GMR Hyderabad International Airport Limited

19th Annual Report
2021 - 22

Contents

GENERAL INFORMATION

CIN: U62100TG2002PLC040118

Board of Directors :	
Mr. G.M. Rao Executive Chairman **Mr. G.B.S. Raju** Managing Director **Mr. Srinivas Bommidala** Director **Mr. Grandhi Kiran Kumar** Director **Mr. H.J. Dora** Director **Mr. C. Prasanna** Director **Mr. K. Ramakrishna Rao, *IAS*** Director **Mr. Jayesh Ranjan, *IAS*** Director **Mr. Joyanta Chakraborty** Director **Mr. Dharmendra Bhojwani** Director	**Audit Committee :** Mr. A. Subba Rao - Chairman Dr. M. Ramachandran - Member Mrs. Siva Kameswari Vissa - Member Mr. Madhu Ramachandra Rao - Member Mr. K. Ramakrishna Rao, *IAS* - Member Mr. C. Prasanna - Member Mr. Camilo Perez-Perez - Member **Nomination and Remuneration Committee:** Dr. M. Ramachandran - Chairman Mr. A. Subba Rao - Member Mr. Madhu Ramachandra Rao - Member **Mr.** Dharmendra Bhojwani - Member Mr. C. Prasanna - Member Mr. Antoine Crombez - Member **Corporate Social Responsibility Committee:** Mr. A. Subba Rao - Chairman Mr. Jayesh Ranjan, *IAS* - Member Mr. C. Prasanna - Member **Share Allotment and Transfer Committee:** Mr. Madhu Ramachandra Rao - Chairman **Mr.** Dharmendra Bhojwani - Member Mr. C. Prasanna - Member
Mr. Iskandar Mizal bin Mahmood Director **Mr. Antoine Crombez** Director **Mr. Camilo Perez-Perez** Director **Mr. A. Subba Rao** Independent Director **Dr. M. Ramachandran** Independent Director **Mrs. Siva Kameswari Vissa** Independent Director **Mr. Madhu Ramachandra Rao** Independent Director **Key Managerial Personnel :**	**Statutory Auditors - Joint Auditors:** M/s. Walker Chandiok & Co LLP, Chartered Accountants [Firm Registration No. 001076N/N500013] Unit No – 1, 10th Floor, My Home Twitza, APIIC, Hyderabad Knowledge City, Raidurg (Panmaktha) Village, Serilingampally Mandal, Ranga Reddy District Hyderabad – 500 081, Telangana M/s. K. S. Rao & Co., Chartered Accountants [Firm Registration No.003109S] 2nd Floor, 10/2, Khivraj Mansion, Kasturba Road, Bengaluru – 560 001, Karnataka **Cost Auditors:** M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration No. 000042) 3-6-365, 104 and 105, Pavani Estate, Y V Rao Mansion, Himayath Nagar, Hyderabad - 500 029, Telangana **Secretarial Auditors:** M/s. KBG Associates, Company Secretaries (Firm Registration No. P2009AP006100) 1st Floor, 1-9-309/A, Above Kancheepuram Lavanya Silks, Atchuta Reddy Marg, Red Cross Blood Bank Road, Vidya Nagar, Hyderabad, Telangana, India – 500 044
Mr. Pradeep Panicker Chief Executive Officer **Mr. Anand Kumar Polamada** Chief Financial Officer **Mr. Kiran Kumar Manikwar** Company Secretary	**Bankers / Financial Institutions:** Axis Bank Limited ICICI Bank Limited IDFC Bank Limited Yes Bank Limited Aditya Birla Finance Limited Deutsche Bank AG JP Morgan Chase Bank The Hongkong and Shanghai Banking Corporation Ltd (HSBC) Barclays Bank PLC
Registered Office: GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana Tel : 040 – 6739 5000, www.hyderabad.aero email ID : manikwar.kirankumar@gmrgroup.in	**Registrar and Share Transfer Agent:** KFin Technologies Private Limited Plot Nos.31 & 32, Selenuim Building, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana

NOTICE OF THE NINETEENTH (19^{TH}) ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth (19^{th}) Annual General Meeting of the Members of GMR Hyderabad International Airport Limited will be held on ***Thursday, September 15, 2022 at 11.00 A.M.*** (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the standalone audited financial statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Statutory Auditors thereon.

2. To consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Statutory Auditors thereon.

3. To appoint a Director in place of Mr. Srinivas Bommidala [DIN: 00061464] who retires by rotation, and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. K. Ramakrishna Rao, *IAS* [DIN: 05148824] who retires by rotation, and being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Mr. Jayesh Ranjan, *IAS* [DIN : 00003692] who retires by rotation, and being eligible, offers himself for re-appointment.

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. K. S. Rao & Co., Chartered Accountants [Firm Registration No.003109S] be and are hereby reappointed as one of the Joint Statutory Auditors of the Company for a term of five (5) consecutive years, to hold office from conclusion of the 19^{th} Annual General Meeting (AGM) of the Company till conclusion of the 24^{th} AGM to be held in the year 2027, at such remuneration, as may be decided by Board of Directors of the Company."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of Rs.5,25,000/- (Rupees Five Lakhs and Twenty-five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses, payable to M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration No. 000042), appointed by the Board of Directors as Cost Auditors, for conducting the audit of cost records of the Company for the financial year 2022-23, be and is hereby ratified."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Dharmendra Bhojwani [DIN: 08826067] who was appointed as an additional Director of the Company with effect from January 06, 2022, and who holds office upto the date of 19th Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as a Director of the Company and that he shall be liable to retire by rotation.

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Iskandar Mizal bin Mahmood [DIN: 09479519] who was appointed as an additional Director of the Company with effect from February 02, 2022, and who holds office upto the date of the 19th Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as a Director of the Company and that he shall be liable to retire by rotation.

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

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, read with Schedule IV to the Act and Articles of Association of the Company, Mr. Madhu Ramachandra Rao (DIN:02683483), be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, to hold office from the conclusion of the 19th Annual General Meeting of the Company for a second term of five (5) years or upto the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2027, whichever is earlier.

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

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 ("Act"), and the Rules made thereunder, read with Schedule IV to the Act and Articles of Association of the Company, Mrs. Bijal Tushar Ajinkya (DIN: 01976832) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office from the conclusion of the 19th Annual General Meeting of the Company for a term of five (5) years or upto the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2027, whichever is earlier.

By Order of the Board
for GMR Hyderabad International Airport Limited

Date : July 18, 2022
Place: Hyderabad

Kiran Kumar Manikwar
Company Secretary

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circulars dated April 08, 2020; April 13, 2020; April 21, 2020; May 05, 2020; June 15, 2020; September 28, 2020; December 31, 2020; January 13, 2021; December 8, 2021; December 14, 2021 and vide General Circular No. Policy-17/57/2021-CL-MCA dated May 05, 2022 (collectively referred to as "MCA Circulars") and the Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 permitted the holding of the General Meetings through Video Conferencing ("VC") facility or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue, in compliance with the provisions of the Companies Act, 2013 ("Act"). Pursuant to the aforesaid MCA Circulars, the 19th Annual General Meeting ("AGM" or "the Meeting") of GMR Hyderabad International Airport Limited ("GHIAL" or "the Company") is scheduled to be held on Thursday, September 15, 2022, at 11.00 A.M. (IST) through video conferencing (VC) / OAVM.

2. As per provisions of the Act and the Rules thereunder, the Company is not required to provide the facility of e-voting.

3. The deemed venue for the 19th AGM is the address of the Registered Office of the Company i.e. at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108, Telangana.

4. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself or herself and such proxy need not be a Member of the Company. However, pursuant to MCA Circulars on holding of AGM through VC / OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this AGM Notice.

5. Notice convening the 19th AGM along with the 19th Annual Report 2021-22 (including financial statements, auditors report, board's report and relevant documents) is being sent only through electronic mode i.e., by email to all the Members and others entitled to their e-mail addresses registered with the Company. The 19th AGM Notice has been uploaded on the website of the Company at https://www.hyderabad.aero/our-company.aspx.

6. The explanatory statement pursuant to Section 102(1) of the Act in respect of Special Business is annexed hereto.

7. All the documents referred to in the 19th AGM Notice in respect of Special Business, Annual Report as well as Annual Accounts of the subsidiary companies, Register of Members, Register of Share Transfer, Register of Contracts or Arrangements and Register of Directors' and Key Managerial Personnel and their Shareholding, which are to be kept open for inspection by the Members of the Company, will be available for inspection through electronic mode during 11.00 A.M. to 5.00 P.M. on all working days till the date of the 19th AGM. In this regard, Members are requested to send an email from their registered email id to manikwar.kirankumar@gmrgroup.in with a copy marked to Rachakonda.Chakrapani@gmrgroup.in. Further, the Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to manikwar.kirankumar@gmrgroup.in, on or before September 08, 2022 and response for the same will be sent by the Company accordingly.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. Corporate members intending to nominate their authorised representative to participate in the Meeting are requested to forward to the Company, the Authorisation Letter along with a certified copy of the Board Resolution authorising their representative to attend and vote thereat, on their behalf at the AGM. Government / Government Entities intending to nominate their authorised representatives to participate in the Meeting are requested to forward to the Company, the Authorisation Letter. The scanned copy of Authorization Letter (along with Board Resolution for Corporate Members only) shall be sent by email from their registered email id to manikwar.kirankumar@gmrgroup.in with a copy marked to Rachakonda.Chakrapani@gmrgroup.in.

10. The instructions or details of the AGM i.e. access link to the VC or OAVM, login id, passwords, helpline numbers, e-mail id of a designated person who shall provide assistance for easy access to the AGM, shall be shared separately.

11. Facility for joining the AGM will be kept open 15 minutes before the scheduled time of the AGM and shall not be closed till the expiry of 15 minutes after the scheduled time of the AGM.

12. The Chairman of the Board will preside as the Chairman of AGM. In case, the Chairman is not present, the Directors present will elect one among themselves to be the Chairman of the AGM. If no Director is willing to act as the Chairman or if no Director is present within 15 minutes after the time appointed for holding the AGM, the members present shall choose one of the members, to be the Chairman of AGM.

13. The Chairman of the AGM may conduct a vote on the Resolutions by show of hands, unless a demand for poll is made by a member in accordance with the provisions of Section 109 of the Act. Where a poll on any item is required, the members shall cast their votes on the resolutions only by sending e-mails to the email ID [manikwar.kirankumar@gmrgroup.in] from their email addresses which are registered with the Company.

14. This AGM is being held through VC / OAVM, as such the route map to the venue is not annexed to this Notice.

15. Apart from the ordinary business, the following agenda items under special business are being placed at 19th AGM for consideration and approval of the Members, which are unavoidable in the opinion of the Board:

Agenda Item No. 7	Ratification of remuneration of the Cost Auditors for the financial year 2022-23	The cost audit remuneration fixed by the Board is subject to ratification by the Members of the Company. Hence, placing this agenda in the 19th AGM.
Agenda Item No. 8	Appointment of Mr. Dharmendra Bhojwani as the Director of the Company.	Mr. Dharmendra Bhojwani was appointed as an additional Director and holds the office up to the date of the ensuing 19th AGM. It is proposed to appoint him as a Director of the Company. Hence, placing this agenda in the 19th AGM.

Agenda Item No. 9	Appointment of Mr. Iskandar Mizal bin Mahmood as the Director of the Company.	Mr. Iskandar Mizal bin Mahmood was appointed as an additional Director and holds the office up to the date of the ensuing 19th AGM. It is proposed to appoint him as a Director of the Company. Hence, placing this agenda in the 19th AGM.
Agenda Item No. 10	Re-appointment of Mr. Madhu Ramachandra Rao as an Independent Director of the Company	The 1st term of appointment of Mr. Madhu Ramachandra Rao (Independent Director) is up to the ensuing 19th AGM. It is proposed to reappoint Mr. Madhu Ramachandra Rao as an Independent Director of the Company for another term. Hence, placing this agenda in the 19th AGM.
Agenda Item No. 11	Appointment of Mrs. Bijal Tushar Ajinkya as an Independent Director and also as the Women Director of the Company	In order to broad base the Board, it is proposed to appoint Mrs. Bijal Tushar Ajinkya as an Independent Director of the Company. The appointment will also enable the Company to fulfill the mandatory requirement of having a woman Director, consequent to retirement of Mrs. Siva Kameswari Vissa. Hence, placing this agenda in the 19th AGM.

16. Meeting through VC or OAVM facility is allowed two way teleconferencing for ease of participation of the members of the Company.

17. At least one Independent Director and the Auditor or his / her authorized representative, who is qualified to be an auditor would attend such meeting through VC or OAVM facility.

18. M/s. K. S. Rao & Co., Chartered Accountants, Bengaluru [ICAI Firm Registration No. 003109S] were appointed as one of the Joint Statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 14th AGM held in year 2017 till the conclusion of the 19th AGM to be held in the year 2022. After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company, based on the recommendation of the Audit Committee, has considered and recommended the re-appointment of M/s. K. S. Rao & Co., for another term of five (5) years to hold office from the conclusion of the ensuing 19th AGM till the conclusion of the 24th AGM to be held in the year 2027, as set out in Item No. 6 of this Notice.

ANNEXURE TO NOTICE OF THE 19th ANNUAL GENERAL MEETING

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 7

The Board of Directors ("the Board") of the Company at its Meeting held on April 28, 2022, on recommendation of the Audit Committee had reappointed M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration No. 000042), as Cost Auditors of the Company for the financial year 2022-23, at a remuneration of Rs.5,25,000/- plus applicable taxes and reimbursement of out-of-pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the Resolution as set out in Item No. 7 as an Ordinary Resolution, is placed for ratification by the Members.

The Board recommends the resolution as set out in Item No. 7, for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution as set out in Item No. 7.

Item No. 8

Pursuant to the provisions of Section 161 of the Companies Act, 2013, and based on the recommendation of the Nomination and Remuneration Committee, Mr. Dharmendra Bhojwani was appointed, by the Board, as an additional Director of the Company, with effect from January 06, 2022. Pursuant to Section 161 of the Companies Act, 2013, he holds the office up to the date of the 19th AGM.

The Board, based on the recommendation of the Nomination and Remuneration Committee, recommended the appointment of Mr. Dharmendra Bhojwani as a Director of the Company. He shall be a Non-Executive Director of the Company and shall be liable for retirement by rotation. The Company has received a Notice under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Dharmendra Bhojwani as the Director of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Dharmendra Bhojwani and his relatives, is concerned or interested in the resolution.

The Board recommends the resolution as set out in Item No. 8 of the 19th AGM Notice for approval of the Members, as an Ordinary Resolution.

Item No. 9

Pursuant to the provisions of Section 161 of the Companies Act, 2013, and based on the recommendation of the Nomination and Remuneration Committee, Mr. Iskandar Mizal bin Mahmood was appointed, by the Board, as an additional Director of the Company, with effect from February 02, 2022. Pursuant to Section 161 of the Companies Act, 2013, he holds the office up to the date of the 19th AGM.

The Board, based on the recommendation of the Nomination and Remuneration Committee, recommended the appointment of Mr. Iskandar Mizal bin Mahmood as a Director of the Company. He shall be a Non-Executive Director of the Company and shall be liable for retirement by rotation. The Company has received a Notice under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Iskandar Mizal bin Mahmood, as the Director of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Iskandar Mizal bin Mahmood and his relatives, is concerned or interested in the resolution.

The Board recommends the resolution as set out in Item No. 9 of the 19th AGM Notice for approval of the Members, as an Ordinary Resolution.

Item No. 10

Mr. Madhu Ramachandra Rao was appointed as an Independent Director of the Company, to hold office for the first term commencing from July 02, 2018 upto the 19th AGM to be held in the year 2022. Keeping in view of his expertise and knowledge, the Board is of the opinion that it would be in the interest of the Company to reappoint Mr. Madhu Ramachandra Rao as an Independent Director of the Company for second term commencing from the date of the 19th AGM for a period of five years or upto date of the 24th AGM to be held in the year 2027, whichever is earlier.

Mr. Madhu Ramachandra Rao meets the criteria of independence as provided under Section 149 (6) of the Act. A declaration to this effect has also been furnished by Mr. Madhu Ramachandra Rao. Further, the Company has received declaration from Mr. Madhu Ramachandra Rao that he is not disqualified from being reappointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 and other applicable provisions of the Act and has given his consent for the reappointment. The Company has received a Notice under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Madhu Ramachandra Rao as an Independent Director of the Company.

The Nomination and Remuneration Committee and the Board of Directors, on the basis of performance evaluation, recommended the reappointment of Mr. Madhu Ramachandra Rao as an Independent Director of the Company and they are of the view that he has the necessary competencies, skills and integrity.

As per the provisions of Section 149 of the Companies Act, 2013, Mr. Madhu Ramachandra Rao being an Independent Director is not liable to retire by rotation.

Mr. Madhu Ramachandra Rao does not hold any shares in the Company and he is not related to any Director or Key Managerial Personnel of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Madhu Ramachandra Rao and his relatives, is concerned or interested in the resolution.

The Board recommends the resolution as set out in Item no.10 of the 19th AGM Notice for approval of the Members, as a Special Resolution.

Item No. 11

In order to broad-base the Board, the Board of Directors, upon recommendation by the Nomination and Remuneration Committee, recommend to the Members the appointment of Mrs. Bijal Tushar Ajinkya (DIN: 01976832) as an Independent Director of the Company, not liable to retire by rotation, from the conclusion of the 19th AGM for a term of 5 years or upto the date of the 24th AGM of the Company to be held in year 2027, whichever is earlier. Further, the appointment of Mrs. Bijal Tushar Ajinkya will enable the Company to fulfil the requirement of having a woman Director, consequent to retirement of Mrs. Siva Kameswari Vissa.

The Nomination and Remuneration Committee and the Board of Directors have assessed the candidature of Mrs. Bijal Tushar Ajinkya and they are of the view that the proposed Independent Director has the necessary competencies and skills, and integrity and recommended her appointment to the Members.

The Company has received declaration from Mrs. Bijal Tushar Ajinkya that she is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 and other applicable provisions of the Act and has given her consent for the appointment. Further, the Company has also received a declaration from her confirming that she meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Mrs. Bijal Tushar Ajinkya meets the criteria of Independence as provided in Section 149(6) of the Act. The Company has received a Notice under Section 160 of the Companies Act, 2013, proposing the candidature of Mrs. Bijal Tushar Ajinkya as an Independent Director of the Company. As per the provisions of Section 149 of the Companies Act, 2013, Mrs. Bijal Tushar Ajinkya being an Independent Director is not liable to retire by rotation.

Mrs. Bijal Tushar Ajinkya does not hold any shares in the Company and she is not related to any Director or Key Managerial Personnel of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution.

The Board recommends the resolution as set out in Item No.11 of the 19th AGM Notice for approval of the Members, as an Ordinary Resolution.

By Order of the Board
for GMR Hyderabad International Airport Limited

Date : July 18, 2022
Place: Hyderabad

Kiran Kumar Manikwar
Company Secretary

Details of Directors seeking appointment / reappointment as Directors of the Company at the 19th Annual General Meeting, in respect of Special Business, pursuant to Clause 1.2.5 of the Secretarial Standard-2 on General Meetings:

Mr. Dharmendra Bhojwani :

<table>
<tr><td>Name of Director</td><td>Mr. Dharmendra Bhojwani</td></tr>
<tr><td>DIN</td><td>08826067</td></tr>
<tr><td>Age (Years)</td><td>57 Years</td></tr>
<tr><td>Educational Qualifications</td><td>B. Com, ICMAI</td></tr>
<tr><td>No of Years of Experience</td><td>Over 32 Years</td></tr>
<tr><td>Terms & Conditions of appointment</td><td>Appointment as Director as per terms and conditions as stated in the resolution.</td></tr>
<tr><td>Date of first appointment on Board</td><td>January 06, 2022</td></tr>
<tr><td>Shareholding in the Company</td><td>Nil</td></tr>
<tr><td>Relationship with other Directors, Manager & KMPs</td><td>Nil</td></tr>
<tr><td>Directorships in Indian Companies</td><td>1. GMR Hyderabad International Airport Limited
2. Bangalore International Airport Limited
3. Digi Yatra Foundation</td></tr>
<tr><td>Committee Chairmanships / Memberships in Indian Companies</td><td><table>
<tr><th>Name of the Company</th><th>Name of the Committee</th><th>Position held (Chairman/ Member)</th></tr>
<tr><td>GMR Hyderabad International Airport Limited</td><td>Nomination and Remuneration Committee</td><td>Member</td></tr>
<tr><td>GMR Hyderabad International Airport Limited</td><td>Share Allotment and Transfer Committee</td><td>Member</td></tr>
</table></td></tr>
<tr><td>Other information</td><td>Mr. Dharmendra Bhojwani is a commerce Graduate and Associate Member of the Institute of Cost and Management Accountants of India.

Presently, he is an Executive Director (Finance) in Airports Authority of India. He has rich experience of more than 32 years and associated with AAI in various capacities. ln his present position, he is looking after Corporate Accounts, Market Borrowings, Capital Budget, Financial Concurrence, etc.</td></tr>
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Mr. Iskandar Mizal bin Mahmood :

Name of Director	Mr. Iskandar Mizal bin Mahmood
DIN	09479519
Age (Years)	56 Years
Educational Qualifications	Bachelor's degree in Business Administration (Accounting) from Boston University, United States of America.
No of Years of Experience	33 years of professional experience
Terms & Conditions of appointment	Appointment as Director as per terms and conditions as stated in the resolution.
Date of first appointment on Board	February 02, 2022
Shareholding in the Company	Nil
Relationship with other Directors, Manager & KMPs	Nil
Directorships in Indian Companies	GMR Hyderabad International Airport Limited
Committee Chairmanships / Memberships in Indian Companies	-
Other information	Presently, **Dato' Iskandar Mizal bin Mahmood** is the Managing Director of Malaysia Airports Holdings Berhad. Dato' Iskandar is a corporate leader with over 33 years of experience and had served several companies in multiple sectors, of which 20 years were in leadership positions.

Mr. Madhu Ramachandra Rao :

Name of Director	Mr. Madhu Ramachandra Rao
DIN	02683483
Age (Years)	70 Years
Educational Qualifications	Chartered Accountant
Nos of years of Experience	42 years
Terms & Conditions of appointment	Reappointment as an Independent Director as per terms and conditions as stated in the resolution.
Date of first appointment on Board	July 02, 2018
Shareholding in the Company	Nil
Relationship with other Directors, Manager & KMPs	Nil
Directorships in Indian Companies	1. GMR Hyderabad International Airport Limited 2. Shree Renuka Sugars Limited 3. Adani Wilmar Limited 4. Gokak Sugars Ltd 5. GMR Goa International Airport Limited 6. Sumeru Global Holdings and Services Private Limited 7. Sumeru Software Solutions Private Limited
Committee Chairmanships / Memberships in Indian Companies	See table below

Name of the Company	Name of the Committee	Position held (Chairman/ Member)
Shree Renuka Sugars Limited	Audit Committee	Chairman
Gokak Sugars Limited	Audit Committee	Chairman
GMR Goa International Airport Limited	Audit Committee	Member
GMR Hyderabad International Airport Limited	Audit Committee	Member
Adani Wilmar Limited	Audit Committee	Member
Shree Renuka Sugars Limited	Stakeholders' Relationship Committee	Chairman
Shree Renuka Sugars Limited	Nomination & Remuneration Committee	Member
Shree Renuka Sugars Limited	Risk Management Committee	Member
Gokak Sugars Limited	Nomination & Remuneration Committee	Member
GMR Goa International Airport Limited	Nomination & Remuneration Committee	Member
GMR Goa International Airport Limited	Share Transfer and Allotment Committee	Member
GMR Hyderabad International Airport Limited	Nomination & Remuneration Committee	Member
GMR Hyderabad International Airport Limited	Share Transfer and Allotment Committee	Chairman
Adani Wilmar Limited	Nomination & Remuneration Committee	Member
Adani Wilmar Limited	Corporate Social Responsibility Committee	Member

Other information	**Mr. Madhu Ramachandra Rao** is a Chartered Accountant by profession. He was a partner with M/s. N. M. Raiji & Co., Chartered Accountants, for about 12 years during 1976 to 1988. Thereafter, Mr. Madhu Rao was associated with M/s. Shangri- La Hotels & Resorts, Hong Kong for about 30 years from 1988 to 2017 in various capacities as Group Financial Controller, CFO, Executive Director and Vice Chairman. He has worked with three generations of Shangri-La Group in Hong Kong and he was also a member of the Executive Committee of the Board and also participated in the growth of the company and its business from 9 hotels in 1988 to 101 hotels. He was actively involved in all core aspects of business including, framing corporate and accounting policies & procedures, talent acquisition, investment analysis, marketing strategies, liaison with the auditors, maintain cordial investor relations, negotiating investment incentives with Government, Corporate Bond and Rights Issue, etc.

Mrs. Bijal Tushar Ajinkya :

Name of Director	Mrs. Bijal Tushar Ajinkya
DIN	01976832
Age (Years)	46 Years
Educational Qualifications	L.L. M. (in International Law)
Nos of years of Experience	Over 20 years of experience
Terms & Conditions of appointment	Appointment as an Independent Director as per terms and conditions as stated in the resolution.
Date of first appointment on Board	Proposed to be appointed at the ensuing AGM
Shareholding in the Company	Nil
Relationship with other Directors, Manager & KMPs	Nil
Directorships in Indian Companies	GMR Infrastructure Limited
Committee Chairmanships / Memberships in Indian Companies	Nil
Other information	**Mrs. Bijal Tushar Ajinkya** has done L.L.M. in International Law from University of Mumbai. She is a partner in Khaitan & Co. in the Direct Tax, Private Client and Investment Funds Practice Groups in their Mumbai office. With over 20 years of experience, on the tax side, Mrs. Ajinkya primarily focuses on international tax, structuring of inbound and outbound investments, M&A tax negotiations, providing opinions on complex tax issues on international tax, etc. On the tax litigation front, she has immense experience in providing advice on unique litigation strategies and has been a lead advisor in many successful and path breaking tax litigations in India. She had led many successful international tax litigations in India; on the India-Mauritius Tax Treaty- Azadi Bachao Andolan, Applicability of Minimum Alternate Tax for Foreign Portfolio Investors, etc. She has also served as an expert witness on Indian Tax matters in an International Arbitration. She assists HNIs and their businesses on their succession planning needs.

BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

Dear Members,

The Board of Directors hereby present this 19th Board's Report of GMR Hyderabad International Airport Limited ("GHIAL" or "your Company" or "the Company") together with the audited financial statements for the Financial Year ended March 31, 2022 (Financial Year).

During the Financial Year the COVID-19 pandemic ("pandemic") continued to play havoc with the civil aviation business, in terms of its spread, duration, multiple variants and severity, resulting in the virtual halt of global air passenger traffic, to support the Government's efforts in effectively containing the outbreak. The aviation sector was just recovering from the effect of the first wave, when the second wave caused by the delta variant negatively impacted the path of recovery during the start of the Financial Year.

As the world experienced multiple waves of the pandemic, the aviation sector had to think innovatively to remain resilient. Travel restrictions imposed by Governments, across countries, led to severe decline in air travel and resultant passenger throughput at the airports including at the Rajiv Gandhi International Airport, Hyderabad ("RGIA" or "Hyderabad Airport") of your Company. Thankfully however, the domestic passenger traffic has gradually improved, consistent with the phased increase in flight activity after the second wave of the pandemic.

During the Financial Year, your Company witnessed a relatively quicker recovery of domestic passenger movements as the daily infection rate gradually decreased, as the vaccination drive picked up pace in the country. During the Financial Year, RGIA consistently recorded one million plus monthly passenger throughput from August 2021 onwards and was on course to return to the path of profitability. However, the third wave of the pandemic, moderately slowed down the recovery timeline. RGIA, however, continued to record one million plus passengers' throughput despite the third wave in January 2022. International scheduled passenger traffic resumed by the end of the Financial Year i. e., from March 27, 2022 onwards. However, primarily the "Vande Bharat Mission flights" and "flights under bubble arrangements" were operating on international routes with limited frequency throughout the Financial Year. "Vande Bharat Mission flights" are special flights arranged by the Government of India to facilitate Indian citizens returning from overseas during the pandemic. "Flights under bubble arrangements" are bilateral agreements between India and other countries to allow a certain mutually agreed number of scheduled flights to operate between the countries. Currently the international passenger traffic is slowly returning to its pre-covid levels. The cargo volume throughput showed a positive trend during the Financial Year, supported by a healthy demand for pharma products and vaccines. RGIA handled the largest import shipment of Sputnik V COVID-19 vaccines in June 2021.

The ongoing capacity expansion works at RGIA to take the terminal and airside capacity to 34 million annual passengers, experienced slow progress due to the successive waves of the pandemic during the Financial Year.

With free movement of passengers across the country, supported by an effective national vaccination program and milder version of the virus, it is expected that passenger traffic at RGIA will fully recover.

STATE OF AFFAIRS AND OPERATIONS:

With the entire Indian aviation ecosystem including airlines, airport operators, various service providers and stakeholders have borne the brunt of the lockdowns and the Government-imposed restrictions on air travel. However, RGIA continued to lead the recovery of passenger traffic (recovering by over 93% Domestic and 69% International in March 2022) amongst the other major airports, despite the impact of the second wave of the pandemic.

During the Financial Year, RGIA handled 12.42 million passengers, over 1,14,000 Air Traffic Movements ("ATMs") and more than 1,40,000 Metric Tonnes ("MTs") of Cargo. On a year-on-year basis, passenger movements and ATMs recorded a growth of 54% and 33%, respectively. Cargo recorded around 24% year on year growth.

In the Financial Year, RGIA has improved its domestic route connectivity by serving 70 domestic destinations as compared to 55 domestic destinations in the pre-COVID scenario. However, as expected, many countries have shut their international borders during the second COVID wave to curb the spread of the virus. This had a negative impact on the international passenger movements at RGIA. The domestic traffic, however, has led the recovery in the overall passenger movements at RGIA due to the increased route connectivity and various measures undertaken by your Company to improve passenger confidence in air travel during these testing times.

With the return of passenger confidence and given the strategic and competitive advantage RGIA holds amongst its peers, RGIA is returning to its growth path as the situation gradually returns to normalcy. In June 2022, RGIA recorded more than 90% of both Domestic and International passenger traffic of the pre-COVID levels.

FINANCIAL RESULTS:

A summary of the Company's financial results for the Financial Year is as under:

(Rs. in Crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance FY 2021-22 Vs FY 2020-21
INCOME			
Revenue from operations	673.68	441.23	232.45
Other income	105.00	143.41	(38.41)
Total income	**778.68**	**584.64**	**194.04**
EXPENSES			
Concession fee	30.33	22.54	7.79
Employee benefits expense	109.85	110.54	(0.69)
Other expenses	312.19	255.03	57.16
Total expenses	**452.37**	**388.11**	**64.26**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**326.31**	**196.53**	**129.78**
Finance costs	258.52	236.74	21.78
Depreciation and amortization expenses	219.85	189.83	30.02
Profit before tax	**(152.06)**	**(230.04)**	**77.98**
Tax expenses:			
Current tax - Minimum alternate tax	-	(0.74)	0.74

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance FY 2021-22 Vs FY 2020-21
Deferred tax expense	(43.96)	(78.25)	34.29
Total tax expense	**(43.96)**	**(78.99)**	35.03
Profit after tax for the year	**(108.10)**	**(151.05)**	42.95
Other Comprehensive income	**(171.40)**	**(37.03)**	**(134.37)**
Items that will not be reclassified to profit or loss :			
Re-measurement gain / (losses) on defined benefit plans	(0.24)	1.14	(1.38)
Items that will be reclassified to profit or loss :			
Cash flow hedge reserve	(206.41)	(81.75)	(124.66)
Less: Deferred tax expense	35.25	43.58	(8.33)
Total Comprehensive income for the year	**(279.50)**	**(188.08)**	**(91.42)**

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of your Company.

DIVIDEND:

The Board, considering the disruption to the business caused by the prevailing pandemic and to conserve the funds required for the ongoing airport expansion project and also keeping in view the Dividend Distribution Policy, has decided that it would be prudent, not to recommend dividend for the Financial Year.

APPROPRIATIONS TO RESERVES:

No amount has been transferred to the reserves during the Financial Year.

EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS:

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year to which these financial statements relate and the date of the Board's Report.

MAJOR EVENTS AND ACHIEVEMENTS:

Extension of the term of the Concession Agreement for RGIA:

Your Company has received a letter of confirmation dated May 2, 2022, from the Ministry of Civil Aviation (MoCA), Government of India, extending the term of the Concession Agreement for operating RGIA for a further period of 30 years i.e., from March 23, 2038 up to March 22, 2068. This extension is consistent with the terms of the Concession Agreement dated December 20, 2004.

Route Development:

Before the disruptions caused by the pandemic, your Company had been making steady progress in expanding the connectivity at RGIA.

Out of the 15 new destinations added post COVID, eight new domestic destinations were added in the Financial Year including Srinagar, Dehradun, Pondicherry, Udaipur, Jamnagar, Jodhpur, Dimapur and Gondia and four international destinations were reconnected after the second wave viz Chicago, Singapore, Kuala Lumpur and Male. Air India started a new route to London, this is the first ever Indian carrier to connect Hyderabad to London.

On the Cargo front, Cathay Pacific cargo started operating B747 freighter turnaround flight weekly once on HKG-HYD-HKG route which they earlier operated via Delhi, with shared capacity. SpiceXpress started scheduled freighter flights to Delhi, Bombay and Bangalore. Also, SpiceXpress started operating non-scheduled freighter flight to Bangkok weekly once, with an aim to convert into scheduled operations, subject to market demand. In the Financial Year, RGIA had achieved the second best recovery in terms of overall cargo tonnage, and first in domestic cargo tonnage among the metro airports in India.

Airport Expansion:

Your Company has made the following progress on the Capital Expansion works:

- On the Airside,
  - Four (4) new Rapid Exit Taxiways (RET) have been commissioned taking the total number of RETs to eight (8). These will benefit significantly in reducing the Runway Occupancy Time (ROT) and thereby help augment the runway capacity.
  - A new Ground Service Equipment (GSE) Tunnel connecting the remote stands on the east and the expanded terminal building has been commissioned. The GSE Tunnel will enhance the safety and minimize the time loss during the crisscross movement of GSE vehicles and Aircrafts.
  - Northeast Apron is nearing completion and Northwest Apron works are in progress. Both the facilities are expected to be operational by end of 2022 progressively and will increase the contact stand capacity once completed.
- On the Passenger Terminal Building ("PTB") expansion,
  - Straight portion of East Pier of about 15,750 sqm has been constructed and is in trials for operational readiness. In addition to enhancing passenger experience, this will add more passenger and retail spaces on the domestic side. Also, three (3) more contact stands will be made operational.
  - West Processor is in an advanced stage of construction and is targeted to be made operational very soon. All systems are substantially complete and finishing works are in progress.
  - Remaining areas of PTB expansion are also in progress at a brisk pace. Deliverables are planned in the sequence of East Pier Bulb, West Pier and East Processor in line with Operational requirements.
  - Several areas within the existing terminal building have been modified and handed over. These are critical for the seamless integration of new and existing facilities and enhancing passenger experience.
  - Despite the challenges posed by the pandemic, all imported materials pertaining to critical Airport Systems like BHS have been delivered. Delivery of the other systems are also on track and will be completed very soon.

- Due to the constant efforts made by your Company, the construction works have not stopped even during the second wave of the pandemic but are progressing albeit at a slow pace with available resources deployed on priority areas.

- Your Company has also obtained the necessary Regulatory and Statutory approvals as applicable from Authorities like the Director General Civil Aviation, Bureau of Civil Aviation Security, Fire Occupancy and Telangana State Pollution Control Board.

- As on March 31, 2022, the Airport expansion works recorded an overall physical progress of around 73%.

- Roll out of the vaccination program for the entire work force has been rigorously monitored and this initiative has greatly benefited the project implementation. Works have recovered faster in the third wave as compared to the earlier waves and only specific areas of work (material supplies impacted due to continued restrictions) have taken a little more time for recovery.

- The revised project execution strategy factoring the impact of the Third wave has been worked out and the balance deliverables are expected to be in place by March 2023 progressively.

Operations:

The relentless focus of your Company on offering the best possible service quality and passenger experience with world-class levels of operational efficiency, have led to several new milestones being attained during the Financial Year.

Highlights include:

- Primary Runway was recommissioned on July 10, 2021 after rehabilitation work of pavement and construction of four new RETs;

- Hyderabad Airport became the first and only Airport to publish comprehensive 'Electronic Terrain & Obstacle Data (eTOD)' in India;

- Telangana State Pollution Control Board (TSPCB) renewed the Airport - Consent for Operation (CFO) till January 2025;

- TSPCB granted the Consent for Operation (CFO) order dated February 01, 2022 for the 25 MPPA airport expansion project of RGIA with validity till January 31, 2026;

- RGIA Aerodrome license was renewed till March 2024;

- Installation of Instrument Landing System (ILS) equipment's for Secondary Runway 09L was completed on August 14, 2021 and installation of RWY 27R-09L Runway Visual Range (RVR) was completed on September 24, 2021;

    - Testing and Calibration work for newly equipped Mid RVR was completed which is the mandatory part of CAT II operations;
    - Commissioned additional 5MW Solar Power Plant on July 08, 2021;
    - Operationalized New Water Treatment Plant at R2 Reservoir with a total capacity of 1000KLD. The Treated Water is used for Domestic/ Flushing Purpose in PTB resulting in total cost saving of approximately INR 48 Lakhs per annum;

Commercial / Non-aero:

Your Company focuses on creating and delivering a well-rounded shopping, retail and commercial services experience to the passengers and visitors at RGIA, which in turn provides a strong and fast-growing source of revenues for the airport.

Highlights for the Financial Year include:
- Increasing non passenger income by operationalisation of "Aero Plaza" at RGIA.
- RGIA is the only Airport to have a home delivery option
- All key Non Aero KPIs are higher than their pre-COVID level

Despite the challenges faced due to the pandemic, your Company added 22 new stores / concepts and outlets including renowned brands such as Neeru's, Haldiram's, Sip Of Sky, Barley & Grapes Café, Buffalo Wild Wings etc., for further improving the range of choices available to the passengers and driving further growth in non-aero and non-passenger income for your Company.

During the Financial Year, your Company launched many promotions, campaigns and a Raffle draw for growth of sales and improved customer engagement. RGIA launched the first of its kind Anniversary offer for Hyderabad Airport with 14% discount plus 14% cash back through 'Phone Pe' in addition to ongoing offers/staff discounts.

Special Measures to Counter the Impact of the Pandemic:

Your Company has been proactively managing the impact of the multiple COVID waves. Several safety and health measures have been taken to protect the business, employees, passengers and all other stakeholders from the coronavirus through operational, financial and other measures. Through these measures, RGIA was able to overcome the challenging period during the second and third COVID waves. With the gradual opening of the economy, RGIA has also continued to take up all necessary measures to ensure the safety of passengers and employees.

Major steps taken up in various areas, during the Financial Year include:

Safety and Wellbeing of Staff and Other Stakeholders:

- Adopted Hybrid working (in-office and remote working) model to ensure social distancing;
- Rostering staff to minimize risk of cross-exposure;
- Encouraging Virtual meetings;
- Extended Transport and administrative support to all COVID affected patients, round the clock;
- Access to sanitizers and PPE kits, including face masks, shields, gowns, gloves was provided to all the employees and stakeholder's employees working in the airport premises;
- 24x7 GMR Emergency Control Room was created to support needs of the employees and their families with regard to medical services, hospitalization, transportation, security, insurance, social support, HR and miscellaneous services;

- "HR Buddies and Buddy @ your neighbourhood" concepts were started to help and support the employees in need and also to track the wellbeing of the employees;
- Isolation beds at hospitals and priority testing / treatment for employees has been done;
- Isolation arrangements were provided at GMR Township and GMR Varalakshmi Foundation for the employees and family members;
- Regular RT-PCR tests were conducted to promptly identify positive cases. The Company tied up with Mapmygenome, Apollo and Lucid Diagnostics centres for testing for the employees and their family members;
- Oxygen arrangements and medicines required for treatment were made available;
- Supply of COVID kits: Employees who tested positive were given COVID kits with required medication as per their medical condition, in consultation with the campus doctors. Also, critical medicines were made available for emergencies;
- Vaccination arrangement:
    - Procurement of vaccinations was made;
    - Extended vaccination to all the stakeholders of the Airport ecosystem at Apollo Medical Centre at RGIA;
    - Constantly tracked and ensured that eligible employees are vaccinated

Emergency Response and Management:

- COVID War Room meetings were set-up with an empowered cross functional team and the same were personally steered by the CEO;
- Daily reviews were held to monitor the dynamically changing situation, track intelligence and plan balanced response with focus on airport operations, business and financial resilience, staff welfare and policy advocacy;
- Various ground level taskforces were set up in addition to the War Rooms to engage with the entire airport community and implemented the interventions in collaboration with all the stakeholders.

To enable safe and contactless travel for the passengers, the following initiatives were implemented:

- Contactless passenger processing by leveraging technology:
    - Camera based contactless ID and travel document verification by CISF personnel at terminal entry;
    - Contactless Common Use Self Service (CUSS) access and usage via smart phone for boarding pass printing;
    - Contactless F&B ordering and digital payments via GMR airport app HOI and digital wallets such as PhonePe;
    - Contactless car park transactions via Fastag (electronic toll collection) and digital wallets;
    - Digital Information Desk;
    - Hands-free elevator control.

- Contactless water dispensers and sanitizer dispensers;
- Safety measures at Retail and F&B outlets viz. contactless payments, disinfection units, more self-service options, disinfection and sanitization of goods, etc.
- Others:
    - The operational protocols and processes were modified to cope with the changed health environment to protect both staff as well as passengers;
    - Comprehensive Social Distancing measures were followed at the terminal, office spaces and other parts of the airport campus;
    - Increased sanitization, fumigation and deep cleaning of all premises, equipment and vehicles at a pre-determined frequency;
    - Thermal screening was installed at all entry points of the terminal and offices;
    - Leveraging all communication channels to spread awareness on the pandemic and precautionary measures.

Policy Advocacy:

- Engaged with the Government, regulators, media and industry bodies to pursue suitable operational and relief measures;
- Closely aligned the following efforts with both the Central and State Government agencies and local contacts, which helped ensure situational awareness and smooth operations:
    - Airport operational protocols and processes were aligned and the same was followed in line with the guidelines of MoCA, Ministry of Health and Family Welfare and Telangana State Health Public Department in collaboration with all the relevant stakeholders;
    - Closely liaised with the Police and Law Enforcement Authority to obtain passes and ensure smooth movement of staffs and materials;
    - Ensured availability of Transport and Drivers throughout the period;
    - Arranged for CISF escort to support critical movements during lockdown;
- For its continued commitment towards passengers and employees Health and Safety, Hyderabad Airport received the renewal of ACI's Airport's Health Accreditation - A merit-based program for airports recognized by the passengers, staff, regulators, and Governments for prioritizing health and safety measures. Hyderabad Airport is among the first batch of airports globally to receive this prestigious recognition which instills confidence in passengers and boosts air travel.

Communication Initiatives against Pandemic Targeted at Passengers, Staff and Stakeholders:

- CEO COVID Town hall session was organized in May 2022 to communicate the COVID preparedness of the Company to all employees.
- Communication via print and electronic media, social media and other channels on the airport's operations during the pandemic induced restrictions and recommencement of the operations with a view to instill confidence among the passengers towards air travel being the safest mode of travel.

Measures to ensure Financial Resilience:

- Your Company assessed its financial liquidity situation on a continuous basis and carried out simulation analysis to identify and address potential sources of financial stress;
- With learnings from first COVID wave, RGIA quickly adopted cost control measures to conserve cash, deferment / avoidance of all non-essential opex and capex, renegotiation of all major expenditure contracts to reduce costs and conserve cash outflow during the second wave.

REGULATORY AND TARRIFF ORDERS PASSED BY THE REGULATORS:

Your Company's aeronautical tariffs are determined by the Airports Economic Regulatory Authority of India ("AERA" or "the Regulator") for each control period spanning over five (5) years. Your Company is operating in the third control period (April 01, 2021 to March 31, 2026). For the current control period, AERA issued a Tariff Order vide its Order No. 12/2021-22 dated August 31, 2021.

The said Tariff Order was effective from October 1, 2021 under which, the Regulator approved the continuation of the existing tariffs till March 31, 2022 and the enhancement in tariffs from April 01, 2022 upto March 31, 2026. Upon implementation of the Tariff Order, the enhanced aeronautical charges will be effective from April 01, 2022 onwards. In the third control period tariff order, the Regulator allowed recovery of our long pending claim with respect to pre–control period entitlements. However, there are few disputed issues with regard to classification of Cargo, Ground Handling and Fuel Farm revenues as non-aeronautical, treatment of revenue from real estate development, treatment of forex loss on External Commercial Borrowings ("ECB") pay-outs, etc. which are contested afresh by your Company through an appeal filed before TDSAT on September 30, 2022 under Section 18(2) of the Airports Economic Regulatory Authority of India Act, 2008 ('AERA Act') challenging the AERA Order No. 12/2021-22 dated August 31, 2021.

CREDIT RATING:

The domestic rating of your Company has been reaffirmed at AA level by CRISIL, ICRA and India Ratings. CRISIL and ICRA have a negative outlook whereas India Ratings has revised its outlook to stable.

The International rating agencies Fitch and S&P have reaffirmed your Company's international rating of BB+ and BB-, respectively, and Moody's has a rating of Ba2. While Fitch and S&P have revised outlook to stable, Moody's continued negative outlook.

FINANCING:

During the Financial Year under review, your Company obtained a reduction in the Rate of Interest (ROI) on its working capital loan of Rs. 100 Crores availed from ICICI Bank from 8.15% per annum to 7.5% per annum and also received, a sanction of, an additional working capital limit of Rs. 125 Crores, including fund based limits of Rs. 100 Crores and Non Fund based limits of Rs. 25 Crores. Interest on working capital loan of Rs. 100 Crores availed from Aditya Birla Finance Limited was reduced from 8.60% per annum to 7.95% per annum.

AWARDS AND CERTIFICATIONS RECEIVED BY THE COMPANY / RGIA DURING THE PERIOD UNDER REVIEW:

Your Company received the following awards / accolades during the period under review recognizing the significant contributions it made in different aspects of functional excellence:

- **Airport Council International (ACI) Green Airport** recognition 2021- Gold, for air quality management standards;
- **ACI - Airport Health Accreditation** – RGIA among first few airports to achieve this certification in the Asia Pacific Region in recognition towards safety of airport passengers and all the personnel working at the RGIA;
- **ACI - Best Airport by Size and Region** (15 to 25 million passengers per year in Asia-Pacific) ;
- **Rank 64th in Skytrax** Annual Awards **(Moved up by 7 places from 71st)** Best Regional Airport in Central Asia & India Award;
- **"Gold Award"** at the Telangana State Energy Conservation Awards - in recognition of energy conservation measures;
- **Winner of Confederation of Indian Industry (CII's) National Energy Leader & Energy Excellence Unit Award 2021**, in recognition of energy-efficiency initiatives and best practices;
- **"Certificate of Merit"** at BEE's National Energy Conservation Awards (NECA) 2021, in recognition of energy-efficiency initiatives and best practices;
- **ACI Voice of Customer** Recognition for continuous efforts in gathering passenger feedback, understanding customer needs and ensuring customer voice was heard;
- **Best Airport Award in India** at Wings India 2022;

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors and Key Managerial Personnel of your Company presently comprises of the following:

SNo.	Name of the Director	Representing
1	Mr. G. M. Rao, Executive Chairman	Sponsors (GMR Group)
2	Mr. G.B.S Raju, Managing Director	Sponsors (GMR Group)
3	Mr. Srinivas Bommidala	Sponsors (GMR Group)
4	Mr. Grandhi Kiran Kumar	Sponsors (GMR Group)
5	Mr. H. J. Dora	Sponsors (GMR Group)
6	Mr. C. Prasanna	Sponsors (GMR Group)
7	Mr. Antoine Crombez	Sponsors (GMR Group)
8	Mr. Camilo Perez-Perez	Sponsors (GMR Group)
9	Mr. Iskandar Mizal bin Mahmood	Sponsors (Malaysia Airports Holdings Berhad)
10	Mr. Joyanta Chakraborty	State Promoters (Airports Authority of India)
11	Mr. Dharmendra Bhojwani	State Promoters (Airports Authority of India)
12	Mr. Jayesh Ranjan, *IAS*	State Promoters (Government of Telangana)
13	Mr. K. Ramakrishna Rao, *IAS*	State Promoters (Government of Telangana)

SNo.	Name of the Director	Representing
14	Mr. A. Subba Rao	Independent Director (ID)
15	Dr. M. Ramachandran	Independent Director (ID)
16	Mrs. Siva Kameswari Vissa	Independent Director (ID) &Woman Director (WD)
17	Mr. Madhu Ramachandra Rao	Independent Director (ID)

SNo	Name of the Key Managerial Personnel	Designation
1	Mr. Pradeep Panicker	Chief Executive Officer
2	Mr. Anand Kumar Polamada	Chief Financial Officer
3	Mr. Kiran Kumar Manikwar	Company Secretary

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) SINCE THE PREVIOUS ANNUAL GENERAL MEETING OF THE COMPANY:

- Mr. A. Subba Rao and Dr. M. Ramachandran were appointed as Independent Directors of the Company to hold office from the conclusion of the 18th Annual General Meeting of the Company held on September 15, 2021 for a term of three (3) years, or upto the conclusion of the 21st Annual General Meeting of the Company to be held in the year 2024, whichever is earlier;

- Mr. Dharmendra Bhojwani was appointed as an additional Director of the Company with effect from January 06, 2022, as a representative Director of the Airports Authority of India. Mr. Iskandar Mizal bin Mahmood was appointed as an additional Director of the Company with effect from February 02, 2022, as a representative Director of Malaysia Airports Holdings Berhad. Both these additional Directors hold their office till the date of the ensuing 19th Annual General Meeting (AGM). The resolutions proposing their appointment as the Directors are placed for approval of the Members of the Company at the ensuing 19th AGM;

- Mr. N. C. Sarabeswaran and Mr. R.S.S.L.N. Bhaskarudu, Independent Directors have retired after completion of their two terms of appointments. The Board of Directors places on record its sense of gratitude and deep appreciation for the invaluable guidance and services provided by Mr. N. C. Sarabeswaran and Mr. R.S.S.L.N. Bhaskarudu during their tenure as the Directors of the Company;

- Mrs. Siva Kameswari Vissa, Independent Director retires on August 20, 2022, after completion of her two terms of appointment. The Board of Directors places on record its sense of gratitude and deep appreciation for the invaluable guidance and services provided by Mrs. Siva Kameswari Vissa during her tenure as a Director of the Company;

- Mr. Mohd Shukrie bin Mohd Salleh ceased to be a Director of the Company with effect from October 24, 2021 and Mr. I. N. Murthy ceased to be a Director of the Company with effect from January 06, 2022. The Board of Directors places on record its sense of gratitude and deep appreciation for the invaluable guidance and services provided by Mr. Mohd Shukrie bin Mohd Salleh and Mr. I. N. Murthy during their tenure as Directors of the Company;

- Mr. Srinivas Bommidala, Mr. K. Ramakrishna Rao, *IAS* and Mr. Jayesh Ranjan, *IAS* retire at the ensuing 19th AGM by rotation and are eligible for re-appointment.

- Mr. Madhu Ramachandra Rao, Independent Director whose first term of appointment is upto the conclusion of the 19th AGM, is proposed to be reappointed as an Independent Director of the Company for a second term. The Board is of the view that Mr. Madhu Ramachandra Rao has the necessary competency, skills, proficiency and integrity. The Board, based on the performance evaluation, recommends the reappointment of Mr. Madhu Ramachandra Rao as an Independent Director of the Company to the Members for their approval, at the ensuing 19th AGM.

- Mrs. Bijal Tushar Ajinkya, is proposed to be appointed as an Independent Director of the Company. The Board is of the view that Mrs. Bijal Tushar Ajinkya has the necessary competency, skills, proficiency and integrity, and recommends her reappointment to the Members for their approval, at the ensuing 19th AGM. The resolution proposing her appointment as an Independent Director is being placed for approval of the Members at the ensuing 19th AGM.

