

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Balance Sheet

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

	As at December 31, 2023	As at March 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	6,807.04	4,717.37
Capital work-in-progress	1,440.10	2,827.18
Right of use asset	71.53	71.25
Goodwill	36.27	36.27
Other intangible assets	72.62	66.95
Intangible assets under development	1.64	1.66
Investment in joint ventures and others	90.26	88.23
Financial assets		
- Investments	24.00	-
- Loans	0.20	0.12
- Other financial assets	846.55	846.23
Non current tax assets (net)	94.15	80.38
Deferred tax asset (net)	411.21	485.40
Other non-current assets	93.87	89.70
	9,989.44	9,310.74
Current assets		
Inventories	141.27	121.33
Financial assets		
- Investments	1,502.05	1,095.82
- Trade receivables	137.53	127.61
- Cash and cash equivalents	34.53	145.31
- Bank balances other than cash and cash equivalents	336.68	654.34
- Loans	201.05	200.03
- Other financial assets	267.53	161.36
Other current assets	69.60	79.02
	2,690.24	2,584.82
Assets held for sale	-	127.44
Total assets	12,679.68	12,023.00
Equity and Liabilities		
Equity		
Equity share capital	378.00	378.00
Other equity		
- Capital reserve	107.00	107.00
- Debenture Redemption Reserve	199.00	199.00
- Retained earnings	1,141.37	844.12
- Cash flow hedge reserve	(119.20)	(127.01)
Total equity	1,706.17	1,401.11
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	8,102.95	8,565.82
- Lease liabilities	98.87	95.09
- Other financial liabilities	172.50	162.12
Government grants	15.82	19.79
Long-term provisions	21.00	21.24
Deferred tax liability (net)	13.86	7.16
Other non-current liabilities	272.70	138.33
	8,697.70	9,009.55

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	As at December 31, 2023	As at March 31, 2023
Current liabilities		
Financial liabilities		
- Borrowings	781.83	273.62
- Lease liabilities	0.94	1.07
- Trade payables		
-Total outstanding dues of micro and small enterprises	28.35	23.94
-Total outstanding dues of creditors other than micro and small ent	277.75	236.80
- Other financial liabilities	962.41	867.56
Government grants	5.27	5.27
Other current liabilities	129.91	102.91
Short-term provisions	40.95	36.44
Current tax liabilities (net)	48.40	-
	2,275.81	1,547.61
Liabilities classified as held for sale	-	64.73
Total liabilities	10,973.51	10,621.89
Total equity and liabilities	12,679.68	12,023.00

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

For GMR Hyderabad International Airport Limited

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: February 27, 2024

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)

	For the period ended December 31, 2023	For the period ended December 31, 2022
Income		
Revenue from operations	1,944.25	1,377.74
Other income	148.92	126.54
Total income	2,093.17	1,504.28
Expenses		
Concession fee	96.92	39.21
Purchase of stock-in-trade	98.99	118.66
Changes in inventory of stock-in-trade	(15.47)	(56.29)
Employee benefits expense	235.66	194.51
Loss on settlement of derivative financial instruments	0.00	60.14
Other expenses	543.36	450.09
Total Expenses	959.46	806.32
Earnings before finance cost, tax, depreciation and amortisation expenses (EBITDA) and exceptional items (I-II)	1,133.71	697.96
Finance costs	405.57	281.96
Depreciation and amortization expenses	356.04	223.18
Profit before tax and exceptional item	372.10	192.82
Exceptional Items	74.68	0.00
Profit before tax and share of profit in joint ventures	446.78	192.82
Share of profit in joint ventures	(4.40)	4.34
Profit before tax	442.38	197.16
Tax expense		
Current tax	66.10	18.70
Taxes for earlier years	(0.13)	-
Minimum alternate tax credit entitlement	(66.10)	(18.70)
Deferred tax expense	142.90	52.85
Total tax expense	142.77	52.85
Profit after tax	299.61	144.31
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurement losses on defined benefit plans, net of tax	(2.36)	(1.58)
Share of other comprehensive income in joint ventures	-	0.01
Items that will be reclassified to profit or loss		
Cash flow hedge reserve	12.01	(313.73)
Income tax effect on above	(4.20)	125.10
Total other comprehensive loss	5.45	(190.20)
Total comprehensive loss	305.06	(45.89)
Attributable to equity holders of the parent		
Profit after tax	299.61	144.31
Other comprehensive loss	5.45	(190.20)
Total comprehensive loss	305.06	(45.89)
Earnings per equity share		
Basic and diluted (in Rs.)	7.93	3.82
Weighted average number of equity shares	37,80,00,000	37,80,00,000
Nominal value per share	10.00	10.00

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For GMR Hyderabad International Airport Limited

Sd/-
Pradeep Panicker
Chief Executive Officer

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Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: February 27, 2024

GMR Hyderabad International Airport Limited

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Consolidated Statement of Changes in Equity for the year ended December 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, 2022

Issue of shares during the year

As at March 31, 2023

Issue of shares during the year

As at December 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				Total
	Reserves and surplus			Other reserves	
	Capital reserve*	Debenture Redemption Reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2022	107.00	-	936.44	(44.26)	999.18
Loss for the year	-	-	144.31	-	144.31
Remeasurement of post-employment benefits obligations	-	115.00	(115.00)	-	-
Reclassified to Statement of Profit and Loss on account of hedge settlement (net of tax)	-	-	-	38.14	38.14
Cash flow hedge reserve (net of tax)	-	-	(1.57)	(188.63)	(190.20)
As at December 31, 2022	107.00	115.00	964.18	(194.75)	991.43
As at April 1, 2023	107.00	199.00	844.12	(127.01)	1,023.11
Profit for the year	-	-	299.61	-	299.61
Remeasurement of post-employment benefits obligations	-	-	(2.36)	-	(2.36)
Cash flow hedge reserve (net of tax)	-	-	-	7.81	7.81
As at December 31, 2023	107.00	199.00	1,141.37	(119.20)	1,328.17

*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.

