.92 crore) as at March 31, 2023. GHIAL, based on the future taxable income expects to adjust these amounts against the projected taxable profits. The ultimate realisation of the deferred tax asset is dependent upon the generation of future taxable income projected by considering the applicable tariff order for the Third Control Period and the anticipated tariff orders for the subsequent control periods, 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 of applicable tariff orders by AERA and being a subject matter of litigations as detailed in note 62, 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.

- 64** Minimum Alternative Tax (MAT) Credit Entitlement claimed by GACAEL in the income tax returns aggregating Rs. 37.01 crores (March 31, 2022: Rs. 37.01 crores) has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

- 65** As detailed in note 60(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, 2023	March 31, 2022
Discounting on fair valuation of deposit received from concessionaries	Revenue from operations	5.40	6.35
Income recognised on advance from customers under Ind AS 115	Revenue from operations	0.64	1.10
Impact on account of straight lining of lease rentals	Revenue from operations	4.53	4.71
Income arising from fair valuation of financial guarantee*	Other income	1.82	2.54
Discounting on fair valuation of deposit paid to vendors	Other income	0.10	0.25
Income from government grant	Other income	5.27	5.27
Amortisation of deferred income	Other income	0.22	0.26

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

- 66** The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 25. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

Contract balances	March 31, 2023	March 31, 2022
Trade receivables *	127.61	105.60
Contract assets**	84.50	53.09
Contract liabilities***	67.53	70.25

* Trade receivables carry a credit period ranging between 15-30 days. Further trade receivables, beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2023: Rs. 1.36 crores (March 31, 2022: Rs. 1.49 crores) was recognized as provision for expected credit losses on trade receivables.

** Contract asset includes unbilled revenue. Amount of revenue recognised from amounts included in the contract assets at the beginning of the year is Rs. 53.09 crores. Total contract assets outstanding as on 31 March 2023 will be recognised in next 12 months.

*** Contract liabilities includes advance received from customers (current and non-current). Amount of revenue recognised from amounts included in the contract liabilities at the beginning of the year Rs. 1.63 crores (31 March 2022: Rs. 2.80 crores) and performance obligations satisfied in previous years is ₹Nil (31 March 2022: ₹Nil). Total contract liabilities outstanding as on 31 March 2023 will be recognised in next 12 months.

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

Particulars	March 31, 2023	March 31, 2022
Opening balance	1.49	1.83
Add: Provision made/(reversed) during the year	(0.13)	0.14
Less: Bad debts written off	-	(0.48)
Closing balance	1.36	1.49

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)

67 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 GACAEI) 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 crores) 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, 2022, 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 2023.

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, 2023.

68 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, 2023	March 31, 2022
Current assets, including cash and cash equivalents Rs. 2.46 crores (March 31, 2022: Rs.0.95 crores)	46.66	40.27
Non-current assets	17.68	13.69
Current liabilities	(8.80)	(4.85)
Non-current liabilities	(1.21)	(3.66)
Equity	54.33	45.45
Less: Equity component of borrowings availed at below market rate	(4.51)	(11.02)
Adjusted equity	49.82	34.43
Proportion of the Group's ownership	49%	49%
Group's share in adjusted equity	24.41	16.87
Add: GHIAL's share of equity components of borrowings	5.59	5.59
Carrying amount of the investment	30.00	22.46

Summarized Statement of Profit and Loss account:

	March 31, 2023	March 31, 2022
Revenue from operations	73.29	38.03
Other income	1.50	1.45
Total Income	74.79	39.48
Operating expenses	45.93	23.83
Employee benefit expenses	3.17	2.99
Depreciation	1.82	1.71
Finance cost	0.04	0.05
Other expenses	2.00	2.17
Total expenses	52.97	30.75
Profit before tax	21.83	8.73
Tax expenses	6.43	2.45
Profit after tax	15.40	6.28
Other comprehensive income	(0.01)	0.03
Total comprehensive income	15.39	6.31
Group's share of total comprehensive income for the year	7.54	3.09

Group's share of contingent liabilities of the jointly controlled entity is Rs. 0.82 crores (March 2022: Rs. 0.74 crores).

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

Summarised Balance Sheet:

	March 31, 2023	March 31, 2022
Current assets, including cash and cash equivalents Rs. 25.27 crores (March 31, 2022: Rs. 6.83 crores)	30.77	11.65
Non-current assets	393.87	243.63
Current liabilities	(52.90)	(21.94)
Non-current liabilities	(318.70)	(175.64)
Equity	53.04	57.70
Proportion of the Group's ownership	30%	30%
Group's share in adjusted equity	15.91	17.31
Less: Loss on conversion of subsidiary to joint venture	(0.43)	(0.43)
Carrying amount of the investment	15.48	16.88

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)