- Mr. Manikwar Kiran Kumar was appointed as the Company Secretary of the Company on April 28, 2022, in place of Mr. Anup Kumar Samal, who resigned with effect from April 06, 2022.

BOARD COMMITTEES:

Following is the current composition of Board Committees:

Audit Committee :

SNo	Name of the Committee Member	Representing
1	Mr. A. Subba Rao, Chairman	Independent Director
2	Dr. M. Ramachandran	Independent Director
3	Mr. Madhu Ramachandra Rao	Independent Director
4	Mrs. Siva Kameswari Vissa	Independent Director
5	Mr. K. Ramakrishna Rao, *IAS*	Director
6	Mr. C. Prasanna	Director
7	Mr. Camilo Perez Perez	Director

Nomination and Remuneration Committee :

SNo	Name of the Committee Member	Representing
1	Dr. M. Ramachandran , Chairman	Independent Director
2	Mr. A. Subba Rao	Independent Director
3	Mr. Madhu Ramachandra Rao	Independent Director
4	Mr. Dharmendra Bhojwani	Director
5	Mr. C. Prasanna	Director
6	Mr. Antoine Crombez	Director

CSR Committee :

SNo	Name of the Committee Member	Representing
1	Mr. A. Subba Rao, Chairman	Independent Director
2	Mr. Jayesh Ranjan, *IAS*	Director
3	Mr. C. Prasanna	Director

Share Allotment and Transfer Committee :

SNo	Name of the Committee Member	Representing
1	Mr. Madhu Ramachandra Rao, Chairman	Independent Director
2	Mr. Dharmendra Bhojwani	Director
3	Mr. C. Prasanna	Director

ATTENDANCE OF THE DIRECTORS AT BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

Four Board Meetings were held during the Financial Year and the details of attendance of the Directors are as under:

SNo	Name of the Director	Dates of the Board Meeting			
		28-04-21	19-07-21	05-11-21	02-02-22
1	Mr. G.M. Rao	LOA	Yes	Yes	Yes
2	Mr. G.B.S. Raju	Yes	Yes	Yes	Yes
3	Mr. Srinivas Bommidala	Yes	LOA	LOA	Yes
4	Mr. Grandhi Kiran Kumar	Yes	Yes	Yes	Yes
5	Mr. C. Prasanna	Yes	Yes	Yes	Yes
6	Mr. H.J. Dora	Yes	Yes	Yes	Yes
7	Mr. Jayesh Ranjan, *IAS*	Yes	Yes	Yes	Yes
8	Mr. K. Ramakrishna Rao, *IAS*	Yes	LOA	Yes	Yes
9	Mr. Joyanta Chakraborty	LOA	Yes	Yes	Yes
10	Mr. Dharmendra Bhojwani @	NA	NA	NA	LOA
11	Mr. Iskandar Mizal bin Mahmood $	NA	NA	NA	NA
12	Mr. Antoine Crombez	Yes	Yes	LOA	LOA
13	Mr. Camilo Perez-Perez	Yes	Yes	Yes	LOA
14	Mr. A. Subba Rao *	NA	NA	Yes	Yes
15	Dr. M. Ramachandran*	NA	NA	Yes	Yes
16	Mrs. Siva Kameswari Vissa (ID & WD)	Yes	Yes	Yes	LOA
17	Mr. Madhu Ramachandra Rao (ID)	Yes	Yes	Yes	Yes
18	Mr. Mohd. Shukrie bin Mohd Salleh @@	LOA	LOA	NA	NA
19	Mr. I. N. Murthy $$	LOA	LOA	Yes	NA
20	Mr. R.S.S.L.N. Bhaskarudu (ID)##	Yes	Yes	NA	NA
21	Mr. N.C. Sarabeswaran (ID)##	Yes	Yes	NA	NA

(Attended-Yes; Leave of absence granted –LOA, Not Applicable - NA)

@ appointed as a Director w.e.f. 06-01-2022
$ appointed as a Director w.e.f. 02-02-2022
** appointed as Independent Directors w.e.f. 15-09-2021*
@@ ceased to be a Director w.e.f. 24-10-2021
$$ ceased to be a Director w.e.f. 06-01-2022
ceased to be Independent Directors w.e.f. 15-09-2021

ATTENDANCE OF THE COMMITTEE MEMBERS AT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR:

Audit Committee Meetings:

Four Audit Committee Meetings were held during the Financial Year and the details of attendance of the Committee Members are as under:

SNo	Name of the Committee Member	Dates of the Audit Committee Meeting			
		28-04-21	19-07-21	05-11-21	02-02-22
1	Mr. A. Subba Rao (ID-Chairman)*	NA	NA	Yes	Yes
2	Dr. M. Ramachandran (ID)*	NA	NA	Yes	Yes
3	Mrs. Siva Kameswari Vissa (ID & WD)	Yes	Yes	Yes	Yes
4	Mr. C. Prasanna	Yes	Yes	Yes	Yes
5	Mr. K. Ramakrishna Rao, IAS	Yes	LOA	LOA	LOA
6	Mr. Madhu Ramachandra Rao (ID)#	NA	Yes	Yes	Yes
7	Mr. Camilo Perez-Perez#	NA	Yes	Yes	Yes
8	Mr. R.S.S.L.N. Bhaskarudu (ID)**	Yes	Yes	NA	NA
9	Mr. N.C. Sarabeswaran (ID-Chairman)**	Yes	Yes	NA	NA

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)
** inducted as the Audit Committee Members w.e.f. 25-09-2021*
 # inducted as the Audit Committee Member w.e.f. 28-04-2021
*** ceased to be the Audit Committee Members w.e.f. 15-09-2021*

Nomination and Remuneration Committee Meetings:

Three Nomination and Remuneration Committee (NRC) Meetings were held during the Financial Year and the details of attendance of the Committee Members are as under:

SNo	Name of the Committee Member	Date of the NRC Meeting		
		28-04-21	19-07-21	16-08-21
1	Dr. M. Ramachandran (ID-Chairman)*	NA	NA	NA
2	Mr. A. Subba Rao (ID)*	NA	NA	NA
3	Mr. C. Prasanna	Yes	Yes	Yes
4	Mr. Antoine Crombez #	NA	Yes	Yes
5	Mr. Madhu Ramachandra Rao (ID) #	NA	Yes	Yes
6	Mr. Dharmendra Bhojwani $	NA	NA	NA
7	Mr. R.S.S.L.N. Bhaskarudu (ID - Chairman)**	Yes	Yes	Yes
8	Mr. N.C. Sarabeswaran(ID) **	Yes	Yes	Yes
9	Mr. I.N. Murthy $$	LOA	LOA	Yes

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)
** inducted as the NRC Members w.e.f. 25-09-2021*
 # inducted as the NRC Members w.e.f. 28-04-2021
$ inducted as the NRC Member w.e.f. 06-01-2022
*** ceased to be the NRC Members w.e.f. 15-09-2021*
$$ ceased to be the NRC Member w.e.f. 06-01-2022

Corporate Social Responsibility (CSR) Committee Meetings:

One CSR Committee Meeting was held during the Financial Year and the details of attendance of the Committee Members, are as under:

SNo	Name of the Committee Member	Date of the CSR Committee Meeting
		28-04-21
1	Mr. A. Subba Rao (ID-Chairman) *	NA
2	Mr. R.S.S.L.N. Bhaskarudu (ID-Chairman) **	Yes
3	Mr. C. Prasanna	Yes
4	Mr. Jayesh Ranjan, IAS	Yes

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)
** inducted as the CSR Member w.e.f. 25-09-2021*
*** ceased to be the CSR Member w.e.f. 15-09-2021*

Share Allotment and Transfer Committee Meetings:

During the Financial Year, no meeting of the Share Allotment and Transfer Committee was held.

Separate Meeting of the Independent Directors:

During the Financial Year under review, in terms of Section 149 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on December 29, 2021. All the Independent Directors participated in this meeting.

During the Financial Year, the following Circular Resolutions were passed:

SNo	Type of Circular Resolution	Date of Passing
1	Board of Directors	18-08-2021 25-09-2021 20-12-2021 04-01-2022
2	Nomination and Remuneration Committee	06-12-2021 03-01-2021

GENERAL BODY MEETINGS :

During Financial Year, the 18th Annual General Meeting of Members of the Company was held on September 15, 2021. An Extra ordinary General Meeting of the members of the Company was held May 31, 2021.

SECRETARIAL STANDARDS:

The Company complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in Note No. 4 of the Notes to the financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;

f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS:

Based on the declarations received from the Independent Directors and on evaluation of the relationships disclosed, the following Directors are independent in terms of Section 149(6) of the Companies Act, 2013:

a) Mr. A. Subba Rao
b) Dr. M. Ramachandran
c) Mrs. Siva Kameswari Vissa
d) Mr. Madhu Ramachandra Rao

Pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the above Independent Directors have registered with the Independent Directors Databank, maintained by the Indian Institute of Corporate Affairs and they are exempted from taking the online proficiency self-assessment test.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation for the Financial Year, in respect of the Board and Committees, the Chairman, Self and Peers of the Directors. The exercise was carried out by circulating structured questionnaires among the Directors through DESS Digital Meeting Platform, after taking into consideration various aspects of the management and governance. The Directors have successfully completed the said evaluation through DESS Digital Meeting Platform.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Policy of the Company covering the Directors' appointment, remuneration, criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the website of the Company i.e., https://www.hyderabad.aero/pdf/GHIAL-Nomination-Remuneration-Policy-July-2018.pdf. The salient features of the Nomination and Remuneration Policy are mentioned in Annexure-1.

A. Remuneration paid to the Managing Director (MD), Whole-time Directors (WTD) and / or Manager (Managerial Personnel) during the Financial Year:

(Amount in Rupees)

SNo	**Particulars of Remuneration**	**Name of MD / WTD / Manager**		**Total Amount**
		Mr. G.M. Rao Executive Chairman	Mr. G.B.S. Raju Managing Director	
1	Gross Salary:			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,99,56,160	2,39,98,588	6,39,54,748
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	--	--	--
2	Stock Options	--	--	--
3	Sweat Equity	--	--	--
4	Commission :			
	(a)as % of profit	--	--	--
	(b) others, specify…	--	--	--
5	Others, please specify	--	--	--
	Total (A)	3,99,56,160	2,39,98,588	6,39,54,748

The above remuneration excludes contribution by the Company to the Provident Fund and other retirement benefits.

B. Sitting fees paid to the Non-Executive Directors during the Financial Year:

Sl. No.	**Name of the Non-Executive Directors (including Independent Directors)**	**Sitting fees paid (Amount in Rupees)**
1	Mr. A. Subba Rao	1,60,000
2	Dr. M. Ramachandran	1,60,000
3	Mr. K. Ramakrishna Rao, IAS	80,000
4	Mr. Jayesh Ranjan, IAS	1,00,000
5	Mr. Joyanta Chakraborty	60,000
6	Mr. Madhu Ramachandra Rao	3,20,000
7	Mrs. Siva Kameswari Vissa	2,80,000
8	Mr. H.J. Dora	80,000
9	Mr. I.N. Murthy	40,000
10	Mr. N.C. Sarabeswaran	2,20,000
11	Mr. R.S.S.L.N. Bhaskarudu	2,40,000
	Total	17,40,000

Other than the aforesaid payment of the sitting fees paid during the Financial Year, there were no other pecuniary relationships or transactions between the Non-Executive Directors and the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The following loans or guarantees given or security were provided or investments were made by the Company during the Financial Year:

Sl No	Name of the entity	Relationship	Amount (Rs.)	Particulars
1	GMR Infrastructure Limited (GIL)	Holding Company	141,20,00,000	Extended the existing inter corporate loan for a further period of one year.*
2	GMR Power and Urban Infra Limited (GPUIL)	Subsidiary of Ultimate Holding Company	58,80,00,000	Extended the existing inter corporate loan for a further period of one year. *
3	GMR Hospitality and Retail Limited (GHRL)	Subsidiary	46,25,00000	Extended the bridge loan and the same was repaid.
4	GMR Air Cargo And Aerospace Engineering Limited (GACAEL)	Subsidiary	300,00,00,000	Extended Corporate Guarantee in favour of the Lender of GACAEL for securing its term loan
5	GMR Hospitality and Retail Limited (GHRL)	Subsidiary	46,24,00,000	Extended Corporate Guarantee in favour of the Lender of GHRL for securing its term loan
6	GMR Hospitality and Retail Limited (GHRL)	Subsidiary	159,75,00,000	Provided security by way of pledge of GHRL shares held by the Company in favour of Lenders of GHRL to secure its credit facilities.
7.	GMR Hospitality and Retail Limited (GHRL)	Subsidiary	82,33,00,000	Made further investment by subscription to the rights issue of GHRL.

** During the Financial Year, pursuant to the approved composite Scheme of Amalgamation and Arrangement amongst GMR Power Infra Limited and GIL and GPUIL and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013, out of the loan of Rs.200 Crores borrowed by GIL from the Company, the loan amount of Rs.58.80 Crores was transferred to GPUIL and the balance loan amount of Rs.141.20 Crores remained with GIL.*

Your Company being an Infrastructure Company, is exempted from complying with the provisions of Section 186 (1) of the Companies Act, 2013 relating to any loan or investments made and / or any guarantees or security given.

The details regarding loans / guarantees given and investments covered under provisions of Section 186 of the Companies Act, 2013, are provided in the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

All transactions entered into with the related parties during the Financial Year were on arm's length basis and in the ordinary course of business. Your Company has not entered into any material contract or arrangement with the related parties, referred to in Section 188(1) of the Companies Act, 2013 and as such no particulars are required to be given in Form AOC-2.

All related party transactions (RPTs) are placed before the Audit Committee for approval. Omnibus approval is obtained on a yearly basis for transactions which are of a repetitive nature. All the RPTs are mentioned in Note No. 53 of the Notes to the Financial Statements of the Company for the Financial Year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since the Company does not own any manufacturing facility, the particulars relating to technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable. However, the particulars relating to conservation of energy are provided in **Annexure-2** to the Board's Report.

The particulars for foreign exchange earnings and outgo in the Financial Year are as follows:

(a) Earnings in foreign currency (on accrual basis): NIL

(b) Expenditure in foreign currency (on accrual basis):

(Rupees in Crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Professional charges	0.69	2.37
Interest*	-	-
Other borrowing cost**	18.40	11.03
Others	6.66	3.10
Total	**25.75**	**16.50**

**Interest on Senior Secured Notes (SSNs) is not considered above as the same is hedged and are payable in INR.*

***Represents amortization charge of issuance cost incurred towards issue of 2027 SSN, 2024 SSN and 2026 SSN during the Financial Year ended March 31, 2018, March 31, 2020 and March 31, 2021 respectively.*

RISK MANAGEMENT POLICY:

Your Company has in place the Risk Management Policy, duly approved by the Directors. An Enterprise Risk Management (ERM) framework has been established to identify, assess, monitor and mitigate various risks that may affect the organization. As per the ERM framework, the risks are identified considering the internal and external environment. While there were no risks perceived to threaten the existence of your Company, some of the risks as mentioned below, have been identified as certain key risks, which are being monitored at regular intervals along with mitigating measures:

SNo	Key Risk	Risk Description
1	COVID Pandemic	Possibility of the COVID 4th wave
2	Financial Health of Subsidiaries	Financial health of few subsidiaries straining the GHIAL Financials
3	Health and Safety	Health and Safety issues at airport leading to reputational damages, regulatory issues and business disruption
4	Airline Dependency	Market dominance by few airlines
5	Disruption in On-boarding of Expanded Terminal	Integration of the existing Terminal with the expanded Terminal
6	Statutory Risk	Loss of Revenue/ Additional Cost Burden

INTERNAL CONTROL SYSTEM:

Your Company's internal control systems are commensurate with the nature of its business, size and complexity of its operations.

Your Company's internal control procedures ensure compliance with various policies, practices and statutes in keeping with the organisation's pace of growth and increasing complexity of operations. The Management Assurance Group (Internal Auditors) of the Company, carries out extensive audits throughout the year, across all functional areas and submits its reports to the Audit Committee.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:

Your Company has adopted policies and procedures including the design, implementation and maintenance of adequate internal financial controls, which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures under the Companies Act, 2013.

During the year under review, such controls were reviewed and tested by the Internal Auditors and no reportable material weakness was observed in the design or operating effectiveness of the controls except few areas where the risk has been identified as low and there is a need to further strengthen the controls.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company is driven by the Group's vision on CSR to make a difference to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company partners with the communities around RGIA to drive various initiatives in the areas of 1) Education; 2) Health, hygiene and sanitation; 3) Empowerment & Livelihood and Community Development. Your Company has been implementing community development initiatives in the villages surrounding RGIA since 2005. The intensive activities in these thrust areas have been focused in six villages i.e. Airport Colony (rehabilitation colony), Gollapally, Mamidipally, Shamshabad, Charinagar and Ranganayakula Thanda (R.N. Thanda).

The CSR initiatives also extend to another 17 villages surrounding RGIA and few other places in the State of Telangana. Implementation of various activities under these three verticals is being carried out by GHIAL CSR with the professional support of GMR Varalakshmi Foundation (a Section 8 company, the CSR arm of GMR Group) from planning to execution. All activities under these thrust areas have been implemented keeping in view the community needs and requirements. All children in Government Schools in the project area were supported with Masks and Sanitizers. Covid prevention and vaccination support programs were implemented in the project area villages during the Financial Year.

Details of the CSR Policy and initiatives taken by your Company in the area of CSR during the Financial Year are given in the CSR Annual Report 2021-22, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, which is annexed to this report as **Annexure-3**

SHARE CAPITAL:

The paid-up equity share capital of your Company as on March 31, 2022, was Rs.378,00,00,000/- (Rupees Three Hundred Seventy Eight Crores only) comprising of 37,80,00,000 (Thirty Seven Crores and Eighty Lakhs only) equity shares of face value of Rs.10/- (Rupees Ten only) each. During the Financial Year, your Company had not issued any new shares. GMR Airports Limited, holding 63% of the paid-up equity share capital of your Company as on March 31, 2022, is the Holding Company of your Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

Statement under Section 129(3) of the Companies Act, 2013:

In accordance with Section 129(3) of the Companies Act, 2013 and applicable Accounting Standards, the Company has prepared the consolidated financial statements of the Company including its subsidiaries and joint venture companies, which is forming part of the Annual Report. A statement containing the salient features of the financial statements of the following subsidiaries and joint venture (JV) companies, in the prescribed Form AOC-1 is attached to the consolidated financial statements of the Company:

1. GMR Hospitality And Retail Limited (GHRL - Subsidiary)
2. GMR Hyderabad Aerotropolis Limited (GHAL - Subsidiary)
3. GMR Hyderabad Aviation SEZ Limited (GHASL - Subsidiary)
4. GMR Air Cargo And Aerospace Engineering Limited (GACAEL - Subsidiary)
5. GMR Hyderabad Airport Assets Limited (GHAAL- Subsidiary)
6. GMR Aero Technic Limited (GATL – Subsidiary of GACAEL)
7. Laqshya Hyderabad Airport Media Private Limited (LHAMPL - JV)
8. ESR GMR Logistics Park Private Limited formerly known as GMR Logistics Park Private Limited) (EGLPPL - JV of GHAL)

Scheme of Arrangement between GMR Hyderabad Aerotropolis Limited (“GHAL”) and GMR Hyderabad Airport Assets Limited (“GHAAL”):

The Regional Director (South-East Region), Ministry of Corporate Affairs, Hyderabad after considering the Company petitions, vide its Confirmation Order dated June 18, 2021 confirmed the Scheme of Arrangement envisaging the demerger of the rent yielding warehousing business of GHAL (Demerged Company or Transferor Company) into GHAAL (Resulting Company or Transferee Company), with the appointed date of April 01, 2021.

The Confirmation Order and Scheme of Arrangement have been implemented by transferring, vesting and Demerging of the "Demerged Undertaking" or "Rent Yielding Warehousing Businesses" of the Demerged Company (i.e. all its assets and liabilities) into the Resulting Company on a going concern basis, with the appointed date being April 01, 2021.

Pursuant to the Scheme, upon vesting of the Demerged Undertaking into GHAAL, there has been restructuring in the paid-up share capital of GHAL and GHAAL as follows:

1) the issued, subscribed and paid-up equity share capital of GHAL to the extent of INR 40,61,64,000/- (4,06,16,400 equity shares of INR 10/- each) stands cancelled. As a result, the investment of GHIAL in GHAL stands reduced from INR 90,50,00,000/- (9,05,00,000 equity shares of INR 10/- each of GHAL) to INR 49,88,36,000/- (4,98,83,600 equity shares of INR 10/- each of GHAL).

2) on September 21, 2021, 4,06,16,400 new equity shares of INR 10/- each of GHAAL aggregating to INR 40,61,64,000 (in the ratio of 0.4488) were allotted to GHIAL. As a result, the investment of GHIAL in GHAAL is INR 40,61,64,000/- (4,06,16,400 equity shares of INR 10 each of GHAAL). Consequently, GHAAL has become the direct subsidiary of GHIAL with effect from September 21, 2021, with its equity shareholding of 99.75%. The remaining 1,00,000 equity shares representing 0.25% in GHAAL are held by GHAL.

3) the issued, subscribed and paid-up equity share capital of GHAAL has increased from INR 10,00,000/- (1,00,000 equity shares of INR 10/- each) to INR 40,71,64,000/- (4,07,16,400 equity shares of INR 10/- each).

Divestment of entire equity stake in GMR Hyderabad Airport Assets Limited:

- In order to monetise the rent yielding warehousing business, to provide seed capital to fund such new emerging opportunities, the Company has started the divestment process of entire equity stake held by it in GMR Hyderabad Airport Assets Limited. The bidding and due diligence are in the final stages of completion. The Management is in final negotiations with shortlisted bidders. After finalization of the prospective buyers, the divestment will be completed.

Business highlights and achievements in certain major Subsidiaries during the Financial Year:

GHAL:

- During the Financial Year, the Operational Revenue was Rs.17.57 Crores as against Rs.71.17 Crores in the previous financial year. The reduction in the revenue was due to demerger of the rent yielding business of GHAL into GHAAL, and the high operational revenue in the previous year on account of receipt of a one-time payment under the Financial Lease from EGLPPL (ESR);

- Agreements have been signed with Kapco Banquets and Catering Pvt Ltd on December 27, 2021 for setting up a Food Court facility at the Airport City, Tower-2;

- Entered into a Definitive agreement (Letter of intent) with Cube Highways dated March 21, 2022 to set up their corporate office with a Leasable area of 33,439 Sft at the Airport City Tower-2.

GHASL:

- During the Financial Year, the financial performance has improved and the operational revenue increased to Rs.40.46 Crores from Rs.19.26 Crores in the previous Financial Year (up by 200%) due to commencement of Lease Rentals from Safran-2 along with income from the additional scope of works relating to Safran-2.

GHAAL:

- During the Financial Year, the financial performance has improved and the revenue increased to Rs.19.60 Crores from Rs.15.90 Crores in previous financial year (up by 23%).

GACAEL :

Cargo Division:

- The Cargo division has shown positive growth throughout the COVID 19 crisis, recording an increase of 24% in terms of the cargo volumes handled, during the Financial Year. Overall cargo volumes handled in the Financial Year was 125,755 metric tons as compared to 101,260 metric tons in the previous financial year. The business has achieved an Operational Revenue of Rs.92.97 Crores with a strong recovery of 13%, as compared to the previous financial year.

MRO Division:

- During the Financial Year, the financial performance of MRO Division has also improved. Operational Revenue increased to Rs.256.09 Crores in the Financial Year, as compared to Rs.243.62 Crores in the previous financial year (up by 5%) and the year ended with a Profit Before Tax of Rs.10.65 Crores;

- Agreements have been entered into with Fly Dubai and Fly Nas for C-Checks as a part of the Business improvement initiatives.

GHRL :

Hotel Division:

- The hotel was operational for the entire Financial Year (including the peak months of COVID-19) and implemented all appropriate measures to safeguard its guests and staff;

- The hotel achieved an occupancy of 52% with an Average Room Rent (ARR) of Rs.5,040/- and an overall revenue of Rs.44.27 Crores (up by 200%) and a Gross Operating Profit of Rs.9.88 Crores.

Hyderabad Duty Free Division:

- Sales Per Passenger (SPP) remains unchanged in the Financial Year (US$ 8.0) as compared to the previous financial year (US$ 8.2) mainly due to sales to arriving passengers;

- Average Transaction Value (ATV) has grown by 14% in the Financial Year (US$ 107) as compared to the previous financial year (US$ 94);

- Conversion has reduced by 18% in Financial Year (7.4%) as compared to the previous financial year (8.7%) due to increase in the volume of passengers.

- Operational Revenue increased to Rs.88.54 Crores in the Financial Year from Rs.35.95 Crores in the previous financial year (up by 246%) and the year ended with a Profit Before Tax of Rs.12.36 Crores.

AUDITORS:

Statutory Auditors and Statutory Audit Report:

M/s. K. S. Rao & Co., Chartered Accountants [ICAI Firm Registration No. 003109S] were appointed as one of the Joint Statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 14th Annual General Meeting (AGM) held in the year 2017 till the conclusion of the 19th AGM to be held in the year 2022.

It is proposed to re-appoint M/s. K. S. Rao & Co., for another term of five (5) years to hold office from the conclusion of the ensuing 19th AGM till the conclusion of the 24th AGM to be held in the year 2027.

M/s. K. S. Rao & Co., have expressed their willingness to act as Joint Statutory Auditors and also confirmed that their reappointment, if made, would be in accordance with Section 139(2) of the Companies Act, 2013 and that they are not disqualified for the reappointment, within the meaning of Section 141 of the Companies Act, 2013.

The other Joint Statutory Auditors i.e., M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Hyderabad (Firm Registration No. 001076N/N500013) were appointed for a term of five (5) years, from the conclusion of 16th AGM held in the year 2019 till the conclusion of the 21st AGM to be held in the year 2024.

Statutory Auditors' qualification / comment on the Company's standalone financial statements for the Financial Year:

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 Company's internal financial controls with reference to financial statements as at March 31, 2022:

The Company's internal financial control system towards estimating the fair value of other financial assets in accordance with Ind AS 109 'Financial Instruments', as more fully explained in note 51 to the standalone financial statements, were not operating effectively due to uncertainties in the judgments and assumptions made by the Company in such estimations, which could result in the Company not providing for adjustment, if any, that may be required to the carrying value of other financial assets and its consequential impact on the earnings, reserves and related disclosures in the accompanying standalone financial statements.