For GMR Hyderabad International Airport Limited

Sd/-
Pradeep Panicker
Chief Executive Officer
Date: February 27, 2024

Sd/-
Anand Kumar P
Chief Financial Officer

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 period ended December 31, 2023	For the period ended December 31, 2022
Cash flow from operating activities		
Profit before tax	442.38	197.16
<i>Adjustment to reconcile profit/ (loss) before tax to net cash flows</i>		
Share of (profit)/loss in joint ventures	4.40	(4.34)
Depreciation and amortization expenses	356.04	223.18
Dividend income	-	(4.90)
Inventories written off	1.68	1.18
Amortisation of prepaid expenses	-	0.04
Amortisation of deferred income	(8.05)	3.39
Unrealised foreign exchange loss/ (gain)	0.32	(55.25)
(Gain)/ loss on sale of property, plant and equipment	0.00	(0.02)
Interest income	(100.80)	(71.07)
Interest expense	405.57	281.96
Exceptional items	(74.68)	-
Gain on sale of financial assets (mutual funds)	(29.71)	(15.86)
Provision no longer required, written back	(1.54)	(1.43)
Income from government grants	(3.97)	(3.97)
Operating profit before working capital changes	991.64	550.07
<i>Working capital adjustments:</i>		
Changes in trade payables	46.51	(10.16)
Changes in other liabilities	161.37	26.38
Changes in other financial liabilities	(62.56)	(95.56)
Changes in provisions	1.91	7.35
Increase in government grants	-	0.01
Changes in trade receivables	(9.92)	(20.57)
Changes in inventories	(21.62)	(47.51)
Changes in other assets	(5.59)	(57.45)
Changes in other financial assets	18.40	113.29
Changes in loans	(0.10)	0.46
Cash generated from operations	1,120.04	466.31
Direct taxes paid (net)	(31.45)	(20.74)
Net cash generated from operating activities (A)	1,088.59	445.57
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP, capital advances and intangible assets under development	(625.68)	(551.15)
Proceeds from sale of property, plant and equipment including CWIP	0.02	0.09
Dividend income	-	4.90
Loans to group companies	(1.00)	-
Investments made during the period	(30.43)	(21.92)
Purchase of current investments	(2,951.26)	(1,888.23)
Proceeds from sale of current investments	2,435.27	1,650.20
Proceeds from Sale of Investment in GHAAL	139.47	-
Movement in other bank balances	317.66	879.73
Interest received	62.03	65.61
Net cash used in investing activities (B)	(653.92)	139.23

GMR Hyderabad International Airport Limited

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Consolidated Cash Flow Statement

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

	For the period ended December 31, 2023	For the period ended December 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	123.88	1,272.22
Repayment of long-term borrowings	(24.72)	(1,124.03)
Repayment of short term borrowings, net	(154.48)	(107.92)
Repayment of short term borrowings	13.83	-
Payment of lease rentals	(6.54)	(6.10)
Proceeds from hedge cancellation	-	126.23
Interest paid including borrowing cost	(497.46)	(584.41)
Net cash used in financing activities (C)	(545.49)	(424.01)
Net change in cash and cash equivalents (A + B + C)	(110.82)	160.79
Cash and cash equivalents at the beginning of the year	145.31	74.97
Effects of exchange differences on cash & cash equivalents held in foreign currency	0.04	(0.34)
Cash and cash equivalents at the end of the year	34.53	235.42
Components of cash and cash equivalents		
Cash on hand	1.27	0.61
With banks		
- on current accounts	15.63	228.19
- in foreign currency account	17.55	6.53
- on deposit accounts	0.08	-
Cash and cash equivalents classified under asset held for sale	-	0.09
Total cash and cash equivalents	34.53	235.42

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

As per our report of even date.

For GMR Hyderabad International Airport Limited

Sd/-
Pradeep Panicker
Chief Executive Officer
Date: February 27, 2024

Sd/-
Anand Kumar P
Chief Financial Officer

1. Corporate information

GMR Hyderabad International Airport Limited ('GHIAL', 'Company' or 'the Holding Company') is a Public Limited Company domiciled in India. The Holding Company along with its subsidiaries and joint ventures herein are collectively referred as "the Group". GHIAL was incorporated in 2002 under the provisions of the erstwhile Companies Act, 1956, having its 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. GMR Airports Limited ("GAL") a subsidiary of GMR Airports Infrastructure Limited (*formerly GMR Infrastructure Limited*) ("GIL"), holds majority shareholding in GHIAL.