69 Interest in Joint Ventures (continued)
Summarized Statement of Profit and Loss account:

	March 31, 2023	March 31, 2022
Revenue from operations	6.98	-
Other income	0.88	0.08
Total Income	7.86	0.08
Employee benefit expenses	0.17	0.10
Depreciation	6.75	0.00
Finance cost	7.36	0.06
Other expenses	0.87	0.39
Total expenses	15.15	0.55
Loss before tax	(7.30)	(0.47)
Tax expenses	(2.64)	0.22
Loss after tax	(4.66)	(0.69)
Total comprehensive income	(4.66)	(0.69)
Group's share of total comprehensive income for the year	(1.40)	(0.21)
Group's share of contingent liabilities of the jointly controlled entity is Rs. Nil (March 31, 2022: Rs.Nil)		

- 69 For the year ended March 31, 2023, the Holding Company has identified certain group of assets and its directly associated liabilities to be disposed off and hence the same has been classified as "Held for sale". Further, the Group is in the process of finalising the expected manner of the disposal as on the reporting

Details of assets and liabilities classified as held for sale as of 31 March 2023 are as under:

	Amount
Property, plant and equipment	85.12
Other non-current assets	34.02
Trade receivables	0.72
Cash and cash equivalents	0.26
Other current assets	7.32
Assets classified as held for sale	127.44
Borrowings (including current maturities of long term borrowings)	55.28
Other non-current liabilities	8.73
Other current liabilities	0.72
Liabilities directly associated with assets classified as held for sale	64.73

70 Disclosure as per the Schedule III of the Companies Act, 2013:
A) Net Assets, i.e. total assets minus total liabilities as at:

Name of the Entity	March 31, 2023		March 31, 2022	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
GHIAL	81.76%	1,803.07	87.63%	1,853.56
GACAEL	1.09%	24.09	0.67%	14.22
GHAL	3.39%	74.77	1.09%	23.13
GHASL	2.96%	65.26	2.42%	51.12
GATL	0.00%	0.07	0.01%	0.11
GHAAL	2.81%	61.96	2.53%	53.52
GHRL	5.92%	130.63	3.78%	79.96
Jointly controlled entities (as per equity method)				
Laqshya	1.36%	30.00	1.06%	22.46
GLPPL	0.70%	15.48	0.01	17.09
	100.00%	2,205.33	100.00%	2,115.17
Less: Consolidated adjustments/elimination*		(804.24)		(737.99)
Grand Total		1,401.09		1,377.18

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

B) Share in profit/ (loss) for the year:

Name of the Entity	March 31, 2023		March 31, 2022	
	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
GHIAL	29.36%	32.99	111.16%	(108.10)
GACAEL	9.10%	10.22	-12.19%	11.85
GHAL	-9.19%	(10.32)	4.10%	(3.99)
GHASL	12.62%	14.18	-4.24%	4.12
GATL	-0.03%	(0.03)	0.01%	(0.01)
GHRL	45.14%	50.72	10.25%	(9.97)
GHAAL	7.51%	8.44	-6.15%	5.98
Jointly controlled entities (as per equity method)				
Laqshya	6.72%	7.55	-3.17%	3.08
GLPPL	-1.25%	(1.40)	0.22%	(0.21)
	100.00%	112.35	100.00%	(97.25)
Less: Consolidated adjustments/elimination*		(4.45)		(6.33)
Grand Total		107.90		(103.58)

C) Share in other comprehensive loss for the year:

Name of the Entity	March 31, 2023		March 31, 2022	
	As % of consolidated other comprehensive loss	Amount	As % of consolidated other comprehensive loss	Amount
GHIAL	99.65%	(141.52)	100.01%	(171.40)
GACAEI	0.25%	(0.35)	-0.05%	0.08
GHAI	0.04%	(0.06)	0.00%	(0.00)
GHASL	0.03%	(0.04)	0.00%	0.00
GHRL	0.04%	(0.05)	0.04%	(0.07)
Jointly controlled entities (as per equity method)				
Laqshya	0.00%	-	-0.01%	0.01
Grand Total	100.00%	(142.03)	100.00%	(171.38)

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

Name of the Entity	March 31, 2023		March 31, 2022	
	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
GHIAL	365.71%	(108.53)	104.05%	(279.50)
GACAEI	-33.24%	9.87	-4.44%	11.93
GHAI	34.96%	(10.38)	1.49%	(3.99)
GHASL	-47.63%	14.14	-1.53%	4.12
GATL	0.10%	(0.03)	0.00%	(0.01)
GHRL	-170.73%	50.67	3.74%	(10.04)
GHAAL	-28.44%	8.44	-2.23%	5.98
Jointly controlled entities (as per Equity method)				
Laqshya	-25.44%	7.55	-1.15%	3.09
GLPPL	4.72%	(1.40)	0.00	(0.21)
	100.00%	(29.68)	100.00%	(268.63)
Less: Consolidated adjustments/elimination*		(4.45)		(6.33)
Grand Total		(34.13)		(274.96)