Management's Response to the Statutory Auditors' qualifications / comments:

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 a term loan of Rs. 4,200 Crores, and had incurred an up-front processing fee of Rs. 63 Crores. 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. Meanwhile the management has obtained a legal opinion from an independent lawyer regarding the Company's right to receive the refund of the upfront fee. In view of the above and on the basis of the on-going discussions with the Bank officials, management is confident of recovery of the said amount in full, and accordingly, no adjustments were considered necessary in the accompanying standalone financial statements for the Financial Year ended March 31, 2022. Hence, management believes that no such material weakness existed as on March 31, 2022 as mentioned in the Auditors' report.

Further, the Auditors of your Company have not reported any incident involving fraud by the Company or by the officers and employees of the Company during the Financial Year.

Secretarial Auditors and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board had reappointed M/s. KBG Associates, a firm of Company Secretaries in Practice (Firm Registration No. P2009AP006100) to undertake the Secretarial Audit of the Company for the Financial Year. The Secretarial Audit Report for the Financial Year is attached as **Annexure-4** and forms an integral part of this Board's Report.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report for the Financial Year.

Cost Auditors and Cost Audit Report:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is maintaining all the cost records and M/s. Narasimha Murthy and Co., Cost Accountants, have issued a cost audit report for the Financial Year. There are no qualifications, reservations or adverse remarks in the cost audit report for the Financial Year.

The Board has reappointed M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration No. 000042), as Cost Auditor to audit the cost records of the Company for the financial year 2022-23. As required under the Companies Act, 2013, a resolution seeking ratification of the Members of the Company for the remuneration payable to the Cost Auditor, forms part of the Notice convening the 19th AGM.

ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return for the Financial Year 2021-22 has been placed on the Company's website at https://www.hyderabad.aero/our-company.aspx#panelFour.

HUMAN RESOURCES AND DEVELOPMENT:

Recruitment: Your Company has continued the HR Business Partner (HRBP) concept and increased the screening levels with the objective of improving the quality of candidates hired. As on March 31, 2022, there were 717 employees on the Company's rolls.

Learning and Development*:* Your Company provides opportunities to all its employees to attend training programs to develop their behavioral and technical skills through various training programs spread across domains like Airside, Firefighting, Safety, Aviation security, Hazard Management, Soft skills, MS office, Values and Beliefs, etc.

Employee Relations*:* During the year under review, relations between the management and employees continued to remain cordial. Rewards and Recognitions were conferred on those employees who have performed beyond the call of duty.

Communication Forums*:* Your Company gives a platform for its employees to communicate directly with the CEO through the CEO's Town Hall Meeting, which is held once in a quarter; and promotes a bottom-up communication flow. In this platform, the CEO shares all the insights pertaining to the business verticals, sectors and the GMR Group along with organizational performance, plans, goals and objectives. All the strategies, hits and misses of the last quarter are communicated to the employees. This is also a platform to recognize the contributions of the employees and welcome new employees on board. Your Company also conducted departmental skip level meetings and orientations for new joiners / hires.

Employee Development Initiatives*:* Your Company has in place Multi-Tier Leadership Development Programs (MTLDP) which equip the employees at various levels of management with managerial and execution skills required at their levels to excel as versatile leaders. Participants are prepared to take on higher cross-functional responsibilities and drive a high-performance culture in the organization. During the year under review, junior management employees underwent Young Leaders Program (YLP) which is designed to enhance leadership skills and personal effectiveness of the participants and make them ready for future roles.

Employee recognition: Recognition culture in your Company saw a positive trend among the employees in terms of motivation, performance and continuing endeavor for achievement. Your Company recognizes exemplary performers through various initiatives like Star of the Month ('SOM-Individual and Team'), 'Star Team of the Quarter', 'Thank You' and 'Well Done' cards. The increasing trend of SOM Nominations and card redemptions indicates positive change in the recognition culture. Also, the Company has introduced a practice of recognizing the Value Ambassadors as value champions.

Employee Engagement and Wellness: Employee engagement is one of the top-most priorities for your Company. An employee engagement survey is conducted with the help of a third-party survey administration partner. Summaries of survey results are shared with the employees and these engagement survey findings become the basis for developing employee engagement initiatives across departments. Department wise action plans are developed to ensure that engagement factors affecting each department are properly addressed.

Engagement interventions include initiatives like Job rotation / enrichment opportunities for employees, V-Connect for new joinees, sports events, recognition platforms, festival celebrations, professional development initiatives etc. Your Company has also extended engagement to the employee's families and also to Airport stakeholders through events like

Pariwar Milan during the Financial Year. Your Company has been conducting stakeholder engagement initiatives like "One Family, One Mission", under which various events like International Yoga Day, Sankranti Celebrations, Women's day, Dandiya night, etc., were organized for the RGIA community.

Various health awareness sessions, blood donation camps and medical screening camps were conducted as part of "Ayushi", an employee wellness initiative. The employees undergo annual health checkup as per eligibility and it is mandatory for employees of departments like ARFF and Security and Control.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PUBLIC DEPOSITS:

During the Financial Year under review, your Company has not accepted any deposits from the public within the meaning of Section 73 and other applicable provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

There are no amounts remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, that are liable to be transferred to the Investor Education and Protection Fund (IEPF) Authority, during the Financial Year.

PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 AND ONE TIME SETTLEMENT:

During the Financial Year, no proceedings have been initiated against the Company under the Insolvency and Bankruptcy Code, 2016 and no proceedings under the Insolvency and Bankruptcy Code, 2016 were pending at the end of the year. Further, during the Financial Year, the Company has not made any one-time settlement.

DETAILS OF EMPLOYEE STOCK OWNERSHIP PLANS:

The Company has not issued any Employee Stock Ownership Plans (ESOP) to it's Employees.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

An Anti-Sexual Harassment Policy is in place in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to address complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy.

There are no sexual harassment complaints pending or received during the year ended March 31, 2022.

VIGIL MECHANISM:

Your Company has established a vigil mechanism by adopting a Whistle Blower Policy for the Directors, regular employees and other stakeholders of the Company, including advisors, consultants and employees on contract. The Policy also applies to third parties having commercial dealings with the Company, including vendors, service providers, partners, joint venture employees and customers. The Policy has adequate safeguards to ensure that no complainant is victimized for raising a genuine concern under the Policy and has a provision for direct access to the Chairperson of the Audit Committee, in appropriate and exceptional cases. The Whistle Blower Policy is available on the Company's website.

Any Whistle Blower making a complaint under the Policy may make a disclosure to the Ombudsperson – Mr. H. J. Dora, Director of the Company, through the following modes:

(a) Written or oral complaints through teleconference or by personally meeting the Ombudsperson.

(b) An Ethics Helpline is established with a Toll-Free No. 1800-1020-467 and maintained for reporting the complaints and concerns of employees, suppliers and other stakeholders. This is managed by a Third-Party Agency and confidentiality is maintained in all the complaints and concerns raised. This facility is also extended through fax, mail and post. Anybody can reach through e-mail: gmr@ethicshelpline.com.

The Ombudsperson will ensure that complaints received under the Policy are investigated in a fair manner and that the decisions are reported to appropriate authorities for taking necessary action. The Whistle Blower Policy provides adequate protection to the complainant against any retaliation.

SAFETY:

During the Financial Year, despite constraints imposed by the pandemic, RGIA has always ensured stringent compliance with Safety regulations. RGIA has achieved a significant reduction in the carbon intensity and excellent air quality index, which was possible through sustainable airport operations and proactive intervention strategy adopted on a continual basis.

The Noise Monitoring Terminals (NMTs) are operational, which monitor noise levels of aircraft during landing and take-offs, at the Airport. This will facilitate in identifying the excess noise levels and the same will be communicated to the Airlines for ensuring implementation of noise abatement practices. This advanced technology also helped RGIA in developing the Airport noise zone and determining the Lmax value of RGIA.

Some of the salient features of your Company's safety management performance are given below:

RGIA Safety Mission Statement:

"We are committed to developing, nurturing and proactively promoting a safety culture at RGIA with the philosophy 'Safety first.'"

1. Synopsis

Safety Management System of your Company is in line with the Safety Management System framework defined by the International Civil Aviation Organization ("ICAO") and the Directorate General of Civil Aviation, India ("DGCA"). Consistent and collaborative approach of your Company in sensitizing the stakeholders on various safety and environment processes has yielded good results during the Financial Year. Your Company is in the process of expanding the scope of the safety department to landside as well to enhance the safety management system across the premises of GHIAL. Accordingly, the safety composite score has been revised.

In order to measure the effectiveness of the Safety frameworks currently in place at RGIA and also to understand the safety perception of the employees and stakeholders working at RGIA, your Company has engaged DuPont, a world class leader in implementation of safety performance, to suggest a road map for enhancing the safety culture. The engagement is underway and DuPont is closely working with RGIA.

2. Safety Performance and assurance during Financial Year:

In spite of expansion works being undertaken, your Company has continued its efforts in giving safety assurance to all its stakeholders through proactive and preventive measures. The change management process at your Company has been very effective. Your Company has implemented a stringent risk assessment process which was carried out for all the major changes / activities to proactively identify the hazards and mitigate them in advance to ensure a seamless transition of major changes in the facilities and processes. This has been one of the crucial enablers for obtaining timely DGCA /regulatory approvals for the safe and efficient completion of the projects.

The Safety Action Group ("SAG") consisting of safety SPOCs (single point of contacts) of all the agencies operating at RGIA, which was created to strengthen the Safety Management System ("SMS") at RGIA, had played a vital role in enhancing safety assurance. Further, the Safety department has trained selected SPOCs from internal and external stakeholders on SMS for further training to all the employees within the respective departments of GHIAL / organizations.

As an integral part of continued safety assurance, your Company has ensured regular safety oversight inspections, Audits and CAPA (Corrective Action and Preventive Action) effectiveness checks of all critical activities within the airport.

Also, as a proactive safety initiative, RGIA had introduced the Hyderabad Council, first of its kind in India with the overall objective to deliberate, develop and implement various proactive measures jointly to enhance safety culture and create a safe work environment at RGIA

To ensure the data integrity and transparency of incident and accident data, the data sets are being migrated to Power BI.

3. Safety compliance:

The SMS at RGIA follows the DGCA regulatory guidelines. The Aerodrome License [AL/Public/021] has been renewed and is valid till March 03, 2024. Also, as part of IMS recertification process, your Company has migrated from OHSAS 18001:2007 to ISO 45001:2018 and has obtained a certification which is valid till December 31, 2024.

4. Safety Initiatives:

As part of enhancing the safety culture within RGIA through innovative initiatives, voluntary hazard reporting through WhatsApp has been introduced. This has helped the Company to proactively mitigate potential safety concerns well before they become a serious problem. All the stakeholders are encouraged to voluntarily report hazards and safety incidents through online reporting portals and various other modes. As part of Reward and Recognition, a new initiative has been introduced to identify Safety champions for each month from GHIAL and its Stakeholders for their contribution to the collective safety initiatives. As a proactive initiative to have better control on various safety aspects involving passengers, a separate safety working group has been created for the passenger terminal building ("PTB") to always ensure highest safety standards and excellent passenger experience.

A cross functional team has been formed in the PTB consisting of members from various Departments to proactively identify hazards in the PTB or any gaps in the processes and initiate immediate corrective actions to mitigate them. PTB has been divided into zones for better monitoring and control. The cross functional team meets twice a month. The inspections are planned in such a way that each zone will be covered at least once in a quarter.

5. Safety Promotion:

To set the highest priority and emphasize the importance of safety culture, the Safety promotion events are led by the CEO and all the senior management of the Company to demonstrate your Company's commitment to safety. These safety promotion activities are conceived and implemented with the active cooperation and participation of all the stakeholders, including GMR employees and their family members.

One of the successful safety promotion events during the National Safety Week was the Road Safety awareness program which had been organized with the drivers associated within the Airport Eco-system. Also, the stakeholders are sensitized regularly through safety bulletins, safety alerts through various communication channels.

GHIAL had brought in a practice to celebrate a reward and recognition programme for members from airlines, ground handling agencies, service providers, and other agencies that had proactively implemented various safety measures to strengthen the overall safety culture and create a safe working environment at RGIA.

Special oversight audit programs were conducted which includes external consultants, Cross functional teams to ensure safe operations are undertaken in full compliance with Covid prevention and health safety protocols. In recognition of your Company's efforts, RGIA had been accredited with Airport Council International - Health Safety for its best practices and deployment of technology to ensure safe passage of the passengers.

ENVIRONMENT, SOCIAL AND GOVERNANCE:

Your Company is committed to conduct its business in an environmentally friendly and sustainable manner, in line with the GMR Group`s Vision, Mission, Values, Beliefs and Corporate Policies. Environment, Social and Governance (ESG), Net zero carbon emission and Zero tolerance to Safety issues are the core concepts on which all the Safety and Environmental activities are developed and implemented.

1. Environment Compliance and Sustainability Activities:

During the Financial Year, despite constraints imposed by the pandemic, RGIA has always ensured stringent compliance with Safety and Environment regulations.

During the Financial Year, there have been some significant achievements with regard to environment management and sustainability processes, which are:

- RGIA Environment Compliance Oversight Committee has been formed comprising of officials from GHIAL and its Subsidiaries.

- GHIAL has successfully commissioned a 10 Mwp Solar Power Plant which caters to approximately 35% energy needs of its existing passenger terminal building.

- GHIAL has also obtained the Consent for Operation ("CFO") for the 12 MPPA to 25 MPPA capacity expansion project of the airport.

- As part of its natural resources optimisation and zero liquid discharge objective, GHIAL has constructed and commissioned an additional Sewage Treatment Plant which has a capacity of 2700 KLD, thereby increasing the total treatment capacity to 4550 KLD. This will ensure use of water in line with the 'Reduce-Reuse-Recycle' principle.

- In terms of recognition for its continuing contribution and achievement for Environmental Protection initiatives, RGIA continues to retain its Carbon Neutral Level 3+ status. This certificate is valid till December 2023. The Level 3+ Neutrality is a recognition of the your Company's efforts in reducing or neutralizing carbon emissions.

- For the 5th consecutive year from 2018, RGIA has sustained the ACI Green Airports Recognition 2022 in carbon management by winning the silver recognition in the category of 15-50 MPPA in the Asia – Pacific region for efficient carbon management.

- In addition to retaining the status of 'Single use plastic free facility' by phasing out materials less than 75 microns' thickness, going forward, RGIA aims to phase out plastic not less than 120 microns before December 2023.

- RGIA has implemented a robust and stringent 'Bio-medical waste management process' with an emphasis on careful and efficient collection and disposal of Covid PPE waste used by the passengers and airport staff.

In addition to the above, some of the continuing best environment practices include:

- LEED certified Terminal Building which allows maximum natural lighting, and other features that enable optimal use of energy and water.

- Effective implementation of the "Reduce-Reuse-Recycle" principle in the overall water usage within the airport.

- Efficient rainwater harvesting and ground water recharging processes.

- Efficient solid waste management processes and compost generation to meet 100% internal demands to develop a beautiful landscape within the airport precincts.

- Robust process to effectively reduce aircraft noise and emission levels by collaboratively engaging with airline operators and Air Traffic Service providers to bring in best practices like single engine taxi, Fixed Electrical Ground Power to reduce use of aircraft Auxiliary Power Units (APU), Continuous Descent Approach Operations, etc.

Your Company organizes various environment awareness programs on a regular basis and wide publicity during World Environment Day, Earth-Hour, etc., by engaging the entire airport community including airlines, ground handlers, passengers and all other stakeholders operating at RGIA.

2. Social :

Your Company has a Corporate Social Responsibility (CSR) Policy that outlines the scope of the CSR Committee, Board oversight and process to monitor progress of CSR initiatives. GMR Varalakshmi Foundation (GMRVF), a Section-8 Company and the CSR arm of GMR Group, has identified priority areas for CSR activities in line with the CSR Policy. Further, 'Social Responsibility Ambassadors' encourage employees for volunteering for the CSR activities. Your Company also has an Employee volunteering policy in place, allowing 16 paid volunteering hours per year for undertaking CSR activities.

Further, your Company is emphasising on gender diversity. Increasing women workforce is one of the key targets for the CEO and the President HR. Also, Employee groups (Rockerz), forums and hobby groups (150+ members) are in place, for open discussions among employees to improve employee engagement.

Your Company promotes peer-to-peer learning and interaction. It has recently started programs like Ekalavya and Catapult for better career progression programmes for high potential employees.

In addition to the above, some of the best practices in social practices include:

- conducting Employee satisfaction surveys at the organizational level and further disclosing employee results internally. Your Company is also working towards obtaining Great Place to Work (GPTW) certificate in the financial year 2022-23.
- each employee has access to a web-based platform for online training on relevant topics as identified during their performance review. Their training progress and hours of training are also monitored through the same; and
- the Company has separate policies in place for anti-child labour, forced labour, anti-discrimination (at the organizational level), etc.

3. Governance :

Board Composition, Governance: Diversity, Independence, Separation of Powers :

The Board has a combination of Executive, Non-executive, Independent, Professional and Members' representing Directors, all of whom are experts in their respective domain having a rich and varied experience. The Board comprises of 17 Directors, of which, 15 are Non-Executive Directors and two are Executive Directors (the Executive Chairman and the Managing Director). The Chairman of the Board is an Executive director. The Board has four Independent Directors, of which one is a Woman Director. All the Directors actively contribute to the deliberations of the Board, covering all policy matters, governance, review of operational and financial performance, and strategic decisions.

The Company has Board Committees viz., Audit Committee, Nomination and Remuneration Committee; Corporate Social Responsibility (CSR) Committee and Share Allotment and Transfer Committee with committee members having relevant expertise. The Committees function in accordance with their respective terms of reference and the provisions of the Companies Act, 2013. All the Committees have an optimum representation of Independent Directors. The Independent Directors act as the Chairman of all the Committees of the Board. The composition of the Board-Committees is detailed elsewhere in this Board's Report.

The Chairman of the Company is responsible for the overall leadership of the organization, promoting highest standards of integrity and probity. The Managing Director of the Company is responsible for the day-to-day management and operations of the Company. The Managing Director exercises his powers subject to the overall superintendence, direction and control of the Board. The CEO of the Company reports to the Managing Director and looks after the operational and strategic business functions of the Company including delegation of authority and directions to the Senior Management for planning and effective implementation of the Board's decisions and corporate and strategic initiatives, in the best interest and for ensuring sustainable growth of the Company.

Ethics and Integrity:

GHIAL strictly abides by the law of the land and places its highest emphasis on ethical behaviour. The Code of Business Conduct and Ethics (COBCE) is applicable for all employees of GHIAL. This code is also placed in the GMR intranet portal. All the employees are mandatorily required to read and sign off the COBCE at the time of joining. It is also made mandatory to read and agree to comply with the code of conduct on annual basis. The disciplinary and ethics policy of the Company has clearly laid down the type of behaviour considered to be unethical and unacceptable to the organisation.

The particulars regarding how the policy is governed and what type of disciplinary action will be taken in case of non-compliance, are incorporated in it. COBCE is also extended to the suppliers / vendors dealing with GHIAL. It is mandatory to sign the Supplier Code of Conduct at the time of registering for submission of quotes or undertaking any business dealings with GHIAL.

E&I (Ethics and Integrity) Department is responsible to foster an ethical culture among the employees, to provide a clean and transparent mechanism inculcating a culture of honesty and high level of ethics among all employees of the Company to make it a better place to work, to improve the efficiency and effectiveness of systems, processes and controls.

To maintain a high level of legal, ethical, moral standards and to provide a gateway for employees to voice their concerns in a responsible and effective manner about malpractices, impropriety, abuse or wrong doing within the Company, a Whistle Blower Policy is in place, the details of which are given elsewhere in this Board's Report.

Incentivized Pay:

Apart from the fixed remuneration payable on monthly basis to the Executive Directors, the other component of remuneration viz. commission on annual basis is linked to the performance of the Company, based on its net profits.

PARTICULARS OF REMUNERATION:

Your Company being an unlisted Company is not required to provide the details of the remuneration under the provisions of Section 197 (12) of the Companies Act, 2013 vis-à-vis Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT:

The Directors take this opportunity to express their gratitude to customers, suppliers, vendors, investors, concessionaries and other business partners for their continuous support. The Directors also thank the Government of India, the State Government of Telangana, various Government Departments / Authorities / Agencies for their cooperation. The Directors also thank the Airports Authority of India, Malaysia Airports Holdings Berhad, MAHB (Mauritius) Private Limited, GMR Group, Lending Banks and Financial Institutions for their continued support and co-operation.

The Directors place on record their sincere appreciation for the contributions made by employees at all levels through their hard work, dedication, solidarity and support.

The Directors regret the loss of lives due to COVID-19 pandemic. The Directors are deeply grateful and have immense respect for every person who risked his/her life to fight this pandemic.

for and on behalf of the Board of Directors

Sd/-	**Sd/-**
G. B. S. Raju	**C. Prasanna**
Managing Director	Director
DIN : 00061686	DIN: 01630300
Place : New Delhi	Place : Hyderabad
Date : July 18, 2022	Date : July 18, 2022

GMR Hyderabad International Airport Limited

Salient Features of the Nomination and Remuneration Policy

The Nomination and Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013 and the applicable rules made thereunder. The Board has, on the recommendation of the Nomination and Remuneration Committee (Committee) approved the Policy for selection and appointment of Directors, Senior Management and their remuneration.

(1) The Key Objectives of the Committee are:

(a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.

(b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

(c) To recommend to the Board a policy relating to Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

(2) Appointment criteria and qualifications :

(a) Subject to the applicable provisions of the Companies Act, 2013, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or other Employees at Senior Management level and recommend to the Board his / her appointment.

(b) The Company shall not appoint or continue the employment of any person as the Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond the age of seventy years.

(3) Term / Tenure :

(a) Managing Director / Whole-time Director / Manager (Managerial Personnel):

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the said term.

(b) Independent Director:

(i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment is made in the Board's report.

(ii) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director in the Company.

(4) Evaluation:

Subject to Schedule IV of the Companies Act, 2013, the Committee shall carry out the evaluation of Directors at such intervals as may be considered necessary.

(5) Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

(6) Retirement :

The Director, KMP and Personnel of Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Personnel of Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

(7) Provisions relating to Remuneration :

(a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and the Central Government, wherever required.

(b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

(c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs / scales approved by the Shareholders in the case of Managerial Personnel.

(d) The remuneration to Personnel of Senior Management shall be governed by the GMR Group HR Policy.

(e) The remuneration / commission to Non-Executive Directors shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

(f) The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or the Committee thereof and such fees shall not exceed the maximum amount as prescribed in the Companies Act, 2013.

(g) The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other Directors.

(h) The Independent Director shall not be entitled to any stock option of the Company.

for and on behalf of the Board of Directors

Sd/-	**Sd/-**
G. B. S. Raju	**C. Prasanna**
Managing Director	Director
DIN : 00061686	DIN: 01630300
Place : New Delhi	Place : Hyderabad
Date : July 18, 2022	Date : July 18, 2022

GMR Hyderabad International Airport Limited

Particulars relating to conservation of energy as per the Companies (Accounts) Rules, 2014

(a) Energy Conservation Measures taken during the Financial Year 2021-22:

- Power optimization by Scheduled Operation of AHU and Lights - PTB
- Main Runway AGL LED Conversion - ALS
- Optimization of Energy Efficiency of Cooling Towers by upgrading the Technology - PTB
- Introduction of Smart Lighting System in PBB – PTB
- HVAC Low side Improvement Works (Refurbishment of AHUs) – PTB
- Upgradation of Pumping System – ALS
- Upgradation of Apron Stand Signage with LED lights – ALS

Brief Summary of some Key Projects:

- Power optimization by Scheduled Operation of AHU & Lights:
  Due to COVID pandemic & travel restrictions, there was considerable reduction in traffic movement. To cope up with this new challenge, we operated our HVAC, other systems & Lighting based on Passengers movement in coordination with Airport Resource Planning without impacting operations & Passenger's overall experience.

- Main Runway AGL LED Conversion:
  With a strategic objective to convert the airport into 100% LED Airport, the Main Runway Aeronautical Lighting System has further been upgraded with energy efficient LED Lights while complying with the standards prescribed by the International Civil Aviation Organization (ICAO) and the Directorate General of Civil Aviation (DGCA).

- Optimization of Energy Efficiency of Cooling Towers by upgrading the Technology:
  Currently, GHIAL is operating 07 cooling towers to cater to the Terminal's HVAC demands. To enhance the efficiency of the cooling towers, the motors were replaced with technologically advanced, higher efficiency motors to improve the performance of the Cooling Towers which was observed to be deteriorating.

- HVAC Low side Improvement Works (Refurbishment of AHUs):
  Currently, GHIAL is operating 103 Air Handling Units (AHU) in the terminal Building to cater to the Terminal's HVAC demands. Due to COVID pandemic, Indian Society of Heating, Refrigeration and Air Conditioning Engineers (ISRAE) revised guidelines for maintaining the indoor air quality. To cope up with the revised guideline and to enhance the efficiency of the AHUs, we implemented an indigenous technical solution to refurbish the AHUs to improve their performance.

(b) Additional investments and proposals implemented for reduction of energy consumption in the Financial Year 2021-22:

- Power optimization by Scheduled Operation of AHU and Lights – Zero Investment
- Main Runway AGL LED Conversion – Rs. 540 Lakhs
- Optimization of Energy Efficiency of Cooling Towers by upgrading Technology – Rs. 69.5 Lakhs
- Introduction of Smart Lighting System in PBBs – Rs. 3.32 Lakhs
- HVAC Low side Improvement Works (Refurbishment of AHUs) – Rs. 14.25 Lakhs
- Upgradation of Pumping System – R. 34.30 Lakhs
- Upgradation of Apron Stand Signage with LED lights – Rs. 1.28 Lakh

(c) Impact of the above measures at (a) for reduction of energy consumption: -

Overall Energy Performance Index (kWh/Sq. Mtr.) has increased by 12.70% as compared with previous year. As a result, the Airport recorded energy consumption per Sq. Mtr. in the financial year 2021-22 i.e., 12.07 kWh/ Sq. Mtr. (Average)) against 10.71 kWh/Sq. Mtr. (Average) in the financial year 2020-21. The energy consumption in the financial year 2020-21 was impacted due to reduced operations.