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

2.1 Basis of preparation

These Unaudited Condensed Interim Consolidated Financial Statements comprises of the Unaudited Condensed Interim Consolidated Balance sheet as at 31 December 2023, the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including other comprehensive income), Unaudited Condensed Interim Consolidated Cash Flow Statement, Unaudited Condensed Interim Consolidated Statement of Changes in Equity and a summary of significant accounting policies and other explanatory notes (collectively the "Condensed Interim Consolidated Financial Statements").

These Unaudited Condensed Interim Consolidated Financial Statements for the period ended 31 December 2023 have been prepared by the management for the purpose of submitting with the Singapore Stock Exchange.

These Unaudited Condensed Interim Consolidated Financial Statements have been prepared as per the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" issued by the Institute of Chartered Accountants of India (ICAI) and applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India. These Unaudited Condensed Interim Consolidated Financial Statements do not include all the information and disclosures that would otherwise be required in a full set of financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 March 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 ("Rupees" or "Rs." or "INR") and all the values are rounded to the nearest crore upto two decimal places, except per share data and when otherwise indicated.

2.2 Significant accounting policies

The accounting policies followed in preparation of these Condensed Interim Consolidated Financial Statements are consistent with those followed in the most recent annual consolidated financial statements of the Group, i.e. for the year ended 31 March 2023.

The Group has followed the same accounting judgments, estimates and assumptions in preparation of these Condensed Interim Consolidated Financial Statements as those followed in preparation of the annual consolidated financial statements as at the year ended 31 March 2023.

2.3 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.

GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Summary of significant accounting policies and other explanatory information

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

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

(ii) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint ventures are accounted for from the date on which Group obtains joint control over the joint venture.

(iii) Method of consolidation

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

The 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 these financial statements as Subsidiaries are listed below:

Name	Principal activities	Place and Country of operation	% equity interest as	
			December 31, 2023	March 31, 2023
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)	Consulting related to MRO Operations	Hyderabad, India	100%	100%
GMR Hyderabad Airport Assets Limited (GHAAL) #	Development and designing of airport properties	Hyderabad, India	-	100%

Information about joint ventures

Name	Principal activities	Country of Incorporation	% equity interest as at	
			December 31, 2023	March 31, 2023
Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Advertisement	India	49%	49%
ESR GMR Logistics Park Private Limited (EGLPPL)	Development of logistic park	India	30%	30%

During the current period, the GHIAL has sold 100% stake in its subsidiary, GMR Hyderabad Airport Assets Limited involved in the business of development and renting of commercial property. The gain on sale has been recognised as an exceptional item in the accompanying Statement and consequent to sale transaction name of the Company has changed to Indospace Park Shamshabad Limited.

2.4 Estimates

While preparing the Condensed Interim Consolidated Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by the management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 March 2023. The only exceptions are the estimate of income tax liabilities which is determined in these Condensed Interim Consolidated Financial Statements using the estimated weighted average annual effective income tax rate applied to the pre-tax income of the interim period.

3. Significant accounting judgments, estimates and assumptions:

The preparation of these Condensed Interim 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. Judgments

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 the Condensed Interim Consolidated Financial Statements:

Non applicability of Service Concession Agreement (SCA)

GHIAL had entered into Concession agreement with the 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 and GHIAL has exercised the same. 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, upgradation, 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 and there is no control over determination of prices for the Airport activities, while 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

Summary of significant accounting policies and other explanatory information

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

activities drives the economics of the arrangement and contributes substantially to the profits of GHIAL and hence concluded that SCA does not apply in its entirety to GHIAL.

Concession Fee:

As per the Concession Agreement (CA) entered into by GHIAL with the MoCA in December 2004, 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 the Group is of the view that the certain income/credits arising on adoption of Ind-AS 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, the Group, basis above and Legal Opinion, has provided the concession fee to MoCA based on Revenue as per the Ind AS financial statements 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. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Discounting rate

The 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 for all the deposits given/received post March 31, 2018; and impact has been duly accounted in these Condensed Interim Consolidated Financial Statements.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the 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 in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access 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 judgment 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 judgment is required in establishing fair values. Judgments 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.

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.

Impairment of Cash Generating Unit (CGU):

The Group reviews its carrying value of CGU, annually, or more frequently when there is an indication for impairment. For the purpose of impairment testing, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the assets for assessing the value in use. The recoverable amount of an asset is greater of its value-in-use and its fair value less costs to sell.

Assets held for sale

Non-current assets and disposal group are classified as “Held for Sale” if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of “Held for Sale” is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as “Held for Sale”.

Non-current assets and disposal group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and disposal group that ceases to be classified as “Held for Sale” shall be measured at the lower of carrying amount before the noncurrent asset and disposal group was classified as “Held for Sale” adjusted for any depreciation/ amortization and its recoverable amount at the date when the disposal group no longer meets the “Held for sale” criteria.

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.

4 Capital work-in-progress

	December 31, 2023	March 31, 2023
Capital expenditure incurred on property, plant and equipment	1,053.27	2,018.96
Legal and professional expense	80.39	132.39
Employee benefits expense	0.93	2.12
Finance costs	348.09	785.62
Other expenses	0.05	4.89
Total (i)	1,482.73	2,943.98
Less:-		
Interest income from bank deposit	(40.16)	(114.33)
Interest income on security deposit paid	(1.90)	(1.90)
Temporary lease rentals earned net of taxes	(0.57)	(0.57)
Total (ii)	(42.63)	(116.80)
Net capital work-in-progress (i-ii)	1,440.10	2,827.18

During the year ended December 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.