- 71 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 under Section 17(5)(c) and 17(5)(d) w.r.t input tax credit eligibility are not in line with the objective of the Act to allow seamless credit where such input services are used to provide taxable output services and accordingly, it was 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 paid on the goods or services or both by a taxable person for construction of an immovable property when they are used in the course or furtherance of business. GHIAL is engaged in the operation of Airport, it renders taxable Output Services in the nature of landing and parking charges, hanger services, charges for use of terminal facilities, refuelling facilities, licensing of space for various aeronautical and non-aeronautical charges being its output supplies which are subject to output GST. Hence, GHIAL, in view of the favourable judgment of Orissa High Court in the case of Safari Retreats Private Limited has availed the Input Tax Credit accumulated in respect of the Input goods and Services supplied for the construction of Airport facilities as part of the ongoing expansion project and regular operations. Further, department has filed Special leave to appeal before Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court, where leave has been allowed without stay of operation of the judgment. Thus relying upon the favourable ruling of Orissa High Court which is a binding law and enforceable across all jurisdictions, the management decided to avail the Input Tax Credit in the GST Returns and books for the respective periods. However, the credit availed was not utilized by GHIAL owing to pending outcome of the judgement of Hon'ble Supreme Court of India. 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 immovable 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.

Considering that, the final decision from the Hon'ble Supreme Court of India, may take longer time, the management has taken a considered view for recognition of the project expenditure in terms of the prudent accounting principles and prevailing circumstances and also in view of the fact that various developmental activities under the ongoing expansion project are under completion and currently being recognised as CWIP, the said expenditure including the value of Input Tax Credit pertaining to the Civil Works needs to be capitalised during the year ended March 31, 2023. However, the management reserves its right to claim ITC in case of favourable decision from the Supreme Court on the above issue. Accordingly, GST ITC on civil works amounting to Rs. 547.34 crores accumulated till March 31, 2023 (March 31, 2022: Rs. 476.71 crores) has been reversed from GST recoverable account and now capitalized against the respective property, plant and equipment and capital work in progress to the tune of Rs. 303.81 Crores and Rs. 209.31 Crores respectively in the books of accounts of GHIAL during financial year 2022-23.

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)

- 72 On December 13, 2022 and March 13, 2023, GHIAL has issued listed, rated, secured, redeemable non-convertible debentures ("NCD") amounting to Rs. 1,150 crore and Rs. 840 crore respectively to the eligible Qualified Institutional Buyers. The proceeds from the NCD's have been fully utilized for part redemption of existing Senior Secured Notes (SSN) aggregating to \$139.67 million and \$103.25 million respectively, including accrued interest till the date of redemption. The derivative arrangements in the nature of "Call Spread (CS)" and "Coupon Only Swap" (COS) entered to hedge the principal and interest payment liability on the SSN's redeemed during the period have been settled and resultant loss of Rs. 60.14 crore and Rs. 30.63 crore respectively has been accounted in the accompanying Consolidated Financial Statements. Further, GHIAL has realised a gain of Rs. 7.23 crore upon prepayment of SSN at a discount on December 13, 2022 and has incurred a premium cost of Rs. 8.19 crore upon prepayment of SSN at a premium on March 13, 2023 which has been accounted in the accompanying Consolidated Financial Statements.

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

Details of utilization of funds raised are as under:

	March 31, 2023	March 31, 2022
Unutilised amount at the beginning of the year	973.73	2,027.96
Amount raised during the year	-	-
Less: Utilized for capital project works	(975.64)	(1,111.07)
Add: Income on temporary cash investment	1.91	56.84
Unutilised amount at the end of the year	0.00	973.73

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

	March 31, 2023	March 31, 2022
Funds parked in:		
Current accounts	-	0.39
Fixed deposits*	-	973.34
	-	973.73

* including accrued interest of Rs.Nil (March 31, 2022: 8.52)

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/-

Danish Ahmed

Partner

Membership No.: 522144

For K S Rao & Co.,

Chartered Accountants

ICAI Firm Registration

Number: 003109S

Sd/-

Hitesh Kumar P

Partner

Membership No.:233734

For and on behalf of the Board of Directors of

GMR Hyderabad International Airport Limited

Sd/-

GBS Raju

Managing Director

DIN.: 00061686

Place: New Delhi

Date: May 04, 2023

Sd/-

C Prasanna

Director

DIN: 01630300

Place: Hyderabad

Date: May 04, 2023

Sd/-

Pradeep Panicker

Chief Executive Officer

Place: Hyderabad

Date: May 04, 2023

Sd/-

Anand Kumar P

Chief Financial Officer

Place: Hyderabad

Date: May 04, 2023

Sd/-

Kiran Kumar M

Company Secretary

Place: Hyderabad

Date: May 04, 2023

Place: New Delhi

Date: May 04, 2023

Place: Bengaluru

Date: May 04, 2023