Following initiatives are planned in the Financial Year 2022-23 for reduction of energy consumption:

- Conversion of conventional lights to LED in passenger areas of PTB – Rs. 600 Lakhs cashflow.

for and on behalf of the Board of Directors

Sd/-	**Sd/-**
G. B. S. Raju	**C. Prasanna**
Managing Director	Director
DIN : 00061686	DIN: 01630300
Place : New Delhi	Place : Hyderabad
Date : July 18, 2022	Date : July 18, 2022

GMR Hyderabad International Airport Limited

Annual Report on CSR Activities for the Financial Year 2021-22

1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

   The Company has adopted CSR Policy as recommended by the CSR Committee and approved by the Board, which covers mainly (i) preamble; (ii) guiding principles for selection and implementation of projects / programs under CSR policy; (iii) expenditure incurred for certain activities shall not be treated as CSR activity by the Company; (iv) surplus from CSR activities; (v) monitoring of CSR activities; (vi) annual action plan; and (vii) amendment.

2. Composition of CSR Committee:

Sl No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the financial year 2021-22	Number of meetings of CSR Committee attended by the Committee members during the financial year 2021-22
1	Mr. A. Subba Rao *	Chairman of the CSR Committee (Independent Director)	Not Applicable	Not Applicable
2	Mr. RSSLN Bhaskarudu #	Chairman of the CSR Committee (Independent Director)	One (1)**	One (1)
3	Mr. Jayesh Ranjan, IAS	Member of the CSR Committee (Non-Executive Director)	One (1)**	One (1)
4	Mr. C Prasanna	Member of the CSR Committee (Non-Executive Director)	One (1)**	One (1)

* *Reconstituted the CSR Committee of the Company with effect from September 25, 2021 by induction of Mr. A. Subba Rao as the Chairman of the CSR Committee*
\# *Ceased to be Director and the Member & Chairman of the CSR Committee of the Company with effect from September 15, 2021*
** *CSR Committee Meeting held on April 28, 2021*

3. Provide the web-link where the composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: https://www.hyderabad.aero/our-company.aspx

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

Sl No.	**Financial Year**	**Amount available for setoff from preceding financial years (in Rs)**	**Amount required to be set-off for the financial year, if any (in Rs)**
--	--	--	--

6. Average net profit of the Company as per Section 135(5):

Financial Year	**Net Profits (**Amount in Rupees)
2018-19	766,20,86,279
2019-20	692,77,20,011
2020-21	(229, 53,11,988)
Total Net Profit / (Loss) for 3 years	1229,44,94,302
Average Net Profit / (Loss) per year	409,81,64,767

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 8,19,63,296/-**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
   (c) Amount required to be set off for the financial year, if any: **NIL**
   (d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 8,19,63,296/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
8,20,00,000/-	**NIL**	--	**-**	**NIL**	**-**

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (Rs.)	Amount spent in the current financial Year (Rs.)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
		-- NIL --										

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Companies Act, 2013	Local area (Yes/ No)	Location of the project		Amount spent for the project (Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Regn. No.
1.	Education support programmes for airport neighbouring community – Hyderabad	Education	Yes	Telangana, Ranga Reddy		36,71,000	No	GMR Varalakshmi Foundation	CSR00000851
2.	Education support to rural community – Rajam	Education	No	Andhra Pradesh, Srikakulam		75,50,000	No	GMR Varalakshmi Foundation	CSR00000851
3.	Health and Sanitation programme in airport surrounding villages – Hyderabad	Health, Hygiene and Sanitation	Yes	Telangana, Ranga Reddy		29,78,000	No	GMR Varalakshmi Foundation	CSR00000851
4.	Rural Health and Sanitation Programme – Rajam	Health, Hygiene and Sanitation	No	Andhra Pradesh, Srikakulam		71,41,000	No	GMR Varalakshmi Foundation	CSR00000851
5	Medical equipment support for Covid	Health, Hygiene and Sanitation	Yes	Telangana, Hyderabad		80,24,000	No	GMR Varalakshmi Foundation	CSR00000851

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Companies Act, 2013**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (Rs.)**	**Mode of Implementation - Direct (Yes / No)**	**Mode of Implementation Through Implementing Agency**	
				State	**District**			**Name**	**CSR Regn. No.**
6	Preventive and curative health support programmes for Covid at Hyderabad	Health, Hygiene and Sanitation	Yes	Telangana, Hyderabad		85,92,000	No	GMR Varalakshmi Foundation	CSR00000851
7	Covid relief and treatment support at Hyderabad	Health, Hygiene and Sanitation	Yes	Telangana, Hyderabad		70,02,000	No	GMR Varalakshmi Foundation	CSR00000851
8	Skill Development to unemployed youth – at Hyderabad	Empowerment & Livelihoods	Yes	Telangana, Ranga Reddy		91,26,000	No	GMR Varalakshmi Foundation	CSR00000851
9	Skill Development to unemployed rural youth at Raikal	Empowerment & Livelihoods	No	Telangana, Jagityal		18,67,000	No	GMR Varalakshmi Foundation	CSR00000851
10	Skill Development to unemployed rural youth – Nagaram	Empowerment & Livelihoods	No	Telangana, Sircilla		18,04,000	No	GMR Varalakshmi Foundation	CSR00000851
11	Skill Development to unemployed Tribal youth – Kevadia	Empowerment & Livelihoods	No	Gujarat, Narmada		81,82,000	No	GMR Varalakshmi Foundation	CSR00000851
12	Skill Development to unemployed rural youth – Rajam	Empowerment & Livelihoods	No	Andhra Pradesh, Srikakulam		68,00,000	No	GMR Varalakshmi Foundation	CSR00000851
13	Skill Development to unemployed youth - Hubli	Empowerment & Livelihoods	No	Karnataka, Dharwad		18,00,000	No	GMR Varalakshmi Foundation	CSR00000851
14	Livelihood support to Women – Hyderabad	Empowerment & Livelihoods	Yes	Telangana, Ranga Reddy		18,20,000	No	GMR Varalakshmi Foundation	CSR00000851
15	Community development programmes including drainage work at villages	Community Development	Yes	Telangana, Ranga Reddy		56,43,000	No	GMR Varalakshmi Foundation	CSR00000851
						8,20,00,000			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. **8,20,00,000/-**

(g) Excess amount for set off, if any:

S No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 8,19,63,296/-
(ii)	Total amount spent for the Financial Year	Rs. 8,20,00,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 36,704/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.36,704/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs.)
				Name of the Fund	Amount (Rs.)	Date of transfer	
	Total	NIL					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project Completed / Ongoing
		NIL						
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Sd/- **G. B. S. Raju** Managing Director DIN : 00061686 Place : New Delhi Date : July 18, 2022	**Sd/-** **A. Subba Rao** **Chairman of the CSR Committee** **DIN :** 00082313 Place : Bengaluru Date : July 18, 2022

Form No. MR-3
Secretarial Audit Report
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
GMR Hyderabad International Airport Limited
(CIN: U62100TG2002PLC040118)
GMR Aero Towers
Rajiv Gandhi International Airport
Shamshabad
HYDERABAD –500108
Telangana, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GMR Hyderabad International Airport Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022; complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the following provisions:

Sl	Particulars
1.	The Companies Act, 2013 ("the Act") and the Rules made thereunder;
2.	The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
3.	Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
4.	We have also examined compliance with the applicable clauses of the Secretarial Standard-1 on Meetings of the Board of Directors and Secretarial Standard-2 on the General Meetings ("Standards") , issued by The Institute of Company Secretaries of India. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

Sl		Particulars
1.	**Under the Companies Act, 2013**	
A.	Based on our examination and verification of the records produced to us and according to the information and explanations given to us by the Company's officers, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and Memorandum and Articles of Association of the Company, inter alia with regard to:	
	a.	Maintenance of various statutory registers and documents and making necessary entries therein;
	b.	Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Ministry of Corporate Affairs, Government of India;
	c.	Service of documents by the Company on its Members, Directors and Registrar of Companies and other Statutory Authorities;
	d.	Notices, Agenda and Minutes of proceedings of the General Meetings and of the Board and its Committee Meetings including Circular Resolutions;
	e.	The meeting(s) of : i) the Board of Directors held on 28th April, 2021; 19th July, 2021; 5th November, 2021 and 2nd February, 2022; ii) Audit Committee held on 28th April, 2021; 19th July, 2021; 5th November, 2021; and 2nd February, 2022; iii) Nomination & Remuneration Committee held on 28th April, 2021, 19th July, 2021 and 16th August, 2021; iv) CSR Committee held on 28th April, 2021;
	f.	The Eighteenth (18th) Annual General Meeting held on 15th September, 2021 and the Extraordinary General Meetings held on 31st May, 2021 during the year;
	g.	Approvals of the Members, the Board of Directors, the Committees of Directors wherever required;
	h.	Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors;
	i.	Payment of remuneration to the Executive Chairman and Managing Director and payment of sitting fees to other Directors (including Independent Directors) more specifically as detailed below : a. Mr. G. Mallikarjuna Rao aged about (72 years) (DIN : 00574243) was reappointed as the Executive Chairman with a remuneration (fixed remuneration plus commission in case of adequate profits) for a period of 3 years wef 1st June, 2021 to 31st May, 2024 by passing special resolution in the EGM held on 31st May, 2021. b. Mr. G. B. S. Raju (DIN: 00061686) was re-appointed as the Managing Director with a remuneration (fixed remuneration plus commission in case of adequate profits) for a period of (3 years) wef 1st June, 2021 to 31st May, 2024 by passing special resolution in the EGM held on 31st May, 2021.

Sl		Particulars
	j.	Appointment and remuneration of Auditors wrt appointed joint Statutory Auditors M/s. K. S. Rao & Co., Chartered Accountants, Bengaluru and M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Hyderabad;
	l.	Declaration and distribution of dividends- No dividend was declared during the year under review;
	m.	Transfer of Unpaid and Unclaimed dividend to the Investor Education and Protection Fund: - Not applicable as the Company does not have any unpaid and unclaimed dividend;
	n.	Borrowings and registration, modification and satisfaction of charges wherever applicable;
	o.	Investment of the Company's funds including investments and loans to others; further, we have been given to understand that the holding Company of GHIAL – GMR Airports Limited is registered as NBFC – CIC with Reserve Bank of India and hence the investment in more than 2 layers of step down subsidiaries, provisions, not applicable to GHIAL;
	p.	Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act; further, we have been given to understand that the Accounts have been adopted by the Board as per IND-AS and I-GAAP provisions;
	q.	Board's Report;
	r.	Contracts, common seal, registered office and publication of name of the Company.

Sl	Particulars
B.	**Under the Companies Act, 2013, we further report that :**
i.	The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors and Key Managerial Personnel (KMP) that took place during the period under review were carried out in compliance with the provisions of the Act as stated below: a. Mr. Joyanta Chakraborty (DIN: 09090219) was appointed wef 16th March, 2021 as additional director was regularized in the 18th AGM held on 15th September, 2021. b. Mr. Antoine Crombez (DIN : 09069083) was appointed as an additional director in the Board Meeting held on 28th April, 2021 and was regularized in the 18th AGM held on 15th September, 2021. c. Mr. Camilo Perez-Perez (DIN: 09151518) was appointed as an additional director in the Board Meeting held on 28th April, 2021 and was regularized in the 18th AGM held on 15th September, 2021. d. Mr. A. Subba Rao (DIN: 00082313) was appointed as an Independent Director (not liable to retire by rotation) in the 18th AGM held on 15th September, 2021. e. Dr. M. Ramachandran (DIN: 01573258) was appointed as an Independent Director (not liable to retire by rotation) in the 18th AGM as held on 15th September, 2021. f. Mr. RSSLN Bhaskarudu (DIN: 00058527) and Mr. N C Sarabeswaran (DIN: 00167868) were retired as Independent Directors (since they completed 2nd term also) from the conclusion of 18th AGM as held on 15th September, 2021. g. Mr. Mohd. Shukrie bin Mohd Salleh (DIN : 08793072) resigned as Director wef 24th October, 2021. h. Mr. I N Murthy (DIN: 07752535) resigned as Director wef 6th January, 2022. i. Mr. Dharmendra Bhojwani (DIN : 08826067) was appointed as an additional Director of the Company through Circular Resolution dated 6th January, 2022. j. Mr. Iskandar Mizal Mahmood (DIN: 09479519) was appointed as an additional director wef 2nd February, 2022

Sl	Particulars
ii.	Adequate notices were given to all directors to convening the Board Meetings and the Board Committee Meetings, and the agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
iii.	All the decisions at Board Meetings and Committee Meetings were carried out on requisite majority and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
iv.	The meetings of the shareholders were conducted in a proper manner and adequate notices of the meetings were given to the Shareholders and others entitled.
v.	There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, Depositories Act, and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
vi.	The Directors (including the Independent Directors) of the Company have complied with the disclosure requirements in respect of their eligibility of appointment, initial & annual, subsequent disclosures and declarations. Pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered with the Independent Directors Databank, maintained by the Indian Institute of Corporate Affairs and they are also exempted from proficiency self-assessment test.
2.	**Under the Depositories Act, 1996, we report that:**
	The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of the securities and reconciliation of records of dematerialized securities with all the securities issued by the Company.
3.	**Under FEMA, 1999, we report that:**
	We have been given to understand that the Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act with respect to forex exposure / hedge transactions and other applicable provisions of the FEMA, 1999.

Sl	Particulars
4.	**Under other applicable laws, we report that:**
	Based on the Quarterly Compliance Certificate issued by the Chief Executive Officer of the Company for all the four quarters of the financial year 2021-22 and noted by the Board at the Board Meetings, we are of the opinion that there has been due compliance of all the Laws to the extent applicable including the Aircraft Act, 1934, the Aircraft Rules, 1937, the AERA Act, 2008, other Civil Aviation Requirements (CAR) Rules, Labour Laws, Finance & Taxation Laws, Corporate Laws and Pollution Laws, Orders, Rules, Regulations, Guidelines and other legal requirements of the Central and State Government as well as Local Authorities concerning the business and affairs of the Company. We have been given to understand that the Company has complied with all the laws applicable to it, under the Legatrix Compliance Tool, which is implemented across GHIAL and its subsidiary & associates companies. Further, we have been given to understand that the Directors of the Company have successfully completed the annual board / committees evaluation process under Dess Digital Platform.
5.	**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6.	**We further report that** the provisions of the Act, have been complied with, wrt participation in the rights issue made by GMR Hospitality and Retail Limited by GHIAL during the year under review and appropriate Board approval was taken in Board Meeting held on 2nd February, 2022.
7.	**We further report that** the Company being a subsidiary of a Listed Company, has shared relevant information to the Holding Company for its compliance requirements with the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
8.	We further report that we have been given to understand that the transactions such as (i) extension of Loan tenure to GMR Infrastructure Limited (ii) the extension of Loan to GMR Goa International Airport Limited (iii) Sale of GHAAL shares by GHAL to GHIAL (iv) Swapping of portion of GHIAL Employee Township Property Land with M/s. IRA Great Living LLP for better administrative purposes (have been placed before the Board and appropriate approvals have been obtained under the Companies Act, 2013).

For KBG Associates
Company Secretaries
Firm Regn No # P2009AP006100

Sd-
Srikrishna Chintalapati
Partner
CP No: 6262
UDIN : F005984D000542344

Place: Hyderabad
Date: 29th June, 2022

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE-A" and Forms an integral part of this report.

‘ANNEXURE-A’

To,
The Members of
GMR Hyderabad International Airport Limited
GMR Aero Towers, Rajiv Gandhi International Airport
Shamshabad, Hyderabad, Telangana, India – 500108

Our report for the even date to be read with the following Letter;

Sl	Particulars
1.	Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2.	We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3.	We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4.	Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5.	The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6.	The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **KBG Associates**
Company Secretaries

Sd/-
(**Srikrishna Chintalapati**)
Partner
CP # 6262

Place : Hyderabad
Date : 29th June,2022

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

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

Independent Auditor's Report

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of GMR Hyderabad International Airport Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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 state of affairs of the Company as at 31 March 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As detailed in Note 51 to the accompanying standalone financial statements, the other current financial assets as at 31 March 2022 include a sum of Rs. 63 crores representing up-front processing fees paid to Yes Bank Limited ("the Bank") in respect of an undrawn loan facility of Rs. 4,200.00 crores in 2019. In view of certain developments, the Bank has expressed their inability to extend the said loan and accordingly the arrangement was terminated on 21 April 2020. Management of the Company has considered this amount as recoverable in full, on the basis of the Bank's acknowledgement of receipt of request from the Company for refund of the aforesaid upfront fees and an independent legal opinion obtained by the management. However, in the absence of clear and explicit evidence with respect to the recoverability of the said sum, we are of the opinion that management should have assessed and provided for necessary adjustments in the carrying value of the said sum in accordance with the relevant accounting principles as laid down under Ind-AS 109 "Financial Instruments". Accordingly, we are unable to comment on the extent of adjustment that may be necessitated and the consequential impact on the accompanying standalone financial statements. Our opinion on the standalone financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

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

Emphasis of Matters

5. **Impact on account of Covid-19 outbreak**
We draw attention to Note 3 to the accompanying standalone financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic and management's evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date, the extent of which is significantly dependent on the future developments, as they evolve.

6. **Utilization of funds from Passenger Service Fee (Security Component) Fund ("PSF(SC) Fund")**
We draw attention to Note 59(I)(e) to the accompanying standalone financial statements, which describes the uncertainty relating to outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF(SC) Fund upto 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation.

Our opinion is not modified in respect of these matters.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
1. **Utilisation of deferred tax asset comprising of minimum alternate tax (MAT) credit and unabsorbed business losses** *Refer to Note 4(r) for the accounting policy and note 32 and 63 for the financial disclosures in the accompanying standalone financial statements.* The Company is under tax holiday period until financial year 2021-22 and has accumulated MAT credit asset of ₹457.28 crores (31 March 2021: ₹457.28 crores) and deferred tax on unabsorbed business loss of ₹103.52 crores (31 March 2021: ₹74.05 crores). Recognition of these deferred tax asset requires significant	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 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;

judgement regarding the likelihood of its realization within the specified period through estimation of future taxable profits of the Company and consequently there is a risk that the deferred tax asset comprising of minimum MAT and unabsorbed business losses may not be realized within the specified period, if these future projections are not met. In order to assess the utilization of MAT credit, the 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 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.	• Understood and tested the controls surrounding management's evaluation of litigations and contingent liabilities; • Challenged the judgements exercised by the management and tested the key assumptions used including the impact of COVID-19 based on our knowledge of the industry, publicly available information and Company's strategic plans; • Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process; • Tested the appropriateness of the forecasted tax liability computation as per the provisions of the IT Act, including assessment of the eligibility of various tax exemptions availed and MAT liability computation as per Section 115JB of the IT Act; • Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the future taxable profits; • Obtained and reviewed the documents with respect to the litigations during the year with AERA and the related order issued by TDSAT; and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	**How our audit addressed the key audit matter**
2. Valuation of derivative financial instruments *Refer to Note 4(m) for the accounting policy and note 55 for the financial disclosures in the accompanying standalone financial statements.* The 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.	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 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;

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

Key audit matter	How our audit addressed the key audit matter
3. Testing of capital-work-in-progress *Refer to Note 4(c) and 4(i) for the accounting policy and notes 5 and 36 for the financial disclosures in the accompanying standalone financial statements.* The 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 Company,	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

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

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

9. The 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 standalone 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 standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone 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 standalone 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 Standalone Financial Statements

10. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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Karnataka, India

11. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

12. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

13. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

14. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone 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 Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

19. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

20. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, 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 accompanying standalone financial statements;

    b) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 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:

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i. the Company, as detailed in note 59(I) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

ii. the Company, has made provision as at 31 March 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 Company during the year ended 31 March 2022;

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 43 to the standalone 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 Company 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 Company (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 44 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company 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 as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103AHYTLJ2256

Place: New Delhi
Date: 28 April 2022

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 22233734AHZSDY8016

Place: Bengaluru
Date: 28 April 2022

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Annexure I referred to in Paragraph 19 of the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has a working capital limit in excess of Rs 5 crore, sanctioned by a bank and financial institution on the basis of security of current assets during the year. The quarterly statements, in respect of the working capital limits have been filed by the Company with such bank and financial institution and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to review.

iii. (a) The Company has provided loans or advances in the nature of loans, or guarantee, or security to Subsidiaries and others as per the details given below:

(₹ in crores)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
- Subsidiaries	354.75	50.05	46.25	-
- Others	-	-	-	-
Balance outstanding as at 31 March 2022				
- Subsidiaries	745.69	82.95	11.00	-
- Others	-	-	200.00	-

(b) In our opinion and according to the information and explanation given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies.

(e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date except in one instance wherein the loan has been extended during the year. The details of the same has been given below:

(₹ in crores)

Name of the party	Nature of loan	Total loan amount	Nature of extension (i.e. renewed/ extended/fresh loan provided)	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
GMR Infrastructure Limited	Loan	₹200	Extended	₹200	432.43%

Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loans or advances in the nature of loan, which are repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Reversal of Cenvat credit including penalty	24.84	8.28	Various dates	Hon'ble High Court of Telangana
	Penalty equivalent to service tax on User Development Fee	7.43	Nil	April 2008 to December 2008	Hon'ble Supreme Court
	Non-payment of service tax for supply of water and electricity to concessionaires and irregular availment of CENVAT	3.20	0.15	October 2008 to June 2010	CESTAT, Hyderabad
	Non-payment of service tax on corporate guarantee	0.19	0.08	April 2016 to June 2017	Commissioner (Appeals)

Income Tax Act, 1961	Disallowance of certain expenses	3.76	Nil	Assessment year (AY) 2014-15	Income Tax Appellate Tribunal, Bengaluru
		6.46	Nil	AY 2016-17	
		34.70	Nil	AY 2016-17	Commissioner of Income Tax (Appeals)
		4.76	Nil	AY 2017-18	
		6.34	Nil	AY 2018-19	

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

ix. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lenders.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) The whistle blower complaints received by the Company during the year, as shared with us by the management have been considered by us while determining the nature, timing and extent of audit procedures.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current financial year but had incurred cash losses amounting to Rs.46.70 crores in the immediately preceding financial year. For the purpose of reporting under this clause, while arriving at the amount of cash losses, the possible effects of the qualification as described in 'Basis for Qualified Opinion' section of the audit report on the financial statements for the immediately preceding financial year issued by us, in respect of which we are unable to determine the effect thereof on the cash losses reported under this clause due to lack of necessary information, have not been taken into consideration.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes uis to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103AHYTLJ2256

Place: New Delhi
Date: 28 April 2022

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 22233734AHZSDY8016

Place: Bengaluru
Date: 28 April 2022

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Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone 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 standalone financial statements of GMR Hyderabad International Airport Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the 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 Company's internal financial controls with reference to financial statements 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 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 standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

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 standalone 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 standalone 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 standalone 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 Company's internal financial controls with reference to financial statements as at 31 March 2022:

   The Company's internal financial control system towards estimating the fair value of other financial assets in accordance with Ind AS 109 'Financial Instruments', as more fully explained in note 51 to the standalone financial statements, were not operating effectively due to uncertainties in the judgments and assumptions made by the company in such estimations, which could result in the Company not providing for adjustment, if any, that may be required to the carrying value of other financial assets and its consequential impact on the earnings, reserves and related disclosures in the accompanying standalone 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 Company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company 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 Company's internal financial controls with reference to financial statements were operating effectively as at March 31, 2022.

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

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

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2022, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103
UDIN: 22502103AHYTLJ2256

Place: New Delhi
Date: 28 April 2022

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 22233734AHZSDY8016

Place: Bengaluru
Date: 28 April 2022

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

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	5	2,457.59	2,232.30
Capital work-in-progress	36	3,043.11	2,255.00
Right of use asset	6	72.75	75.39
Other intangible assets	7	4.04	6.88
Investments in subsidiaries and joint venture	8	756.79	670.18
Financial assets			
- Loans	9	0.14	42.48
- Other financial assets	10	684.69	634.94
Non current tax assets (net)		37.84	20.78
Deferred tax asset (net)	32	452.50	373.30
Other non-current assets	11	589.27	745.87
		8,098.72	**7,057.12**
Current assets			
Inventories	12	5.73	5.59
Financial assets			
- Investments	13	841.50	972.57
- Trade receivables	14	59.67	111.10
- Cash and cash equivalents	15	24.55	667.86
- Bank balances other than cash and cash equivalents	16	1,244.60	1,462.02
- Loans	9	211.57	244.87
- Other financial assets	10	197.09	145.03
Other current assets	11	55.02	57.69
		2,639.73	**3,666.73**
Total assets		**10,738.45**	**10,723.85**
Equity and Liabilities			
Equity			
Equity share capital	17	378.00	378.00
Other equity	18		
- Capital reserve		107.00	107.00
- Retained earnings		1,412.83	1,521.17
- Cash flow hedge reserve		(44.27)	126.89
Total equity		**1,853.56**	**2,133.06**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	7,441.79	7,169.16
- Lease liabilities	45	92.08	89.15
- Other financial liabilities	20	108.24	190.42
Government grants	21	25.05	30.32
Other non-current liabilities	22	6.46	10.71
		7,673.62	**7,489.76**

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

	Notes	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
- Borrowings	23	257.55	171.32
- Trade payables	24		
- Total outstanding dues of micro and small enterprises		14.79	12.36
- Total outstanding dues of creditors other than micro and small enterprises		75.93	73.60
- Other financial liabilities	20	760.94	718.84
Government grants	21	5.27	5.27
Other current liabilities	22	75.98	101.87
Short-term provisions	25	20.81	17.77
		1,211.27	**1,101.03**
Total liabilities		**8,884.89**	**8,590.79**
Total equity and liabilities		**10,738.45**	**10,723.85**

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

As per our report of even date.