	December 31, 2023	December 31, 2022
Opening balance (A)	808.22	849.59
<i>Expense:</i>		
Legal and professional expense	28.90	13.95
Employee benefit expense	0.70	0.55
Finance cost	154.61	284.45
Other expenses	5.08	2.41
Total (B)	189.28	301.36
<i>Less:</i>		
Interest income from bank deposit	-	(1.91)
Interest income on security deposit paid	-	-
Total (C)	-	(1.91)
Less: Capitalised during the year (D)	(610.68)	(345.40)
Less: Adjustments (E)*	-	-
Closing balance (F=A+B-C-D-E)	386.82	803.64

5 Reimbursement of expenses claimed by the group from concessionaries and other vendors based on the contractual arrangements have been reduced from the respective

Expenses head	December 31, 2023	December 31, 2022
Electricity and water charges	30.04	29.41
Salaries, wage and Bonus	5.70	5.83
Staff welfare expenses	2.01	2.04
Repair and maintenance	6.82	4.85
Miscellaneous expenses	3.85	2.88
	48.42	45.01

6 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. 461.73 out of revenue from operations of the Group for the year ended December 31, 2023 (December 31, 2022: Rs. 268.63).

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)

7 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) (Formerly GMR Infrastructure Limited)
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 Acrostructure Services Limited
	GMR Hyderabad Vijayawada Expressways Private Limited
	Raxa Security Services Limited
	GMR Warora Energy Limited
	GMR Infra Developers Limited
	GMR Business Process and Services Private Limited
	GMR Vemagiri Power Generation Limited
	GMR Kannur Duty Free Services Limited
	GMR Goa International Airport Limited
	GMR Generation Assets Limited
	GMR Pochanpalli Expressways Limited
Shareholders having significant influence	Government of Telangana
	Airports Authority of India
	Malaysia Airports Holdings Berhad
	MAHB (Mauritius) Private Limited.*
Key Management Personnel (KMP)	Mr. G M Rao, Executive Chairman
	Mr. GBS Raju – Managing Director
	Mr. 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. Bijal Tushar Ajinkya - Independent Director
	Mr. Madhu Ramachandra Rao – Independent Director
	Mr. Antoine Crombrez - Director
	Mr. Camilo Perez Perez - Director
	Mr. Iskandar Mizal Bin Mahmood - Director
	Mr. Dharmendra Bhojwani - Director
	Mr. A. Subba Rao - Independent Director
	Dr. M. Ramachandran - Independent Director
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
	ESR GMR Logistics Park Private Limited
Associate of GIL	GMR Rajahmundry Energy Limited
Relative of KMP	Ramadevi Bommidala
Enterprises where KMP and their relatives exercise significant influence	GMR Varalakshmi Foundation
Other entities in which Directors are interested	GMR Family Fund Trust
	Sri Varalakshmi Jute Twine Mills Private Limited
	Geokno India Private Limited

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)

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

	December 31, 2023	December 31, 2022
Services received		
Raxa Security Services Limited	24.23	20.40
Airports Authority of India	0.33	0.05
GMR Airport Developers Limited	48.65	25.88
GMR Airports Infrastructure Limited	12.59	9.26
GMR Airports Limited	70.09	31.31
Laqshya Hyderabad Airport Media Private Limited	0.07	0.07
GMR Goa International Airport Limited	0.02	-
Delhi International Airport Limited	0.84	0.42
GMR League Games Private Limited	0.04	-
Security deposit (paid) /received		
Delhi International Airport Limited	0.32	-
Income from operations		
Airports Authority of India	0.46	0.43
GMR Aviation Private Limited	0.06	-
GMR Airports Infrastructure Limited	3.28	-
Laqshya Hyderabad Airport Media Private Limited	42.38	27.84
GMR Airport Developers Limited	0.16	0.14
GMR Airports Limited	37.33	0.01
Raxa Security Services Limited	0.04	0.01
Geokno India Private Limited	0.03	0.03
GMR Highways Limited	0.00	-
GMR Varalakshmi Foundation	0.47	0.33
GMR Business Process and Services Private Limited	-	2.55
GMR Kannur Duty Free Services Limited	3.09	5.71
Delhi International Airport Limited	0.01	0.27
GMR School of Business	0.07	0.02
GMR Family Fund Trust	-	0.69
ESR GMR Logistics Parks Private Limited	1.47	1.47
GMR Generation Assets Limited	0.00	-
GMR Goa International Airport Limited	-	1.51
GMR-Hyderabad-Vijayawada Expressways Private Limited	-0.00	0.01
Dividend Income from Joint Venture		
Laqshya Hyderabad Airport Media Private Limited	-	4.90
Investment in Joint Venture		
ESR GMR Logistics Parks Private Limited	6.42	21.90
Interest on unsecured loan given		
GMR Airports Infrastructure Limited	11.70	11.70
GMR Power and Urban Infra Limited	4.87	3.01
GMR Goa International Airport Limited	-	4.87
Interest income on optionally convertible debentures		
ESR GMR Logistics Parks Private Limited	3.82	2.52
Purchase of capital asset / services for Capital work-in-progress:		
GMR Airport Developers Limited	23.46	26.49
GMR Highways Limited	-	0.13
Raxa Security Services Limited	-	0.03
GMR Airports Limited	41.91	-
CSR expenditure		
GMR Varalakshmi Foundation	6.32	6.15
Straight lining of lease rental income		
Laqshya Hyderabad Airport Media Private Limited	0.00	0.01
GMR Business Process Services Private Limited	-	(0.10)
GMR Varalakshmi Foundation	(0.03)	(0.01)
Finance Lease Income		
GMR Logistics Park Private Limited	0.66	-

GMR Hyderabad International Airport 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)

b) Transactions with related parties (continued)

	December 31, 2022	December 31, 2022
Depreciation and Interest cost as per Ind AS 116		
GMR Family Fund Trust	0.35	0.36
Government of Telangana	7.13	7.16
Sri Varalakshmi Jute Twine Mills Private Limited	0.25	0.26
Delhi International Airport Limited	0.71	0.43
GMR Airports Limited	0.60	-
Income on amortization of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.02	0.03
GMR Airports Limited	0.59	-
Delhi International Airport Limited	0.03	-
GMR Varalakshmi Foundation	0.01	0.01
ESR GMR Logistics Parks Private Limited	0.57	-
GMR League Games Private Limited	0.00	-
Interest on lease liability		
Delhi International Airport Limited	-	0.03
Interest income on amortization of deposit paid:		
Raxa Security Services Limited	-	0.06
ESR GMR Logistics Parks Private Limited	-	0.57
Interest expense on amortization of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.03	0.03
GMR Varalakshmi Foundation	0.01	0.01
ESR GMR Logistics Parks Private Limited	0.03	0.03
GMR Airports Limited	0.21	-
Delhi International Airport Limited	-	0.02
GMR League Games Private Limited	0.00	-
Amortisation of expense on deposit paid		
Raxa Security Services Limited	-	0.06
Reimbursement of expenses claimed by the Group during the year from its related parties		
Laqshya Hyderabad Airport Media Private Limited	2.05	0.71
Delhi International Airport Limited	0.00	-
GMR Airports Limited	0.03	0.02
Airports Authority of India	2.35	2.85
GMR Airport Developers Limited	1.98	1.41
Raxa Security Services Limited	0.00	-
GMR Varalakshmi Foundation	0.05	0.05
Geokno India Private Limited	0.04	0.01
GMR Business Process and Services Private Limited	0.06	0.44
Development Management Support Fee		
GMR Logistics Park Private Limited	0.36	-
Rent		
Ramadevi Bommidala	-	0.16
Remuneration paid to Key managerial personnel		
Short term employee benefits	13.95	8.76
Sitting fees	0.17	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.

GMR Hyderabad International Airport 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)

c) Outstanding balances at the end of the year

	December 31, 2023		March 31, 2023	
	Non-Current	Current	Non-Current	Current
Balance recoverable/(payable)				
GMR Aerostructure Services Limited	-	-	-	-
Raxa Security Services Limited		(6.07)	-	(6.36)
Airports Authority of India		7.29	-	2.63
GMR Airports Infrastructure Limited		11.12	-	10.90
Delhi International Airport Limited		(0.09)	-	(0.20)
GMR Airports Limited		(29.84)	8.32	(24.53)
GMR Hyderabad Vijayawada Expressways Private Limited		0.00	-	-
GMR Enterprises Private Limited		0.01	-	0.01
GMR Aviation Private Limited		0.01	-	0.04
GMR Airport Developers Limited		(8.58)	-	(11.28)
Laqshya Hyderabad Airport Media Private Limited		8.08	-	4.46
Kakinada SEZ Limited		-	-	-
GMR Varalakshmi Foundation		0.38	-	0.17
GMR Vemagiri Power Generation Limited		0.00	-	-
Government of Telangana		-	-	-
GMR Highways Limited		0.11	-	0.11
Geokno India Private Limited		1.01	-	0.95
GMR Family Fund Trust		0.36	-	-
GMR Business Process and Services Private Limited		-	-	2.03
GMR Goa International Airport Limited		-	-	-
GMR Kannur Duty Free Services Limited		1.23	-	2.85
ESR GMR Logistics Parks Private Limited		1.75	-	6.57
GMR Power and Urban Infra Limited		2.68	-	4.22
Sri Varalakshmi Jute Twine Mills Private Limited		0.08	-	-
GMR School of Business		0.01	-	-
Ramadevi Bommidala		-	-	(0.02)
GMR League Games Private Limited		(0.04)	-	-
GMR Vishakapatnam Limited		0.00	-	-
Security deposit receivable/(payable)		-	-	-
GMR Airport Infrastructure Limited		-	-	(0.04)
Laqshya Hyderabad Airport Media Private Limited	(0.53)	-	(0.27)	(0.20)
GMR Varalakshmi Foundation	(0.15)	-	-	(0.13)
Raxa Security Services Limited		-	-	1.75
Sri Varalakshmi Jute Twine Mills Private Limited		0.10	-	0.10
GMR Family Fund Trust		0.39	-	0.39
Delhi International Airport Limited		0.41	-	(0.31)
Ramadevi Bommidala		-	-	0.03
GMR Airports Limited	(31.87)	-	0.12	-
ESR GMR Logistics Parks Private Limited	0.39	-	0.36	-
GMR League Games Private Limited	0.16	-	-	-
GMR Power and Urban Infra Limited	(0.04)	-	-	-
Interest accrued on Long Term Investment				
GMR Logistics Park Private Limited	3.68	6.26	-	-
Deferred income on deposits received recognized at amortised cost				
GMR Logistics Park Private Limited		-	-	-
GMR Airports Limited		-	-	-
Deferred income on deposits received recognized at amortised cost				
GMR Logistics Park Private Limited	32.99	0.76	-	-
GMR Airports Limited	0.09	0.02	-	-
GMR League Games Private Limited	0.03	0.02	-	-
Loans given				
GMR Airports Infrastructure Limited	-	141.20	-	141.20
GMR Power and Urban Infra Limited	-	58.80	-	58.80
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	32.82	-	26.40	-
Lease Liabilities				
GMR Family Fund Trust	(2.25)	-	(2.33)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(1.62)	-	(1.67)	-
Government of Telangana	(86.51)	-	(84.77)	-
Delhi International Airport Limited		2.79	-	0.05
GMR Airports Limited		2.90	-	-
Right of Use Asset				
Delhi International Airport Limited		2.78	-	-
GMR Airports Limited		2.22	-	-
Lease Receivable				
GMR Logistics Park Private Limited	8.59	-	-	-