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: New Delhi
Date: April 28, 2022

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

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

Place: Bengaluru
Date: April 28, 2022

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: April 28, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: April 28, 2022

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: April 28, 2022

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

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	26	673.68	441.23
Other income	27	105.00	143.41
Total income		**778.68**	**584.64**
Expenses			
Concession fee		30.33	22.54
Employee benefits expense	28	109.85	110.54
Finance costs	29	258.52	236.74
Depreciation and amortization expenses	30	219.85	189.83
Other expenses	31	312.19	255.03
Total expenses		**930.74**	**814.68**
Loss before tax		**(152.06)**	**(230.04)**
Tax expense	32		
Current tax		-	(0.74)
Deferred tax credit		(43.96)	(78.25)
Total tax expense		**(43.96)**	**(78.99)**
Loss after tax		**(108.10)**	**(151.05)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans	33	(0.24)	1.14
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	33	(206.41)	(81.75)
Deferred tax expense	33	35.25	43.58
Total other comprehensive loss		**(171.40)**	**(37.03)**
Total comprehensive loss		**(279.50)**	**(188.08)**
Earnings per equity share:			
Basic and diluted (in Rs.)	34	(2.86)	(4.00)

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

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

ICAI Firm registration
number: 001076N/N500013

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: New Delhi
Date: April 28, 2022

For K.S. Rao & Co.,
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Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: April 28, 2022

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

Equity share capital:

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

Other equity

	Reserves and surplus		Other comprehensive income	Total
	Capital reserve*	Retained earnings	Cash flow hedge reserve	
As at April 1, 2020	**107.00**	**1,671.08**	**165.06**	**1,943.14**
Loss for the year	-	(151.05)	-	(151.05)
Remeasurement of post-employment benefits obligations	-	1.14	-	1.14
Cash flow hedge reserve (net of tax)	-	-	(38.17)	(38.17)
As at March 31, 2021	**107.00**	**1,521.17**	**126.89**	**1,755.06**
Loss for the year	-	(108.10)	-	(108.10)
Remeasurement of post-employment benefits obligations	-	(0.24)	-	(0.24)
Cash flow hedge reserve (net of tax)	-	-	(171.16)	(171.16)
As at March 31, 2022	**107.00**	**1,412.83**	**(44.27)**	**1,475.56**

*The Company has received a contribution of Rs.107.00 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.

As per our report of even date.

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: New Delhi
Date: April 28, 2022

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Hitesh Kumar P
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Place: Hyderabad
Date: April 28, 2022

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: April 28, 2022

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Loss before tax	(152.06)	(230.04)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization expenses	219.85	189.83
Provision for bad debts/bad debts written off	-	0.20
Advances written off	-	0.08
(Gain)/loss on sale of property, plant and equipment	(0.19)	0.35
Dividend income	(1.96)	-
Interest income	(82.24)	(117.87)
Interest expense	258.52	236.74
Gain on sale of financial assets (mutual funds)	(7.13)	(7.25)
Provision no longer required, written back	(1.24)	(7.12)
Income from government grants	(5.27)	(5.27)
Amortisation of deferred income	(12.43)	(14.84)
Interest income arising from fair valuation of financial guarantee	(2.54)	(0.96)
Operating profit before working capital changes	**213.31**	**43.85**
Working capital adjustments:		
Changes in trade payables	6.12	(12.91)
Changes in other liabilities	(22.72)	32.58
Changes in other financial liabilities	(112.22)	39.12
Changes in provisions	3.29	0.52
Changes in trade receivables	51.43	32.90
Changes in inventories	(0.14)	0.77
Changes in other assets	(66.23)	(149.53)
Changes in other financial assets	(36.27)	(16.25)
Changes in loans	3.96	3.90
Cash generated from/(used in) operations	**40.53**	**(25.05)**
Direct taxes paid (net)	(17.09)	(14.95)
Net cash generated from/(used in) operating activities (A)	**23.44**	**(40.00)**
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP and capital advances	(654.91)	(1,033.77)
Proceeds from sale of property, plant and equipment including CWIP	115.00	27.50
Investment in subsidiary companies	(40.00)	-
Loans to subsidiary companies	(46.25)	-
Repayment of loans by subsidiary	75.25	32.00
Loans to group companies	-	(9.95)
Repayment of loans by group companies	-	9.95
Purchase of current investments	(2,283.58)	(5,079.81)
Proceeds from sale of current investments	2,421.80	5,276.89
Movement in other bank balances, net	217.42	(806.37)
Dividend income	1.96	-
Interest received	121.15	146.85
Net cash generated used in investing activities (B)	**(72.16)**	**(1,436.71)**

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from financing activities		
Proceeds from long-term borrowings	-	2,188.29
Proceeds from short-term borrowings, net	86.23	151.39
Payment of lease rental	(5.72)	(5.45)
Interest paid, including borrowing costs	(675.10)	(437.65)
Net cash from / (used in) financing activities (C)	**(594.59)**	**1,896.58**
Net change in cash and cash equivalents (A + B + C)	**(643.31)**	**419.87**
Cash and cash equivalents at the beginning of the year	667.86	247.99
Cash and cash equivalents at the end of the period	**24.55**	**667.86**
Components of cash and cash equivalents		
With banks		
- on current accounts	12.50	61.54
- on deposit accounts	12.00	606.29
Cash on hand	0.05	0.03
Total cash and cash equivalents	**24.55**	**667.86**

As per our report of even date.

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: New Delhi
Date: April 28, 2022

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

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

Place: Bengaluru
Date: April 28, 2022

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

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Director
DIN: 01630300

Place: New Delhi
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Chief Executive Officer

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Anand Kumar P
Chief Financial Officer
Place: Hyderabad
Date: April 28, 2022

Sd/-
Kiran Kumar M
Company Secretary
Place: Hyderabad
Date: April 28, 2022

1. Corporate information

GMR Hyderabad International Airport Limited ("GHIAL" or "the Company"), is a company limited by shares, was incorporated in the year 2002 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is situated at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad 500 108. The Company is primarily engaged in the business of providing airport management services on a Build, Owned, Operate and Transfer only model. Presently, the Company is managing operations of Rajiv Gandhi International Airport ("RGIA") at Hyderabad, India and the Bidar Airport in Karnataka, India. The Company is a majority owned subsidiary of GMR Airports Limited ('GAL') a subsidiary of GMR Infrastructure Limited ('GIL').

The Company had entered into a long term Concession Agreement with the Ministry of Civil Aviation ("MoCA"), Government of India, pursuant to which the Company was awarded exclusive rights for Development, Construction, Operation and Maintenance of the RGIA on a revenue share model. The arrangement is valid for a period of 60 years, including an optional extension of 30 years, which was duly exercised by the Company.

These standalone financial statements for the year ended 31 March 2022 are approved by the Company's Board of Directors in their meeting held on April 28, 2022.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, Indian Accounting Standards (Ind AS) notified under section 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 standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

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

The standalone financial statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest crore up to two decimal places, except for share data and when otherwise indicated.

3. Uncertainties relating to COVID-19 Pandemic:

Owing to the second wave of Covid-19 outbreak, the country during the first quarter of the current period, has witnessed significant increase in the number of daily cases reported and reimposition of localized lockdowns by the respective State Governments, resulting in subdued demand for air travel. With the decrease in the number of reported cases during the second quarter of the current period and the push from Government to vaccinate as many people as possible, the management expect the demand for air travel to gradually improve in the short to medium term.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets and has concluded that no material adjustments are required in the carrying value of the financial and non-financial assets as at the reporting date. For this assessment, Management believes that it has taken into account all the possible impact of known events arising from Covid-19 pandemic. However, the impact of the Covid-19 pandemic on our business will depend on future developments that cannot be reliably predicted. The impact of the Covid-19 pandemic might be different from that estimated as at the date of approval of these financial statements and the Company will closely monitor any material changes to future economic conditions.

4. Significant accounting policies

a) Use of estimates

The preparation of these standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of these standalone financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financials statements have been disclosed in note 60. Accounting estimates could change from year to year and actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in these standalone financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to these standalone financial statements.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) Property, plant and equipment and capital work in progress

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 Company 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.

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

The Company 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 derecognized 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 derecognized.

d) Depreciation on property, plant and equipment

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

Particulars	**(Useful life in years)**
Improvements to leasehold land	30
Buildings on leasehold land *	10-30
Building interim terminal #	7
Other buildings	30-60
Runways and taxiways	30
Roads – other than RCC **	10
Recarpeting of runways	5
Electrical installations **	10-15
Plant and machinery	15
Office equipment	5
Computer equipment and IT systems	3-6
Furniture and fixtures	3-7
Vehicles	8-10

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

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

#During the previous years, the Company 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.

e) 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.

f) Amortization of intangible assets

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognised in these standalone financial statements. Intangible assets are amortized over the useful life of asset or six years, whichever is lower.

g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset‘s recoverable amount is the higher of an asset's or cash generating units' (CGUs) net selling price 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.

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

Impairment losses of continuing operations are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

h) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition. Net realizable 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.

i) Borrowing cost

Borrowing costs net of income on surplus investments 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed on effective interest rate ("EIR") basis in the period in which they occur.

Borrowing costs consist of interest, call spread premium 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.

j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from contract with customer

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

Significant financing component

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

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

Contract balances

Contract assets

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). 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.

Income from services

Revenue from airport operations i.e. Aeronautical and Non-Aeronautical operations are recognised on accrual basis, net of Goods and Service Tax (GST), and applicable discounts when services are rendered.

Land & Space- rentals pertains to granting right to use land and space primarily for catering to the need of passengers, air traffic services and air transport services. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

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.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except the interest income received from customers for delayed payments which is accounted on the basis of reasonable certainty / realisation.

For all financial instruments measured at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

Dividend income
Dividend income is recognised when the Company's right to receive dividend is established, which is generally when the shareholders approve the dividend.

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

I) Financial assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. 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. Refer to the accounting policies in section (j) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three broad categories:

a) Financial assets at amortised cost
b) Financial assets at fair value through profit or loss (FVTPL)
c) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost: A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at FVOCI: A financial asset is measured at the FVTOCI if both of the following criteria are met:

a) The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

If the company 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 P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Financial assets at FVTPL: FVTPL is a residual category for financial assets. Any Financial asset, which does not meet the criteria for categorization as at amortized cost or as at Fair Value through OCI (FVTOCI), is classified as at FVTPL.

In addition, the Company may elect to designate a Financial asset's 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'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets measured at amortised cost e.g., deposits, trade receivables and bank balance.

The Company 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 Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix 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.

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

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

II) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement
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 standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition
A financial liability is derecognised 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 respective carrying amounts is recognised in standalone statement of profit and loss.

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, such as cross currency swaps, coupon only swaps and call option spreads, to hedge its foreign currency risks and interest rate risks.

Such derivative financial instruments are initially recognised 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.

For the purpose of hedge accounting, hedges are classified as:

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

b) 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;

c) Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for as described below:

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 is recognised immediately in the statement of profit and loss.

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 sale occurs.

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.

Presentation of derivative contracts in the financial statement
Derivative assets and liabilities recognized on the balance sheet are presented as current and non-current based on the classification of the underlying hedged item.

m) Fair value measurement
The Company 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:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

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

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets or liabilities such as derivative instruments.

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

For the purpose of fair value disclosures, the Company 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 as mentioned below:
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)

n) Provisions, contingent assets, contingent liabilities and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

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 reporting date.

Provisions for onerous contracts are recognized when the expected benefits to be delivered by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. Contingent assets are reviewed at each reporting date. A contingent asset is disclosed where an inflow of economic benefits is probable.

o) Retirement and other Employee Benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Accumulated leave balances, which is expected to be utilized within the next twelve months, is treated as short- term employee benefit. The Company 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 Company 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 Company 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.

Retirement benefit in the form of provident fund, superannuation fund and employee state insurance is a defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the respective funds.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
ii) Net interest expense or income

p) Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that

(i) the Company will comply / have complied with the conditions attached to them, and

(ii) the grant / subsidy will be received.

When the grant/ subsidy relates to revenue, it is recognized under other income in the Statement of Profit and Loss in the period of receipts of such grant/ subsidy, at the amount expected to be realized.

q) Leases

The Company 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.

Company as a lessee:

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

Right-of-use assets: The Company recognizes 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 Company recognizes 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

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

Company as a lessor:
Leases in which the Company 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 Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company'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.

r) Taxes
Tax expense comprises current tax and deferred tax.

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

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

(a) 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;

(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

1. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2. In respect of deductible temporary differences associated with investments in subsidiary, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum Alternate Tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company 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 Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT credit entitlement'. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Taxes, cess, duties such as sales tax/ value added tax/ service tax/GST etc. paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of taxes paid, except:

- When the tax incurred on a purchase of assets, goods or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

s) Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

t) Proposed dividend

As per Ind AS –10, 'Events after the Reporting period', the Company disclose the dividend proposed by board of directors after the balance sheet date in the notes to these standalone financial statements. The liability to pay dividend is recognised when the declaration of dividend is approved by the shareholders.

u) Segment information

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 Company's performance at an overall group level as one reportable operating segment i.e. 'Airport and allied services'.

v) Earnings per share

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

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

w) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

x) 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 Company are segregated.

y) Standards and recent pronouncements issued but not yet effective

MCA vide its notification dated 23 March 2022 has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 to further amend the Companies (Indian Accounting Standards) Rules, 2015, which are effective from 1 April 2022. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

5 Property, Plant and Equipment

	Leasehold Improvements	Freehold land	Runways	Roads	Buildings on leasehold land	Buildings on freehold land	Electrical installations	Plant and equipments	Office equipments	Computer equipments	Furniture and fixtures	Vehicles	Total
Gross block, At cost													
As at April 1, 2020	**91.87**	**16.13**	**845.96**	**122.67**	**1,112.94**	**62.31**	**217.25**	**575.51**	**12.62**	**75.44**	**49.53**	**8.36**	**3,190.59**
Additions	7.93	-	66.44	20.08	42.52	-	15.67	15.60	1.00	5.33	2.49	1.81	178.87
Disposals	(0.19)	-	-	-	(33.92)	-	-	(3.18)	(0.02)	-	-	(0.10)	(37.41)
Adjustments*	-	-	-	-	(0.24)	-	-	(1.38)	-	-	-	(0.01)	(1.63)
As at March 31, 2021	**99.61**	**16.13**	**912.40**	**142.75**	**1,121.30**	**62.31**	**232.92**	**586.55**	**13.60**	**80.77**	**52.02**	**10.06**	**3,330.42**
Additions	4.41	-	168.36	-	182.87	-	67.83	19.81	0.82	26.85	5.00	0.43	476.38
Disposals	-	-	-	-	(2.63)	-	-	(0.36)	(1.70)	(45.08)	(0.73)	(0.02)	(50.52)
As at March 31, 2022	**104.02**	**16.13**	**1,080.76**	**142.75**	**1,301.54**	**62.31**	**300.75**	**606.00**	**12.72**	**62.54**	**56.29**	**10.47**	**3,756.28**
Accumulated Depreciation													
Up to April 1, 2020	**19.92**	**-**	**87.47**	**101.48**	**231.56**	**7.97**	**140.47**	**263.28**	**4.59**	**31.89**	**32.12**	**1.52**	**922.27**
Charge for the year	4.03	-	37.65	3.22	51.44	1.33	11.09	54.98	2.44	14.82	3.26	1.15	185.41
Disposals	(0.04)	-	-	-	(7.75)	-	-	(1.65)	(0.02)	-	-	(0.10)	(9.56)
Up to March 31, 2021	**23.91**	**-**	**125.12**	**104.70**	**275.25**	**9.30**	**151.56**	**316.61**	**7.01**	**46.71**	**35.38**	**2.57**	**1,098.12**
Charge for the year	4.34	-	49.74	4.87	56.62	1.33	16.55	55.63	2.53	16.10	4.76	1.29	213.76
Disposals	-	-	-	-	(0.24)	-	-	(0.31)	(1.06)	(10.84)	(0.73)	(0.01)	(13.19)
Up to March 31, 2022	**28.25**	**-**	**174.86**	**109.57**	**331.63**	**10.63**	**168.11**	**371.93**	**8.48**	**51.97**	**39.41**	**3.85**	**1,298.69**
Net book value													
As at March 31, 2021	**75.70**	**16.13**	**787.28**	**38.05**	**846.05**	**53.01**	**81.36**	**269.94**	**6.59**	**34.06**	**16.64**	**7.49**	**2,232.30**
As at March 31, 2022	**75.77**	**16.13**	**905.90**	**33.18**	**969.91**	**51.68**	**132.64**	**234.07**	**4.24**	**10.57**	**16.88**	**6.62**	**2,457.59**

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

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

6 Right of use asset

	Land and Building	Total
Gross block (at cost)		
As at April 1, 2020	**77.16**	**77.16**
Additions	3.67	3.67
As at March 31, 2021	**80.83**	**80.83**
Additions	-	-
As at March 31, 2022	**80.83**	**80.83**
Accumulated depreciation		
Up to March 31, 2020	**2.75**	**2.75**
Charge for the year	2.69	2.69
Up to March 31, 2021	**5.44**	**5.44**
Charge for the year	2.64	2.64
Up to March 31, 2022	**8.08**	**8.08**
Net book value		
As at March 31, 2021	**75.39**	**75.39**
As at March 31, 2022	**72.75**	**72.75**

7 Other intangible assets

	Computer Software	Total
Gross block (at cost)		
As at April 1, 2020	**11.08**	**11.08**
Additions	0.50	0.50
As at March 31, 2021	**11.58**	**11.58**
Additions	12.36	12.36
Disposals	(14.42)	(14.42)
As at March 31, 2022	**9.52**	**9.52**
Accumulated depreciation		
Up to March 31, 2020	**2.97**	**2.97**
Charge for the year	1.73	1.73
Up to March 31, 2021	**4.70**	**4.70**
Charge for the year	3.45	3.45
Disposals	(2.67)	(2.67)
Up to March 31, 2022	**5.48**	**5.48**
Net book value		
As at March 31, 2021	**6.88**	**6.88**
As at March 31, 2022	**4.04**	**4.04**

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

8 Investments in subsidiaries and joint ventures

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Non-current investments: (At cost)				
Investment in subsidiaries				
Investment in equity shares (unquoted)				
GMR Hyderabad Aerotropolis Limited	49,883,600	49.88	90,500,000	90.50
GMR Hyderabad Airport Assets Limited	40,616,400	40.62	-	-
GMR Hyderabad Aviation SEZ Limited	51,600,000	51.60	51,600,000	51.60
GMR Hospitality and Retail Limited	238,328,710	238.33	155,998,710	156.00
GMR Air Cargo and Aerospace Engineering Limited	455,812,130	320.66	455,812,130	320.66
		701.09		**618.76**
Investment in preference shares (unquoted)				
GMR Air Cargo and Aerospace Engineering Limited - Series A Preference Shares	18,000	6.76	18,000	6.76
GMR Air Cargo and Aerospace Engineering Limited - Series B Preference Shares	18,735	0.02	18,735	0.02
		6.78		**6.78**
Investment in Joint Venture				
Investment in equity shares (unquoted)				
Laqshya Hyderabad Airport Media Private Limited	9,800,000	9.80	9,800,000	9.80
		9.80		9.80
Investment in Others				
Investment in equity shares (unquoted)				
Digi Yatra Foundation	148	0.00	148	0.00
		0.00		**0.00**
Other investments				
On account of fair valuation of financial gurantees given to subsidaries				
GMR Hyderabad Aviation SEZ Limited		2.12		2.02
GMR Hospitality and Retail Limited		5.90		5.75
GMR Air Cargo and Aerospace Engineering Limited		11.97		8.14
GMR Hyderabad Aerotropolis Limited		1.68		1.48
		21.67		**17.39**
On account of fair valuation of loans given to subsidaries/joint venture below market rate				
GMR Hospitality and Retail Limited		11.86		11.86
Laqshya Hyderabad Airport Media Private Limited		5.59		5.59
		17.45		**17.45**
Total investments carried at cost		**756.79**		**670.18**
Aggreate book value of unquoted investments		756.79		670.18
Aggregate amount of impairment in the value of investments		-		-

Note: Face value of Company's investment in equity shares of the above subsidiaries, joint venture and others is Rs.10 per equity share fully paid-up, face value of investment in preference shares - Series A and preference shares- Series B is Rs. 10,000 and Rs.10 per share fully paid-up, respectively. Further, the Company holds 100% stake in all its subsidiaries and 49% stake in the joint venture as at 31 March 2022 and 31 March 2021.

Details of number of shares pledged with bankers against the loan taken by the subsidiaries

	31-Mar-22	31-Mar-21
GMR Hospitality and Retail Limited*	82,946,705	32,897,675

*Subsequently on 11 April 2022, pledge in respect shares to the extent of 32,897,675 has been released upon satisfaction.

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

9 Loans

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Loan receivables in the nature of				
Loans to employees	0.14	0.15	0.57	4.87
Loans to related parties (refer details below)	-	42.33	211.00	240.00
	0.14	**42.48**	**211.57**	**244.87**

Break up of loans to related parties:	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
GMR Hospitality and Retail limited	-	42.33	-	-
GMR Hyderabad Aerotropolis Limited	-	-	11.00	40.00
GMR Power & Urban Infrastructure Limited	-	-	58.80	-
GMR Infrastructure Limited	-	-	141.20	200.00
	-	**42.33**	**211.00**	**240.00**

10 Other financial assets

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Carried at amortised cost				
Security deposits	14.07	12.96	8.70	13.02
Less: Provision for doubtful deposit	-	(0.20)	-	-
	14.07	**12.76**	**8.70**	**13.02**
Non-trade receivables	-	-	69.34	39.16
Unbilled revenue	-	-	27.26	18.74
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on others	-	-	14.14	0.50
Interest accrued on fixed deposits	-	-	10.70	9.27
Interst accrued on investments	-	-	3.91	1.30
Other receivables (refer note 51)	-	-	63.00	63.00
income				
Derivative asset	670.62	622.18	-	-
	684.69	**634.94**	**197.09**	**145.03**

11 Other assets

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Capital advances	125.68	355.90	-	-
(A)	**125.68**	**355.90**	**-**	**-**
Advances other than capital advances				
Passenger service fee (Security component) receivable	-	10.56	-	-
Others	5.06	5.06	10.95	2.63
	5.06	**15.62**	**10.95**	**2.63**
Less: Provision for doubtful advances	(0.04)	(0.04)	-	-
(B)	**5.02**	**15.58**	**10.95**	**2.63**
Prepaid expenses	1.24	1.67	5.32	7.89
Lease equilisation reserve	12.46	7.75	-	-
Balances with government authorities	444.87	364.97	38.75	47.17
(C)	**458.57**	**374.39**	**44.07**	**55.06**
Total (A+B+C)	**589.27**	**745.87**	**55.02**	**57.69**

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

12 Inventories

	March 31, 2022	March 31, 2021
Stores, spares parts and consumables	5.90	5.76
Less: Provision for non-moving spares	(0.17)	(0.17)
	5.73	**5.59**

13 Investments

	As at March 31, 2022		As at March 31, 2021	
	No. of units	Amount	No. of units	Amount
Investment in mutual funds (unqouted, non-trade) at FVTPL				
UTI Overnight Fund-Regular Growth Plan	141,965	41.31	35,836	10.01
UTI Overnight Fund-Regular Growth Plan	-	-	142,031	40.02
SBI Overnight Fund - Direct Growth	116,544	40.34	165,242	55.38
Axis Overnight Fund-Direcet Growth Plan	396,844	44.47	620,549	67.51
Invesco India Liquid Fund - Growth	201,253	21.62	105,494	10.98
HDFC Overnight fund direct growth plan	4,800.98	1.52	-	-
Nippon india overnight fund -Direct Fund growth	3,983,030	45.41	-	-
ICICI Prudential Overnight Fund Direct Plan Growth	3,606,781	41.31	3,106,980	34.48
Tata Overnight Direct Plan Growth	344,087	38.59	422,642	45.90
Aditya Birla Sunlife Overnight Fund - Growth-Regular Pla	302,266	34.76	1,264,859	140.77
L&T Liquid Fund Growth	185,963	30.84	-	-
Kotak Overnight fund Institutional premium-growth	392,936	44.55	352,073	38.65
		384.72		**443.70**
Investment in commerical paper* (unqouted, non-trade) at Amortised cost				
Time Technoplast Ltd	1,400	65.50	-	-
Edelweiss Financial Services Limited	3,000	139.10	-	-
Edelweiss Rural and Corporate Services Limited	5,440	252.18	5,440	249.82
Piramal Enterprises Limited	-	-	-	279.05
		456.78		**528.87**
		841.50		**972.57**

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

14 Trade receivables

	March 31, 2022	March 31, 2021
Secured receivables, considered good	46.27	26.70
Unsecured receivables, considered good	13.40	84.40
Unsecured receivables, with significant increase in credit risk	0.31	0.31
	59.98	111.41
Less: Allowance for trade receivables	(0.31)	(0.31)
	59.67	**111.10**
Breakup of trade receivables:		
Related parties	19.88	30.99
Others	39.79	80.11
	59.67	**111.10**

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

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

15 Cash and cash equivalents

	March 31, 2022	March 31, 2021
Balances with Banks		
- In current accounts	12.50	61.54
- Deposits with original maturity of less than three months	12.00	606.29
Cash on hand	0.05	0.03
	24.55	**667.86**

16 Bank balances other than cash and cash equivalent

	March 31, 2022	March 31, 2021
Deposits with original maturity of more than 3 months but less than 12 months	1,211.44	1,401.60
Margin money deposits*	33.16	60.42
	1,244.60	**1,462.02**

*Margin money deposits represent security held by bank towards bank guarantees issued by the bankers on behalf of the Company or subsidiary company.

17 Equity

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

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

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

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

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further all shareholders will have their representative in the Board of Directors of the Company as per the terms of arrangement.

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

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

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

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

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

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

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

(f) **Shares reserved for issue under options**

There are no shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment.

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

18 Other equity

	March 31, 2022	March 31, 2021
Reserves and surplus		
Capital reserve	107.00	107.00
Retained earnings	1,412.83	1,521.17
	1,519.83	**1,628.17**
Other comprehensive income		
Cash flow hedge reserve	(44.27)	126.89
Total other equity	**1,475.56**	**1,755.06**

19 Borrowings

	March 31, 2022	March 31, 2021
Bonds, secured		
1,750 units 4.25% Senior Secured Notes ('SSN') of USD 200,000 each	2,622.57	2,524.05
1,500 units 4.75% SSN of USD 200,000 each	2,244.44	2,156.80
1,500 units 5.375% SSN of USD 200,000 each	2,259.73	2,173.26
Term loan		
From Others		
Government of Telangana (unsecured)	315.05	315.05
	7,441.79	**7,169.16**

i) 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).