GMR Hyderabad International Airport 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)

Borrowings

Hyderabad Airport Security Services Limited

Government of Telangana

(252.04)

(63.01)

(252.04)

(63.01)

Investment in joint venture company (Equity)

GMR Logistics Park Private Limited

17.72

-

-

-

*During the current period, MAHB(Mauritius) Private Limited sold its entire stake of 11% in GHIAL on 25th January 2024 to GMR Airports Infrastructures Limited (GAL) and post sale MAHB(Mauritius) Private Limited cease to be shareholders of GHIAL.

8 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, 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
Additions	-	3.00	-	3.00
Depreciation	(1.71)	(0.69)	(0.32)	(2.72)
Balance as at December 31, 2023	60.21	10.50	0.82	71.53

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

	December 31, 2023	March 31, 2023
Current lease liabilities	0.94	1.07
Non-current lease liabilities	98.87	95.09
	99.81	96.15

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

	December 31, 2023	March 31, 2023
Balance as at the beginning of the year	96.15	92.73
Movement:		
Additions	3.00	1.30
Finance cost accrued during the year	7.19	9.82
Payment of lease liabilities	(6.53)	(7.70)
Balance at the end of the year	99.81	96.15

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

	December 31, 2023	December 31, 2022
Depreciation/amortisation on right to use asset	2.72	2.41
Interest on lease liability	7.19	6.74
Expenses related to short term lease (included under other expenses)	1.09	1.21
Total amount recognized in the statement of profit and loss	11.00	10.36

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

	December 31, 2023	March 31, 2023
Within one year	11.75	6.92
After one year but not more than two years	12.13	7.25
After two years but not more than three years	12.79	7.52
After three years but not more than four years	13.28	7.76
After four years but not more than five years	9.18	8.00
More than five years	702.24	709.98

(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:

	December 31, 2023	March 31, 2023
Within one year	79.10	98.98
After one year but not more than five years	288.53	338.34
More than five years	521.61	640.70

Summary of significant accounting policies and other explanatory information

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

9 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 interim consolidated financial statements are reasonable approximation of fair values.

	Carrying value		Fair value	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Financial assets				
I. At fair value through Profit or loss				
Investments in mutual funds	647.85	530.74	647.85	530.74
II. At fair value through Other comprehensive income				
<i>Cash flow hedges (refer note V(a))</i>				
Cross currency swap	599.84	571.97	599.84	571.97
Coupon only swap	6.95	10.99	6.95	10.99
Call spread option	292.80	230.52	292.80	230.52
III. At amortized cost				
Investments in commercial paper	506.63	565.08	506.63	565.08
Investments in certificate of deposits	347.57	-	347.57	-
Investments in Innovex Fund	24.00		24.00	
Loans	201.25	200.15	201.25	200.15
Trade receivables	137.53	127.61	137.53	127.61
Cash and cash equivalents	34.53	145.31	34.53	145.31
Bank balances other than cash and cash equivalents	336.68	654.34	336.68	654.34
Other financial assets	214.48	194.11	214.48	194.11
	3,350.11	3,230.82	3,350.11	3,230.82
Financial liabilities				
IV. At amortized cost				
Borrowings	8,884.78	8,839.44	8,607.04	8,408.46
Other financial liabilities	1,134.91	1,029.68	1,135.22	1,029.43
Lease liabilities	99.81	96.16	99.81	96.16
Trade payables	306.10	260.74	306.10	260.74
	10,425.60	10,226.02	10,148.17	9,794.79

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 December 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 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.

10 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 December 31, 2023			
Investment in mutual funds	647.85	-	-
Derivatives designed as Cash flow hedge	-	899.59	-
	647.85	899.59	-
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	-

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)

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.