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).

iii) 5.375% SSN

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).

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

iv. 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).

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

20 Other financial liabilities

	Non-current		Current	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
At amortised cost				
Retention money	0.02	0.02	2.25	2.71
Deposit from concessionaires and othres	31.39	36.94	49.06	44.06
Concession fee payable	70.75	149.11	127.39	144.45
Non-trade payables	-	-	37.11	71.76
Capital creditors*	-	-	344.06	259.77
Interest accrued but not due on borrowings	-	-	200.10	195.14
Financial guarantee contracts	6.08	4.35	0.97	0.95
	108.24	**190.42**	**760.94**	**718.84**

*Includes amounts payable to parties registered under the Micro, Small and Medium Enterprises Development Act, 2006 of Rs. 12.12 (March 31, 2021: Rs. 10.53)

Break up of financial guarantee contracts to related parties is as under:

	Non-current		Current	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
GMR Hospitality and Retail Limited	1.09	1.23	0.28	0.15
GMR Hyderabad Aviation SEZ Limited	0.68	0.72	0.11	0.10
GMR Hyderabad Aerotropolis Limited	1.13	1.11	0.15	0.12
GMR Air Cargo and Aerospace Engineering Limited	3.18	1.29	0.43	0.58
	6.08	**4.35**	**0.97**	**0.95**

21 Government grants

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

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

22 Other liabilities

	Non-current		Current	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Advanced received from customers	-	1.70	20.78	36.70
Marketing fund liability	-	-	3.28	0.58
Deferred income	6.46	9.01	3.85	5.55
Statutory liabilities	-	-	16.78	27.73
Other payables	-	-	31.29	31.31
	6.46	**10.71**	**75.98**	**101.87**

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

23 Short-term borrowings

	March 31, 2022	March 31, 2021
Loans repayable on demand		
Secured		
From bank	150.00	50.00
From others	100.00	100.00
	250.00	**150.00**
Unsecured		
From bank	7.55	21.32
	257.55	**171.32**

(i) **Loan from bank, secured**

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

(ii) **Loan from others, secured**

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

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

(iii) Quarterly statements of current assets filed by the Company with banks / financial institutions in connection with the credit facilities availed as stated in (i) and (ii) above, are in agreement with the books of accounts.

(iv) **Unsecured, working capital loan from banks**

Unsecured working capital loans represents commercial credit card and vendor financing facility availed from banks and carry an interest rate range of 15.05% p.a. (March 31, 2021: 15.05% p.a.) and are repayable within a period of 25-90 days from the date of disbursement.

24 Trade payables

	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises	14.79	12.36
Total outstanding dues of creditors other than micro and small enterprises	75.93	73.60
	90.72	**85.96**

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

Particulars	March 31, 2022	March 31, 2021
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	26.91	22.89
Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
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 Company.

25 Provisions

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for compensated absences	14.76	13.44
Provision for superannuation fund	0.17	0.17
Provision for gratuity (refer note 48(b))	5.88	4.16
	20.81	**17.77**

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

26 Revenue from contracts with customers

	March 31, 2022	March 31, 2021
Aeronautical		
Landing and parking charges	92.65	70.36
User Development Fee (UDF)	144.83	80.89
Common Infrastructure charges	-	0.27
Information Communication and Technology Charges (ICT Charges)	45.39	25.99
Fuel farm	57.81	44.25
Ground handling	15.92	10.25
Cargo	15.26	14.48
Others	33.55	31.63
Revenue from Aeronautical services (A)	**405.41**	**278.12**
Non-Aeronautical		
Duty free	22.18	8.18
Retail	32.95	14.82
Advertisement	22.96	13.16
Food and beverages	32.08	14.47
Parking	46.94	24.03
Land and space — Rentals	45.14	44.99
Others	57.24	21.74
Revenue from Non-Aeronautical services (B)	**259.49**	**141.39**
Revenue from commercial property development (C)	8.78	21.72
Revenue from operations (A+B+C)	**673.68**	**441.23**

Note:

(i) The Company 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Aeronautical services	333.00	214.02	72.41	64.10
Non-Aeronautical services	-	-	259.49	141.39
Others	-	-	8.78	21.72
Total revenue from operations	**333.00**	**214.02**	**340.68**	**227.21**

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

	March 31, 2022	March 31, 2021
Revenue as per contracted price	672.58	440.13
Adjustments:		
Significant financing component	1.10	1.10
Revenue from operations	**673.68**	**441.23**

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

Amounts included in contract liabilities at the beginning of the year	2.80	2.80
Performanance obligations satisfied in previous years	-	-
Total	**2.80**	**2.80**

27 Other income

	March 31, 2022	March 31, 2021
Interest on:		
Bank deposits	3.69	8.44
Loan to subsidiaries/ joint venture	8.27	9.29
Others	70.03	99.89
Unwinding of financial assets	0.25	0.25
Dividend from investment in subsidiary	1.96	-
Gain on investments carried at fair value through profit and loss	7.13	7.25
Income from government grant	5.27	5.27
Provisions no longer required, written back	1.24	7.12
Other miscellaneous income	6.92	5.90
Profit on sale of assets	0.24	-
	105.00	**143.41**

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

28 Employee benefits expense

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	99.26	98.14
Contribution to provident and other funds	6.96	7.29
Gratuity expense	1.53	1.66
Staff welfare expenses	2.10	3.45
	109.85	**110.54**

29 Finance costs

	March 31, 2022	March 31, 2021
Interest on borrowings	140.72	120.15
Premium on derivative instruments	83.88	82.45
Interest expenses on financial liability carried at amortised cost	27.01	27.08
Other borrowing costs	6.91	7.06
	258.52	**236.74**

30 Depreciation and amortisation expenses

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment (refer note 5)	213.76	185.41
Amortisation of other intangible assets (refer note 7)	3.45	1.73
Amortisation of right of use assets (refer note 6)	2.64	2.69
	219.85	**189.83**

31 Other expenses

	March 31, 2022	March 31, 2021
Operating and maintenance expenses	18.70	15.66
Power and fuel	11.36	11.10
Manpower hire charges	66.46	49.58
Consumption of stores & spares	4.39	3.84
Repairs and maintenance		
Buildings	7.16	5.51
Plant and machinery	30.03	25.29
IT systems	16.25	19.38
Other	5.37	2.86
Insurance expense	5.56	4.83
Security expenses	14.38	17.49
Rent	2.34	2.34
Rates and taxes	4.46	5.46
Advertising and business promotion	6.13	3.26
Collection charges	1.97	1.08
Travelling and conveyance	27.64	20.25
Communication costs	2.30	2.93
Legal and professional fees	16.73	13.46
Management fees	34.02	25.03
Director's sitting fees	0.17	0.21
Payment to auditors (refer note A below)	0.59	0.66
Contribution to political parties	20.00	-
Donation	-	2.53
CSR expenditure (refer note B below)	8.20	13.47
Loss on account of foreign exchange fluctuations (net)	0.17	-
Bad debts written off	-	0.20
Loss on sale of fixed assets (net)	0.05	0.35
Miscellaneous expenses	7.76	8.26
	312.19	**255.03**

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

A. Payment to Auditors

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

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

B. Details of CSR expenditure

		March 31, 2022	March 31, 2021
(a)	Gross amount required to be spent during the year	8.20	13.47
(b)	Amount spent during the year	8.20	13.47
(c)	Shortfall at the end of the year	-	-
(d)	Total of previous years shortfall	-	-
(e)	Reason for shortfall	Not applicable	
(f)	Nature of CSR activities	Education support, Health and Sanitation	
(g)	Details of related party transactions	Refer Note: 53	
(h)	Provision made during the year	-	-

32 Income tax

	March 31, 2022	March 31, 2021
Statement of profit and loss:		
Current income tax	-	(0.74)
Deferred tax	(43.96)	(78.25)
	(43.96)	**(78.99)**
Less: Adjustments relating to previous year	-	0.74
Income tax expense / (credit) reported in the statement of profit or loss	**(43.96)**	**(78.25)**

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

	March 31, 2022	March 31, 2021
Profit / (loss) before tax	(152.06)	(230.04)
Tax at the applicable tax rate of 34.94% (March 31, 2021: 34.94%)	(53.14)	(80.39)
Adjustments		
Expenses disallowed in calculation of tax	9.85	5.59
Reversal of deferred tax during tax holiday period u/s 80IA	-	2.25
Others	(0.67)	(5.70)
Total tax expense reported in the statement of profit and loss	**(43.96)**	**(78.25)**

Deferred tax

	Statement of profit or loss/OCI		Balance sheet	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Deferred tax asset				
Unabosorbed business losses	(29.47)	(74.05)	103.52	74.05
MAT Credit asset	-	(0.17)	457.28	457.28
Capital work-in progress	(20.54)	(11.13)	62.90	42.36
Others	(0.25)	(3.17)	3.42	3.17
	(50.26)	(88.52)	627.12	576.86
Deferred tax liability				
Property, plant and equipment	6.30	10.10	(174.62)	(168.32)
Cash flow hedge reserve	(35.25)	(43.58)	-	(35.24)
	(28.95)	(33.48)	(174.62)	(203.56)
Net deferred tax assets	**(79.21)**	**(122.00)**	**452.50**	**373.30**

The Company 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.

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

Reconciliations of net deferred tax assets / (liabilities)

	March 31, 2022	March 31, 2021
Opening balance as at beginning of the year	373.30	251.30
Recognised in profit or loss	43.95	78.42
Recognised in OCI	35.25	43.58
	452.50	**373.30**

The Taxation Laws (Amendment) Ordinance, 2019 was issued by the Ministry of Finance, Government of India on 20 September 2019. Pursuant to the said Ordinance, the Company 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 Company shall avail revised tax rates after utilization of various tax credits that the Company is currently entitled for. Accordingly, these standalone financial statements for the year ended March 31, 2022 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 year ended March 31, 2022

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve (net)	48.43	-	48.43
Effect of changes in foreign exchange rates	(254.84)	-	(254.84)
Deferred tax	35.25	-	35.25
Remeasurement gain on defined benefit plans	-	(0.24)	(0.24)
Closing balance	**(171.16)**	**(0.24)**	**(171.40)**

For the year ended March 31, 2021

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve (net)	(242.73)	-	(242.73)
Effect of changes in foreign exchange rates	160.98	-	160.98
Deferred tax	43.58	-	43.58
Remeasurement gain on defined benefit plans	-	1.14	1.14
Closing balance	**(38.17)**	**1.14**	**(37.03)**

34 Earnings per equity share (EPES)

The following reflects the profit/ (loss) and share data used in the basic and diluted EPS computations:

	March 31, 2022	March 31, 2021
Profit/ (loss) attributable to equity holders of the company	(108.10)	(151.05)
Weighted average number of equity shares used for Computing Earning Per Share (Basic & Diluted	378,000,000	378,000,000
Earnings per share (Basic and Diluted) (Rs.)	(2.86)	(4.00)
Face value per share (Rs.)	10.00	10.00

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Notes to the standalone financial statements for the year ended March 31, 2022
(All amounts in Rupees Crore, except otherwise stated)

35 Financial Ratios

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance %	Remarks
Current ratio	Current assets	Current liabilities	2.18	3.33	-35%	In previous year, cash and bank balance including fixed deposits was higher as amount drawn from issue of 4.75% SSN and unutilised towards ongoing capital expansion was availiable.
Debt-equity ratio	Total debt [Non-current borrowings + current borrowings + lease liability]	Shareholder's equity	4.20	3.48	21%	
Debt service coverage ratio	Earnings avaiable for debt services = [Net profit after taxes + non-cash operating expenses like depreciation and other amortizations + interest + other adjustments like loss on sale of Fixed assets etc]	Debt service = [interest (1)+ lease payments + principal repayments]	0.54	0.62	-13%	
Return on equity ratio	Net Profit after tax (including OCI)	Average Shareholder's equity	-14.02%	-9.23%	52%	Principal reason for movement is owing to increase in the OCI loss reported for the current year.
Inventory turnover ratio(2)	Costs of materials consumed	Average inventories	Not applicable	Not applicable		
Trade receivables turnover ratio	Revenue from operations	Average trade receivables(3)	6.22	3.41	82%	Revenue from operations during previous year was low on account of Covid-19 which has significantly improved in current year coupled with decrease in average trade receivables during the current year.
Trade payables turnover ratio	Other Expenses	Average trade payables	3.53	2.66	33%	Other expenses during previous year was low on account of Covid-19 which has significantly increased in the current year.
Net capital turnover ratio	Revenue from operations	Working capital	0.47	0.17	174%	In previous year, cash and bank balance including fixed deposits was higher as amount drawn from issue of 4.75% SSN and unutilised towards ongoing capital expansion was availiable.
Net profit ratio	Profit after tax	Revenue from operations	-16.05%	-34.23%	-53%	The Company had incurred higher losses in the previous year due to impact of Covid-19, when compared to the losses reported during the current year.
Return on capital employed	Earnings before interest and tax	Capital employed (4)	0.59%	0.04%	1463%	Revenue from operations during previous year was low on account of Covid-19 which has significantly improved in current year resulting in higher EBIT.
Return on investment	Income generated from investments in subsidiaries and ioint venture	Weighted average investments in subsidiaries and ioint venture	0.27%	0.00%	274608%	Due to receipt of dividend during the current year from JV company.
Return on investment	Income generated from other investments (5)	Time weighted average investments	5.60%	5.24%	7%	

Notes :

(1) Interest payment also includes borrowing costs capitalised during construction phase.

(2) Company is not into manufacturing/ sales of product, hence this ratio is not applicable for the company.

(3) Average trade receivables includes average unbilled revenue.

(4) Capital Employed is Tangible Net Worth, Total Debt including Lease liabilities and Deferred tax liability.

(5) Includes income received from mutual funds and commercial papers.

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

36 Capital work-in-progress

	March 31, 2022	March 31, 2021
Capital expenditure incurred on property, plant and equipment	2,205.59	1,753.67
Legal and professional expense	149.06	154.69
Employee benefits expense	1.77	1.38
Travelling and conveyance	2.32	1.81
Finance costs	866.70	471.17
Total (i)	**3,225.44**	**2,382.72**
Less:-		
Interest income from bank deposit	(179.16)	(125.37)
Interest income on security deposit paid	(3.17)	(2.35)
Total (ii)	**(182.33)**	**(127.72)**
Net capital work-in-progress (i-ii)	**3,043.11**	**2,255.00**

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

	March 31, 2022	March 31, 2021
Opening balance (A)	**501.33**	**224.95**
Expense:		
Legal and professional expense	41.90	53.31
Employee benefit expense	0.78	0.63
Travelling and conveyance	0.51	0.57
Finance cost	431.38	256.37
Total (B)	**474.57**	**310.88**
Less:		
Interest income from bank deposit	(53.79)	(29.62)
Interest income on security deposit paid	(4.13)	(1.11)
Total (C)	**(57.92)**	**(30.73)**
Less: Capitalised during the year (D)	(55.87)	(3.77)
Less: Adjustments (E)*	(24.59)	-
Closing balance (F=A+B-C-D-E)	**837.52**	**501.33**

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

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

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March 2022	1,663.86	815.24	364.79	199.22	**3,043.11**
As at 31 March 2021	1,070.25	891.63	257.28	35.84	**2,255.00**

No project is temporarily suspended.

The Company does not have any material CWIP which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of CWIP completion schedule is not applicable.

37 Trade receivables ageing

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

	Outstanding for the following periods from the due date of payment					
	Less than 6 months	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables as at 31 March 2022						
- considered good	40.00	13.31	2.95	2.34	1.07	**59.67**
- significant increase in credit risk	0.16	-	-	0.15	-	**0.31**
Undisputed trade receivables as at 31 March 2021						
- considered good	99.25	1.84	4.13	3.44	2.44	**111.10**
- significant increase in credit risk	0.16	-	-	0.15	-	**0.31**

There are no disputed trade receivables outstanding as at 31 March 2022 and 31 March 2021.

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

38 Trade payables ageing

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

	Outstanding for the following periods from the due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables as at 31 March 2022					
Outstanding dues to MSME	12.64	1.18	0.81	0.16	**14.79**
Others	53.90	6.95	5.19	9.89	**75.93**
Trade payables as at 31 March 2021					
Outstanding dues to MSME	11.55	0.12	0.69	-	**12.36**
Others	57.12	6.51	3.57	6.40	**73.60**

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

39 Promoter's Shareholding

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

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

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

41 The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 to the best of the knowledge of Company's management.

42 The Company have not traded or invested in Crypto currency or Virtual Currency.

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

44 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company 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 Company has used borrowings from Banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

46 The Company 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 Company 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, 2022	March 31, 2021
Contribution to provident fund	4.73	4.88
Contribution to ESI and Labour welfare fund	0.16	0.18
Contribution to superannuation fund	2.07	2.23
	6.96	**7.29**

b) Defined benefit plan:

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

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

48 Retirement and other employee benefits: (continued)

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

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

	March 31, 2022	March 31, 2021
Current service cost	1.25	1.38
Interest cost on net Defined Benefit Obligation (DBO)	0.29	0.28
Net benefit expense	**1.54**	**1.66**

Amount recognized in other comprehensive income:

	March 31, 2022	March 31, 2021
Actuarial (gain)/loss due to DBO experience	0.03	(0.79)
Actuarial (gain)/loss due to DBO assumption changes	(0.27)	-
Return on plan assets (greater)/less than discount rate	0.48	(0.35)
Actuarial (gains)/ losses recognized in OCI	**0.24**	**(1.14)**

Amounts recognised in the Balance sheet are as follows:

	March 31, 2022	March 31, 2021
Fair value of plan assets	6.19	7.12
Defined benefit obligation	(12.07)	(11.28)
Plan (liability)/ asset	**(5.88)**	**(4.16)**

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

	March 31, 2022	March 31, 2021
Opening defined benefit obligation	11.28	11.39
Interest cost	0.74	0.74
Current service cost	1.25	1.38
Benefits paid	(0.75)	(1.00)
Actuarial losses /(gains) on obligation	0.02	(0.44)
Acquisition cost	(0.20)	(0.79)
Actuarial losses/ (gain) on financial assumption	(0.27)	-
Closing defined benefit obligation	**12.07**	**11.28**

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

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	7.12	7.25
Expected return on plan assets	0.46	0.46
Contributions by employer	0.13	0.06
Return on plan assets greater/(lesser) than discount rate	(0.48)	0.35
Acquisition adjustment	(0.28)	-
Benefits paid	(0.75)	(1.00)
Closing fair value of plan assets	**6.20**	**7.12**

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

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

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

	March 31, 2022	March 31, 2021
Discount rate	7.10%	6.80%
Rate of compensation increase	6.00%	6.00%
Employee turnover	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption is shown below:

	March 31, 2022	March 31, 2021
Discount rate		
Effect due to 1% increase in discount rate	(0.82)	(0.80)
Effect due to 1% decrease in discount rate	0.94	0.93
Attrition rate		
Effect due to 1% increase in attrition rate	0.07	0.04
Effect due to 1% decrease in attrition rate	(0.08)	(0.05)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	0.78	0.80
Effect due to 1% decrease in salary increase rate	(0.72)	(0.73)

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.

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

48 Retirement and other employee benefits: (continued)

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

	March 31, 2022	March 31, 2021
with-in one year	1.22	0.98
between one to two years	0.89	1.18
between two to three years	1.79	0.87
between three to five years	3.07	3.26
between five to ten years	8.11	8.00

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

49 Reimbursement of expenses claimed by the Company 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:

	March 31, 2022	March 31, 2021
Expense head		
Electricity and water charges	62.67	62.10
Salaries, wages and bonus	6.19	7.42
Staff welfare expenses	4.23	1.57
Rates and taxes	-	0.21
Miscellaneous expenses	1.98	7.66
Rent	1.54	0.53
Travelling and conveyance	1.14	0.45
Repairs and maintenance	5.04	7.75
	82.79	**87.69**

50 Segment reporting

Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). As per the evaluation carried out by CODM, the Company has only one reportable business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in these standalone financial statements relate to the Company's single business segment.

Major Customers: Revenue from one customer of the Company is approximately Rs. 158.77 out of revenue from operations of the Company for the year ended March 31, 2022 (March 31, 2021: Rs. 105.70).

51 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, and had incurred an up-front processing fee of Rs. 63. However, in view of certain developments, the Bank expressed its inability to extend the loan, and accordingly on April 21, 2020, the arrangement was terminated. Further YBL vide their letter dated June 9, 2020 acknowledged the receipt of request from 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 has obtained legal opinion from an independent lawyer regarding the Company's right to receive the refund of upfront fee. In view of the above and on the basis of on-going discussions with the Bank officials, management is confident of the recovery of the said amount in full, and accordingly, no adjustment were considered necessary in the accompanying standalone financial statements for the year ended March 31, 2022.

52 Disclosure on changes in financing liabilities

	Current borrowings	Non-current borrowings	Assets held to hedge
Balance as on 1 April 2020	**19.92**	**5,168.24**	**865.02**
Cash flows, net	151.40	2,188.29	(192.31)
Amortization of borrowing cost	-	(26.39)	-
Effect of changes in foreign exchange rates	-	(160.98)	-
Finance cost	-	-	209.26
Change in fair values	-	-	(259.79)
Balance as on 31 March 2021	**171.32**	**7,169.16**	**622.18**
Cash flows, net	86.23	-	-
Amortization of borrowing cost	-	17.79	-
Effect of changes in foreign exchange rates	-	254.84	-
Finance cost	-	-	294.66
Change in fair values	-	-	(246.22)
Balance as on 31 March 2022	**257.55**	**7,441.79**	**670.62**

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

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 Infrastructure Limited (GIL)
Ultimate holding company	GMR Enterprises Private Limited (GEPL)
Subsidiary companies	GMR Hyderabad Aerotropolis Limited (GHAL) GMR Hyderabad Aviation SEZ Limited (GHASL) GMR Hospitality and Retail Limited (GHRL) GMR Hyderabad Airport Power Distribution Limited (GHAPDL)* GMR Air Cargo and Aerospace Engineering Limited (GACAEL) GMR Aero Technic Limited (GATL) GMR Hyderabad Airport Assets Limited (GHAAL)
Fellow subsidiary companies (including subsidiary companies of the ultimate/GAL's holding company)	GMR Aviation Private Limited Delhi International Airport Limited GMR Highways Limited GMR Airport Developers Limited Kakinada SEZ Limited** GMR Aerostructure Services Limited GMR Hyderabad Vijayawada Expressways Private Limited GMR Pochanpalli Expressways Limited Raxa Security Services Limited GMR Power and Urban Infra Limited (GPUIL) GMR Business Process and Services Private Limited
Shareholders having significant influence	Government of Telangana Airports Authority of India Malaysia Airports Holdings Berhad MAHB (Mauritius) Private Limited.
Key Management Personnel (KMP)	Mr. G M Rao, Executive Chairman Mr. GBS Raju – Managing Director Mr. SGK Kishore – Chief Executive Officer (till June 14, 2020) Mr. Pradeep Panicker – Chief Executive Officer (w.e.f June 15, 2020) Mr. Anand Kumar Polamada - Chief Financial Officer Mr. Anup Kumar Samal - Company Secretary (till April 06, 2022) Mr. Srinivas Bommidala – Director Mr. HJ Dora – Director Mr. Grandhi Kiran Kumar– Director Mr. C Prasanna – Director Mr. Venkatramana Hegde - Director (till July 30, 2020) Mr. Joyanta Chakraborty - Director (wef March 16, 2021) Mr. IN Murthy - Director (till January 05, 2022) Mr. K Ramakrishna Rao IAS - Director Mr. Jayesh Ranjan IAS - Director Mr. Mohd Shukrie bin Mohd Salleh - Director (w.e.f June 15, 2020 to February 2, 2022) Mr. Antoine Crombrez - Director (wef April 28, 2021) Mr. Camilo Perez Perez - Director (wef April 28, 2021) Mr. RSSLN Bhaskarudu - Independent Director (till September 15, 2021) Mr. NC Sarabeswaran - Independent Director (till September 15, 2021) Mrs. Siva Kameswari Vissa - Independent Director Mr. Iskandar Mizal Bin Mahmood - Director (wef February 02, 2022) Mr. Dharmendra Bhojwani - Director (wef January 06, 2022) Mr. A. Subba Rao - Independent Director (wef September 15, 2021) Dr. M. Ramachandran - Independent Director (wef September 15, 2021) Mr. Madhu Ramachandra Rao - Independent Director
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
Joint Venture of GHAL	GMR Logistics Park Private Limited#
Associate of GIL	GMR Rajahmundry Energy Limited
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

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

53 Related party disclosures (continued)

*An application (Form STK-2) was made on February 25, 2020 with the Registrar of Companies (ROC), Telangana seeking its approval for removal of name of GMR Hyderabad Airport Power Distribution Limited (GHAPDL) from the Register of Companies. On March 13, 2021 the Company got the confirmation from ROC regarding strike off of the name in records of the ROC and from that date GHAPDL stands dissolved.