	December 31, 2023		March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts designated as hedging instruments				
Cross currency swap	599.84	-	571.97	-
Coupon only swap	6.95	-	10.99	-
Call spread option	292.80	-	230.52	-

11 Commitments and Contingencies

I Claim against the Group not acknowledged as debt:

GHIAL

	December 31, 2023	March 31, 2023
In respect of income tax matters [refer (a) below]	25.73	24.65
In respect of service tax matters [refer (b) below]	32.46	35.66
Claim against the GHIAL not acknowledged as debt [refer (d), (e) and (f) below]	7.85	7.85
In respect of other matters [refer (c) below]	25.20	25.20

- (a) Pursuant to the income tax assessment for the years mentioned below, the Company 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 the Company 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 the Company 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

	December 31, 2023	March 31, 2023
Pending with the Hon'ble Supreme Court of India		
A.Y.2013-14 [Disallowed under 115JB]	3.26	3.26
Pending with the Hon'ble High Court		
A.Y.2017-18 [Disallowed under 115JB]	4.76	-
Pending with Commissioner of Income Tax (Appeals) ("CIT(A)")		
A.Y.2014-15 [Disallowed under 115JB]	3.76	3.76
A.Y.2016-17 [Disallowed under 115JB]	6.46	6.46
A.Y.2016-17	0.07	0.07
A.Y.2017-18 [Disallowed under 115JB]	-	4.76
A.Y.2018-19 [Disallowed under 115JB]	6.34	6.34
A.Y.2020-21 [Disallowed under 115JB]	1.08	

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

	December 31, 2023	March 31, 2023
Pending with the Hon'ble Supreme Court of India	Note	Note
A.Y 2011-12 to A.Y 2013-14	35.60	35.60
Pending with CIT(A)		
A.Y 2009-10	4.01	4.01
A.Y 2010-11 to A.Y 2013-14	23.15	23.15
A.Y 2014-15 to A.Y 2016-17	67.54	67.54
A.Y 2017-18 to A.Y 2018-19	50.51	50.51
A.Y 2016-17 **	0.80	0.80
A.Y 2020-21	12.08	-
A.Y 2021-22	2.50	7.15
A.Y 2022-23	0.48	0.48

** Orders u/s 147 passed in case of AY 2015-16 & 2016-17 disallowing capital expenditure of Rs. 15.11 crore thereby reducing depreciation claim by Rs. 0.80 crore.

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

(b) Disputed service tax matters

	December 31, 2023	March 31, 2023
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, favourable order passed by Hon'ble Supreme court	7.43	7.43
Appeal filed with the commissioner of Central Tax (Appeals), for demand order received towards non payment of service tax on corporate guarantee.	-	0.19
Appealed filed with with CESTAT against the order in Appeal passed by Commissioner of Central Tax (Appcals), confirming the demand.	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

*including penalty amount.

(c) The Company 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 crore (March 31, 2023: Rs. 25.20 crore). The Company had received the stay order from Hon'ble High Court of Telangana against the said order in the earlier years.

(d) The Company 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. The Company had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at December 31, 2023 amounts to Rs. 5.80 crore (March 31, 2023: Rs. 5.80 crore).

(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 Passenger Service Fee (Security component) (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. The Company had utilised approximately Rs.142.00 crore 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 the Company is contrary to the directions issued by MoCA. Management is of the opinion that the utilisation of funds from PSF(SC) fund is consistent with the Standard Operating Procedures, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

As the above order, in management's opinion, is contrary to and inconsistent with SOPs, guidelines and clarification issued by the MoCA from time to time in this regard, the Company 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 the Company, 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, the Company, through its erstwhile wholly owned subsidiary, Hyderabad Airport Security Services Limited (HASSL, liquidated on September 20, 2019) 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 crore till March 31, 2018, 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, the Company 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 the Company 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. Pending final outcome of the matter from the Hon'ble High Court of Telangana, residential quarters continue to be accounted under the PSF (SC) Fund and no adjustments have been made to the accompanying Financial Statements.

(f) Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 crores (March 31, 2023: 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.

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

GACAEL

	December 31, 2023	March 31, 2023
In respect of income tax matters [refer (h) below]	46.17	46.17
In respect of indirect tax matters [refer (i) below]	11.51	11.51
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

	December 31, 2023	March 31, 2023
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]	7.30	7.30
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]	0.17	0.17
A.Y.2018-19 [Disallowed under 80IA]	0.72	0.72

(i) Disputed service tax matters

	December 31, 2023	March 31, 2023
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 GST credit, pending with GST office of Deputy Commissioner	1.17	1.17
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 and received Stay Order dated 12th June, 2019.
- (l) During the previous year, 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 previous 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 previous 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.

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. 0.01 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, 2023: Rs.13.48 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.

During the current period Assistant Commissioner of customs and central tax Shamshabad Division had filed appeals with The Joint Commissioner (Appeals I) against the refund order of Rs. 2.56 Cr. passed by Assistant commissioner for the period Feb 21 to Sep 21. GHRL has attended the personal hearing and submitted its reply.

- (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, 2023: 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, 2023: 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 December 31, 2023.

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

	December 31, 2023	March 31, 2023
(a) sanctioned	846.61	831.61
(b) outstanding	722.63	669.52
(c) sanctioned during the year	90.00	172.00

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

(a) sanctioned	62.13	46.50
(b) outstanding	62.13	46.50

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

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. 662.71 (March 31, 2023: Rs. 700.72).

b) Other commitments :

i) As per the terms of Concession Agreement, the Company 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) The Group 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) The Group 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 the Company had also entered into "Call Spread (CS)" arrangements in order to hedge principal portion of 5.375% senior secured notes (2024 SSN) for USD 73.61 million and 4.75% senior secured notes (2026 SSN) for USD 287.32 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 73.61 million and 2026 SSN for USD 287.32 million.

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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)

- 12 During the financial year ended 2019, the Company 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 the Company for refund of the aforesaid up-front fees and to present the Company's request to the appropriate committees for approvals. Further, management had obtained legal opinion from an independent lawyer regarding the Company's right to receive the refund of upfront fee and accordingly had considered the amount recoverable in full for all reporting periods upto December 31, 2022.

However, owing to the delays in obtaining requisite approvals by the Bank for processing of upfront fee, the management had assessed and written-off the carrying value of upfront processing fee receivable during the quarter and year ended March 31, 2023.

13 Determination of aeronautical tariff

The 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, the Company 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 04, 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. The Company (GHIAL) in the month of September 2021, has filed an appeal against the Order before 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 ordered dated March 04, 2020, while continuing to charge the aeronautical tariff as determined by AERA. TDSAT pronounced judgement on 14.02.2024 in the AERA APPEAL 4/2021 filed by GHIAL and allowed the Appeal.

- 14 The GHIAL has recognized, deferred tax asset comprising of Minimum Alternate Tax (MAT) credit entitlement and unabsorbed business losses aggregating to Rs. 581.75 (March 31, 2023: Rs. 546.36) as at December 31, 2023. The Company 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 14, 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 the Company's ability to recover the deferred tax asset within the specified period as per the provisions of Income Tax Act, 1961.

- 15 As detailed in Note 3(a), to these Financial Statements, certain incomes/ credits are not considered by the Holding Company 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 fees:

	Income forming part of	For the period ended December 31, 2023	For the period ended December 31 2022
Discounting on fair valuation of deposit received from concessionaries	Revenue from operations	7.03	3.97
Income recognised on advance from customers under Ind AS 115	Revenue from operations	0.48	0.64
Impact on account of straight lining of lease rentals	Revenue from operations	2.38	3.39
Income arising from fair valuation of financial guarantee	Other income	1.51	1.58
Discounting on fair valuation of deposit paid to vendors	Other income	0.08	0.09
Income from government grant	Other income	3.97	3.97
Amortisation of deferred income	Other income	0.53	0.09

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

16 Revenue from operations

Nature of Revenue	For the period ended December 31, 2023	For the period ended December 31 2022
Aeronautical		
Landing and parking charges	162.10	113.62
User development fee (UDF)	621.10	317.55
Information communication and technology charges (ICT Charges)	2.35	11.09
Fuel farm	68.47	63.14
Ground handling	32.96	28.79
Cargo	100.11	65.42
Others	18.79	26.84
Revenue from Aeronautical services (A)	1,005.88	626.45
Non-aeronautical		
Duty Free	247.25	156.74
Retail	62.38	51.32
Advertisement	48.22	30.52
Food and beverages	68.53	52.71
Parking	80.72	68.00
Land and space - Rentals	67.13	30.92
MRO services and others	251.44	261.71
Revenue from Non-aeronautical services (B)	825.67	651.92
Commercial property development	49.15	46.86
Hospitality services	63.55	52.51
Revenue from Non-airport services (C)	112.70	99.37
Revenue from operations (A+B+C)	1,944.25	1,377.74

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	At a point in time		Over time	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Aeronautical services	952.60	570.82	53.28	55.63
Non-aeronautical services	453.25	361.10	372.42	290.82
Non-airport services	18.80	18.31	93.90	81.06
Total revenue from operations	1,424.65	950.23	519.60	427.51

17 Details of additions to Property, Plant and Equipment is as below:

Class of asset	For the period ended December 31, 2023	For the period ended December 31 2022
Leasehold improvements	3.22	10.39
Buildings on leasehold land	1,405.45	658.28
Electrical installations	228.05	136.66
Runways	171.35	102.34
Road	0.63	-
Plant and machinery	605.55	483.54
Office equipments	3.47	9.40
Computers	4.68	2.11
Furniture and fixtures	78.10	35.23
Vehicles	2.42	1.53
Total	2,502.92	1,439.48

GMR Hyderabad International Airport 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)

- 18 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 GST 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. The Company 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, the company 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 the Company owing to pending outcome of the judgement of Hon'ble Supreme Court of India. Further, the Company 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 has been 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. 512.67 crores accumulated till March 31, 2023 has been reversed from GST recoverable account and capitalized against the respective property, plant and equipment and capital work in progress to the tune of Rs. 316.57 Crores and Rs. 196.10 Crores respectively in the books of accounts of the Company.

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

For GMR Hyderabad International Airport Limited

Sd/-
Pradeep Panicker
Chief Executive Officer
Date: February 27, 2024

Sd/-
Anand Kumar P
Chief Financial Officer