GHAL had formed a joint venture with ESR Hyderabad 1 Pte Limited (ESR), and as part of this agreement, ESR & GHAL have entered into definitive agreements with an equity interest of 70% and 30% respectively in the SPV viz., GMR Logistics Park Private Limited (GLPPL). Consequently, GLPPL ceased to be a subsidiary effective April 16, 2020. During the year, GLPPL has changed the name of the Company from GMR Logistics Park Private Limited to ESR GMR Logistics Park Private Limited w.e.f. February 23, 2022.
**consequent to divestment in Kakinada SEZ Limited, it ceases to be the subsidiary of GMR Infrastructure Limited and also fellow subsidiary of GHIAL with effect from August 18, 2021.

b) Transactions with related parties

	March 31, 2022	March 31, 2021
Services received		
Raxa Security Services Limited	19.29	21.89
GMR Hospitality and Retail Limited	0.69	0.11
Airports Authority of India	0.06	0.01
GMR Airport Developers Limited	19.64	22.62
GMR Infrastructure Limited	7.68	10.21
GMR Power and Urban Infra Limited	7.68	-
GMR Airports Limited	18.65	15.08
Laqshya Hyderabad Airport Media Private Limited	0.03	0.13
Delhi International Airport Limited	0.35	0.00
Investment made during the year		
GMR Hospitality and Retail Limited	82.33	-
Security deposit (paid) /received		
GMR Air Cargo and Aerospace Engineering Limited	-	(0.30)
GMR Airport Developers Limited	-	10.00
Income from operations		
GMR Air Cargo and Aerospace Engineering Limited	19.60	18.09
GMR Hospitality and Retail Limited	26.19	12.39
Airports Authority of India	0.64	0.19
GMR Aviation Private Limited	0.00	0.00
GMR Infrastructure Limited	0.00	0.02
GMR Power and Urban Infra Limited	0.01	-
GMR Hyderabad Aviation SEZ Limited	2.73	2.24
Laqshya Hyderabad Airport Media Private Limited	19.43	10.99
Kakinada SEZ Limited	-	0.23
GMR Airport Developers Limited	0.20	0.22
GMR Hyderabad Aerotropolis Limited	1.87	16.22
GMR Pochanpalli Expressways Limited	0.00	-
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.04	0.04
GMR Highways Limited	0.00	0.06
GMR Varalakshmi Foundation	0.42	0.40
GMR Business Process and Services Private Limited	3.40	3.18
GMR Hyderabad Airport Assets Limited	0.19	-
Delhi International Airport Limited	0.00	0.01
Dividend income		
Laqshya Hyderabad Airport Media Private Limited	1.96	-
Unsecured loan given		
GMR Hospitality and Retail Limited	46.25	-
GMR Infrastructure Limited	-	9.95
Unsecured loan received back		
GMR Hyderabad Aerotropolis Limited	29.00	32.00
GMR Hospitality and Retail Limited	46.25	-
GMR Infrastructure Limited	-	9.95
Interest on unsecured loan given		
GMR Hospitality and Retail Limited	4.48	4.23
GMR Hyderabad Aerotropolis Limited	3.78	5.01
GMR Infrastructure Limited	20.25	22.27
GMR Power and Urban Infra Limited	1.75	-

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

b) Transactions with related parties (continued)

	March 31, 2022	March 31, 2021
Purchase of captial asset / services for Capital work-in-progress:		
GMR Hospitality and Retail Limited	0.01	0.00
GMR Airport Developers Limited	39.73	42.47
Sale of property, plant and equipment		
GMR Air Cargo and Aerospace Engineering Limited	-	26.79
Corporate guarantee given on behalf of the subsidiaries		
GMR Hyderabad Aviation SEZ Limited	-	5.92
GMR Hospitality and Retail Limited	41.25	-
GMR Hyderabad Aerotropolis Limited	13.50	50.00
GMR Air Cargo and Aerospace Engineering Limited	300.00	30.00
CSR expenditure		
GMR Varalakshmi Foundation	8.20	10.97
Straight lining of lease rental income		
GMR Hospitality and Retail Limited	0.99	0.19
GMR Air Cargo and Aerospace Engineering Limited	3.70	5.18
Laqshya Hyderabad Airport Media Private Limited	(0.01)	(0.00)
GMR Business Process & Services Private limited	0.04	0.04
GMR Highways Limited	(0.00)	(0.00)
GMR Airport Developers Limited	(0.01)	0.00
GMR Varalakshmi Foundation	0.00	0.02
Raxa Security Services Limited	(0.00)	(0.00)
Depreciation and interest cost as per Ind AS 116		
GMR Family Fund Trust	0.48	0.41
Government of Telangana	8.83	8.52
Sri Varalakshmi Jute Twine Mills Private Limited	0.35	0.30
Corporate guarantee commission income:		
GMR Hospitality and Retail Limited	0.16	0.15
GMR Air Cargo and Aerospace Engineering Limited	2.07	0.59
GMR Hyderabad Aerotropolis Limited	0.16	0.11
GMR Hyderabad Aviation SEZ Limited	0.14	0.11
Advance received from customer		
GMR Air Cargo and Aerospace Engineering Limited	-	25.42
Laqshya Hyderabad Airport Media Private Limited	-	7.00
Income on amortization of deposit received		
GMR Air Cargo and Aerospace Engineering Limited	0.00	0.20
GMR Infrastructure Limited	0.00	0.00
GMR Hospitality and Retail Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.06
GMR Varalakshmi Foundation	0.01	0.01
Interest income on amortization of deposit paid:		
Raxa Security Services Limited	0.17	0.16
Sri Varalakshmi Jute Twine Mills Private Limited	0.01	0.01
GMR Family Fund Trust	0.02	0.03
Reimbursement of expenses claimed by the Company during the year from its related parties		
GMR Infrastructure Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.75	0.50
Kakinada SEZ Limited	0.00	0.06
Delhi International Airport Limited	0.01	0.01
GMR Hyderabad Aviation SEZ Limited	20.16	16.20
GMR Airports Limited	0.02	0.02
GMR Hospitality and Retail Limited	7.85	5.45
GMR Air Cargo and Aerospace Engineering Limited	5.07	4.83
Airports Authority of India	3.23	3.11
GMR Hyderabad Aerotropolis Limited	7.97	7.87
GMR Airport Developers Limited	1.85	1.70
GMR Highways Limited	-	0.08
Raxa Security Services Limited	0.01	0.01
GMR Varalakshmi Foundation	0.05	0.04
Geokno India Private Limited	0.01	0.00
GMR Business Process and Services Private Limited	0.42	0.27
GMR Pochanpalli Expressways Limited	0.01	0.02
GMR Hyderabad Airport Assets Limited	3.33	-

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

b) Transactions with related parties (continued)

	March 31, 2022	March 31, 2021
Interest expense on amortization of deposit received:		
GMR Air Cargo and Aerospace Engineering Limited	0.00	0.02
GMR Infrastructure Limited	0.00	0.00
GMR Hospitality and Retail Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
Amortisation of expense on deposit paid		
Raxa Security Services Limited	0.17	0.16
Reimbursement of expenses claimed from the Company during the year by its related parties		
GMR Hospitality and Retail Limited	0.04	0.04
Delhi International Airport Limited	0.14	0.12
Remuneration paid to Key managerial personnel		
Short term employee benefits	12.34	7.46
Sitting fees	0.17	0.21

c) Outstanding balances at the end of the year

	March 31, 2022		March 31, 2021	
	Non-Current	Current	Non-Current	Current
Balance recoverable/(payable)				
GMR Air Cargo and Aerospace Engineering Limited	-	(3.25)	-	(19.12)
GMR Aerostructure Services Limited	-	-	-	0.03
Raxa Security Services Limited	-	(3.75)	-	(4.37)
Airports Authority of India	-	4.13	-	3.46
GMR Infrastructure Limited	-	(1.00)	-	(1.00)
GMR Power and Urban Infra Limited	-	2.26	-	-
Delhi International Airport Limited	-	(0.19)	-	(0.11)
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Airports Limited	-	(3.82)	-	(4.59)
GMR Hospitality and Retail Limited	-	7.27	-	15.98
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	0.00	-	(0.00)
GMR Hyderabad Aviation SEZ Limited	-	4.13	-	15.35
GMR Airport Developers Limited	-	(7.28)	-	(5.99)
Laqshya Hyderabad Airport Media Private Limited	-	(3.77)	-	(5.55)
Kakinada SEZ Limited	-	0.00	-	0.01
GMR Hyderabad Aerotropolis Limited	-	16.38	-	15.22
GMR Varalakshmi Foundation	-	0.16	-	0.59
GMR Vemagiri Power Generation Limited	-	0.00	-	0.00
GMR Highways Limited	-	0.25	-	0.25
Geokno India Private Limited	-	0.88	-	0.84
GMR Business Process and Services Private Limited	-	2.84	-	1.05
GMR Pochanpalli Expressways Limited	-	-	-	0.00
GMR Hyderabad Airport Assets Limited	-	0.04	-	-
Security deposit receivable /(payable)				
GMR Infrastructure Limited	-	(0.04)	-	(0.04)
GMR Hospitality and Retail Limited	-	(0.01)	(0.00)	(0.01)
Laqshya Hyderabad Airport Media Private Limited	(0.42)	-	(0.39)	-
GMR Varalakshmi Foundation	(0.12)	-	(0.11)	-
Raxa Security Services Limited	-	1.69	-	1.69
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.10	-	0.10
GMR Family Fund Trust	-	0.38	-	0.36
GMR Air Cargo and Aerospace Engineering Limited	0.09	-		
GMR Airport Developers Limited	-	-	-	4.65
Loans given				
GMR Hospitality and Retail Limited		-	42.33	-
GMR Hyderabad Aerotropolis Limited	-	11.00	-	40.00
GMR Infrastructure Limited	-	141.20	-	200.00
GMR Power and Urban Infra Limited	-	58.80	-	-
Lease liabilities				
GMR Family Fund Trust	(2.41)	-	(2.46)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(1.75)	-	(1.77)	-
Government of Telanagana	(81.13)	-	(76.98)	-
Borrowings				
Government of Telangana	(315.05)	-	(315.05)	-

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

d) Details of guarantees/pledge of equity shares

	March 31, 2022	March 31, 2021
Pledge of equity shares (face value) with banks against the loan taken by the subsidiary		
GMR Hospitality and Retail Limited	82.95	32.90
Corporate guarantee given on behalf of its subsidiaries to banks against the loan taken		
GMR Hospitality and Retail Limited	115.21	108.09
GMR Air Cargo and Aerospace Engineering Limited	325.50	304.10
GMR Hyderabad Aviation SEZ Limited	93.36	82.12
GMR Hyderabad Aerotropolis Limited	60.50	110.12
GMR Hyderabad Airport Assets Limited	60.78	-
Bank guarantee given on behalf of its subsidiary		
GMR Hyderabad Aerotropolis Limited	1.53	1.53

54 Leases

(a) **Company as a lessee**

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

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

	Category of ROU asset		Total
	Land	Building	
Balance as at March 31, 2020	66.05	8.36	74.41
Additions on account of modification in the terms of contract	-	3.67	3.67
Depreciation	(1.38)	(1.31)	(2.69)
Balance as at March 31, 2021	**64.67**	**10.72**	**75.39**
Additions	-	-	-
Depreciation	(1.37)	(1.27)	(2.64)
Balance as at March 31, 2022	**63.30**	**9.45**	**72.75**

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

	March 31, 2022	March 31, 2021
Current lease liabilities	-	-
Non-current lease liabilities	92.08	89.15
	92.08	**89.15**

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

	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	89.15	82.70
Movement:		
Additions on account of modification in the terms of contract	-	3.67
Finance cost accrued during the year	8.65	8.23
Payment of lease liabilities	(5.72)	(5.45)
Balance at the end of the year	**92.08**	**89.15**

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

	March 31, 2022	March 31, 2021
Depreciation/amortisation on right to use asset	2.64	2.69
Interest on lease liability	8.65	8.23
Expenses related to short term lease (included under other expenses)	2.34	2.34
Total amount recognized in the statement of profit and loss	**13.63**	**13.26**

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

	March 31, 2022	March 31, 2021
Within one year	10.37	9.88
After one year but not more than five years	28.17	26.80
More than five years	717.94	725.47

(b) **Company as a lessor**

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

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

	March 31, 2022	March 31, 2021
Within one year	47.96	50.44
After one year but not more than five years	137.13	148.23
More than five years	148.13	157.72

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

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, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Financial assets				
I. At fair value through Profit or loss				
Investments in mutual funds	384.72	443.70	384.72	443.70
II. At fair value through Other comprehensive income				
Cash flow hedges (refer note V(a))				
Cross currency swap	457.18	466.25	457.18	466.25
Coupon only swap	(3.09)	0.00	(3.09)	0.00
Call spread option	216.53	155.93	216.53	155.93
III. At amortized cost				
Investments in commercial paper	456.78	528.87	456.78	528.87
Loans	211.71	287.35	211.71	287.35
Trade receivables	59.67	111.10	59.67	111.10
Cash and cash equivalents	24.55	667.86	24.55	667.86
Bank balances other than cash and cash equivalents	1,244.60	1,462.02	1,244.60	1,462.02
Other financial assets	211.16	157.79	211.16	157.79
	3,263.81	**4,280.87**	**3,263.81**	**4,280.87**
Financial liabilities				
IV. At amortized cost				
Borrowings	7,699.34	7,340.48	7,485.91	7,381.25
Other financial liabilities	869.18	909.26	868.90	909.01
Lease liabilities	92.08	89.15	92.08	89.15
Trade payables	90.72	85.96	90.72	85.96
	8,751.32	**8,424.85**	**8,537.61**	**8,465.37**

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) The Company 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, 2022, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

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

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

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

56 Fair Value Hierarchy

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

	Fair value measurement using		
	Market prices in active markets	**Significant observable inputs**	**Significant unobservable inputs**
	(Level 1)	**(Level 2)**	**(Level 3)**
Assets measured at fair value as at March 31, 2022			
Investment in mutual funds	384.72	-	-
Derivatives designed as Cash flow hedge	-	670.62	-
	384.72	**670.62**	**-**
Assets measured at fair value as at March 31, 2021			
Investment in mutual funds	443.70	-	-
Derivatives designed as Cash flow hedge	-	622.18	-
	443.70	**622.18**	**-**

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

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

57 Financial risk management objectives and policies

The Company'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 the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents are derived from its operations.

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

Market risk

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

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

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

The assumptions made in calculating the sensitivity analyses are:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2022 and March 31, 2021.

Interest rate risk

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

The exposure of the Company's short-term 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.

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. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings as enumurated above. However, the Company has hedged its borrowings through cross currency swaps, call option spread and coupon only swap and designated the same as cash flow hedge.

Cash flow hedges

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

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

Foreign currency sensitivity

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

	March 31, 2022		March 31, 2021	
Foreign Currency	**Foreign Currency**	**Rs. (in Crore)**	**Foreign Currency**	**Rs. (in Crore)**
EUR	(935,990)	(7.95)	(455,432)	(3.91)
GBP	(1,800)	(0.02)	(25,000)	(0.25)
AED	(173,250)	(0.36)	-	-
USD	(91,280)	(0.69)	(2,927,871)	(21.41)

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 the Company's profit before tax is as under.

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2022	March 31, 2021
EUR	Change in fair valuation of financial liabilities	5%	0.40	0.20
USD		5%	0.03	1.07

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

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

Liquidity risk

The Company monitors its risk of a shortage of funds using a rolling cash flow forecasts. The Company'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. The Company's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. Approximately, 3.31% of the Company's debt will mature in less than one year at March 31, 2022 (March 31, 2021: 2.31%) based on the outstanding amount of borrowings reflected in these standalone financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company 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 the Company's financial liabilities based on contractual undiscounted payments.

	On Demand	Up to 1 year	1 to 5 years	> 5 years	Total
Year ended March 31, 2022					
Borrowings	-	257.55	4,799.59	2,715.75	7,772.89
Lease liabilities	-	10.37	28.17	717.94	756.48
Trade payables	-	90.72	-	-	90.72
Other financial liabilities	-	715.72	147.15	33.25	896.12
Guarantees	656.88	-	-	-	656.88
Total	**656.88**	**1,074.36**	**4,974.91**	**3,466.94**	**10,173.09**
Year ended March 31, 2021					
Borrowings	-	171.32	4,575.63	2,684.87	7,431.82
Lease liabilities	-	9.88	26.80	725.47	762.15
Trade payables	-	85.96	-	-	85.96
Other financial liabilities	-	727.91	155.30	61.84	945.05
Guarantees	605.96	-	-	-	605.96
Total	**605.96**	**995.07**	**4,757.73**	**3,472.18**	**9,830.94**

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

58 Capital management

For the purpose of the Company'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 the Company's capital management is to maximize the shareholder value.

The Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt (excluding lease liabilities) divided by total equity plus debt. The Company's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

	March 31, 2022	March 31, 2021
Borrowings (A)	**7,699.34**	**7,340.48**
Share Capital	378.00	378.00
Other equity	1,475.56	1,755.06
Total equity (B)	**1,853.56**	**2,133.06**
Total equity and total debt (C=A+B)	**9,552.90**	**9,473.54**
Gearing ratio (A/C)	**81%**	**77%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

59 Commitments and Contingencies

I Contingent liabilities not provided for:

	March 31, 2022	March 31, 2021
In respect of income tax matters [refer (a) below]	21.32	24.70
In respect of service tax matters [refer (b) below]	35.66	35.47
Claim against the Company not acknowledged as debt [refer (d), (e) and (f) below]	149.75	149.35
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

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

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

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

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

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

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

(b) **Disputed service tax matters**

	March 31, 2022	March 31, 2021
Irregular availment of the cenvat credit, pending with Hon'ble High Court of Telangana*	24.84	24.84
Penalty equivalent to service tax levy on delay in payment of service tax on the user development fee, pending with Hon'ble Supreme Court	7.43	7.43
Appealed filed with with Commissioner of Central Tax (Appeals), for demand order received towards non-payment of service tax on corporate guarantee.	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) 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 (March 31, 2021: Rs. 25.20). 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 March 31, 2022 amounts to Rs. 5.70 (March 31, 2021: Rs. 5.30).

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

(i) The Ministry of Civil Aviation (MoCA) had issued orders in 2014, requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) 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 towards the above expenses till March 31, 2018, excluding related maintenance expense, other costs and interest thereon which is presently unascertainable. Management is of the opinion that the utilisation of funds from PSF(SC) escrow account is consistent with the Standard Operating Procedures, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

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

Based on the internal assessment, Management of the Company is of the view that no further adjustments are required to be made to the accompanying standalone 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) constructed the residential quarters for Central Industrial Security Force (CISF) deployed at the airport. After completion of such construction, the total construction cost including the cost of land and related finance cost amounting to Rs. 113.73 was debited to the PSF (SC) Fund with corresponding intimation to the MoCA. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that, 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. Further, the Company 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 standalone financial statements.

(f) Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 (March 31, 2021: Rs. 2.05).

(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 form the date of the SC order.

Based on the internal assessment and / or 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 March 31, 2022.

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

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

III Commitments

a) *Capital commitments:*

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounting to Rs. 1,063.37 (March 31, 2021: Rs. 1,938.73).

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 Company 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 Company 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 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.

60 Significant accounting judgments, estimates and assumptions

The preparation of these standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

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

Discounting rate

The Company 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 standalone

Non applicability of Service Concession Agreement (SCA)

The Company had entered into Concession agreement with the Ministry of Civil Aviation ("MoCA"), which gives the Company 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 the Company. 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 the Company.

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.

The Company'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 the Company, 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 the Company'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 the Company and hence concluded that SCA does not apply in its entirety to the Company.

Concession fee:

As per the Concession Agreement (CA), the Company 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 Company 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, the Company, basis above and Legal Opinion obtained in this regard, has provided the concession fee payable to MoCA after adjusting such incomes/credits.

60 Significant accounting judgments, estimates and assumptions (continued)

b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when these standalone financial statements were prepared, existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

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

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

62 Determination of aeronautical tariff

The Company had filed an appeal, challenging the disallowance of pre-control period losses, foreign exchange loss on external commercial borrowings, classification of revenues from ground handling, cargo and fuel farm as aeronautical revenues and other issues for determination of aeronautical tariff for the First Control Period ("FCP") commencing from April 1, 2011 to March 31, 2016 by Airport Economic Regulatory Authority ('AERA'). 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.

In relation to determination of tariff for the Second Control Period ("SCP"), commencing from April 1, 2016 to March 31, 2021, AERA had issued a consultation paper on December 19, 2017. However, as the aforesaid consultation paper does not address the issues arising out of the FCP, including true up for shortfall of receipt vis-a-vis entitlement for the FCP, 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.

Consequent to the Order passed by TDSAT dated March 06, 2020, AERA, in respect of the remainder of the SCP, i.e. from April 1, 2020 to March 31, 2021, had determined the Aeronautical tariff vide its Order dated March 27, 2020. Accordingly, the Company has applied aeronautical tariff for determination of aeronautical revenue as per the aforesaid order for the year ended 31 March 2021 and for the period ended 30 September 2021, pending finalization of aeronautical tariff for the TCP. During the period, AERA vide its Order dated 31 August 2021, has issued Tariff Order for the TCP effective from 1 October 2021 and accordingly the Company has applied aeronautical tariff for determination of aeronautical revenue as per the aforesaid order for the period effective 1 October 2021.

Alternatively, the Company has also filed an appeal against the Tariff Order for the TCP with TDSAT, as the management is of the view that AREA 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 06, 2020.

63 The Company has recognized, deferred tax asset comprising of Minimum Alternate Tax (MAT) credit entitlement and unabsorbed business losses aggregating to Rs.560.92 (March 31, 2021: Rs. 531.33) as at March 31, 2022. The Company based on the future taxable income expects to adjust these amounts after expiry of the tax holiday period. The ultimate realisation of the deferred tax asset is dependent upon the generation of future taxable income projected by considering the anticipated tariff orders for the control period commencing from April 1, 2021, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income including projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations as detailed in note 62 above, any changes in such future taxable income could impact its recoverability. However, basis the sensitivity analysis performed, management believes that any reasonable possible change in the key assumptions would not effect the Company's ability to recover the deferred tax asset within the specified period as per the provisions of Income Tax Act, 1961.

64 As detailed in note 60, to these standalone financial statements, certain incomes/credits recognised on adoption of Ind-AS are not considered for computation of concession fee payable to MoCA basis a legal opinion obtained. Accordingly, the following sources of income have not been considered for accrual of the concession fee:

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

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

Contract balances	March 31, 2022	March 31, 2021
Trade receivables *	59.67	111.10
Contract assets**	27.26	18.74
Contract liabilities***	20.78	38.40

* Trade receivables, beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2022: Rs. 0.31 (March 31, 2021: Rs. 0.31) was recognized as provision for expected credit losses on trade receivables.

** Contract asset includes unbilled revenue.

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

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

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

Particulars	**March 31, 2022**	**March 31, 2021**
Opening balance	0.31	0.31
Add: Provision made during the year	-	0.20
Less: Bad debts written off	-	(0.20)
Closing balance	**0.31**	**0.31**

66 The Hon'ble Orissa High Court vide Judgement in W.P. No.20463/2018, in the case of Safari Retreats Private Limited, observed that the GST provisions w.r.t input tax credit allowability in respect of Civil work are not in line with the objective of the Act, and accordingly, held that if an assessee is required to discharge GST on the rental income, it is eligible to avail the Input Tax Credit (ITC) of GST w.r.t. civil work. GHIAL is engaged in rendering output supplies which is in the nature of letting out space/ facilities to various airline operators and other parties/concessionaires, in return for consideration, known by different nomenclatures and are given that the same is leviable to GST. Hence, the Company has availed the GST ITC in respect of the costs for civil work incurred as part of the expansion project and regular operations, upon application of the said judicial pronouncement. Further, department has filed an appeal in Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court. Pending outcome of judgement of Hon'ble Supreme Court of India, considering the judgement of Hon'ble Orissa High Court and based on the opinion obtained by the Company in this regard, the Management is of the view that GST ITC in respect of such civil work is eligible to be availed by the Company. Having regard to the same, GST ITC amounting to Rs.451.21 (including Rs.372.80 pertaining to earlier years) has been claimed in GST returns and disclosed under balance with government authorities in the standalone financial statements (refer note 11).

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 immoveable property (other than plant & machinery). The Hon'ble High Court had passed interim order directing the Respondents to not take any coercive action against the petitioner.

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

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

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

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

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

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

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

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

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

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: Hyderabad
Date: April 28, 2022

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

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

Place: Bengaluru
Date: April 28, 2022

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

Sd/-
GBS Raju
Managing Director
DIN.: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: April 28, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: April 28, 2022

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: April 28, 2022

Walker Chandiok & Co LLP
Chartered Accountants
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Raidurg (Panmaktha) Village
Serilingampally Mandal, Ranga Reddy District
Hyderabad – 500 081 Telangana

K. S. Rao & Co.,
Chartered Accountants
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Kasturba Road, Bengaluru 560001
Karnataka, India

Independent Auditor's Report

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its joint ventures, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its joint ventures, as at 31 March 2022, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

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

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

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 and 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

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

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

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

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

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

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

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

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

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

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

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

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

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

9. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

14. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.};

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern; and

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

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

19. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹2.88 crores for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of its 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures, are based solely on the reports of the other auditors.

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

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Karnataka, India

Report on Other Legal and Regulatory Requirements

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

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

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

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

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company.

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

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

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

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

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act:

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

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

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

iv.

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

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

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

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

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

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

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

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

Place: New Delhi
Date: 18 July 2022

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

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

Place: Bengaluru
Date: 18 July 2022

Walker Chandiok & Co LLP
Chartered Accountants
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Karnataka, India

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

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

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

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

2. The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, {its subsidiary companies, and joint venture companies}, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture companies as aforesaid.

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Chartered Accountants
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Hyderabad – 500 081 Telangana

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Karnataka, India

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

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

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

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

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

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group as at and for the year ended 31 March 2022, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

Walker Chandiok & Co LLP	**K. S. Rao & Co.,**
Chartered Accountants	Chartered Accountants
Unit No – 1, 10th Floor	2nd Floor, 10/2, Khivraj Mansion
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Raidurg (Panmaktha) Village	Karnataka, India
Serilingampally Mandal, Ranga Reddy District	
Hyderabad – 500 081 Telangana	

Other Matters

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

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

For Walker Chandiok & Co LLP	**For K. S. Rao & Co.,**
Chartered Accountants	Chartered Accountants
Firm Registration No.: 001076N/N500013	Firm Registration No.: 003109S
Sd/-	**Sd/-**
Neeraj Sharma	**Hitesh Kumar P**
Partner	Partner
Membership No.: 502103	Membership No.: 233734
UDIN: 22502103ANCERH1470	UDIN: 22233734ANDABW6283
Place: New Delhi	Place: Bengaluru
Date: 18 July 2022	Date: 18 July 2022

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Balance Sheet as at March 31, 2022

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

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

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

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

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

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

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

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Kiran Kumar M
Company Secretary

Place: New Delhi
Date: July 18, 2022

Place: Bengaluru
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

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

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

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

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: New Delhi
Date: July 18, 2022

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

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

Place: Bengaluru
Date: July 18, 2022

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: July 18, 2022

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: July 18, 2022

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

Equity share capital:

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

Other equity

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

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

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

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: New Delhi
Date: July 18, 2022

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

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

Place: Bengaluru
Date: July 18, 2022

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
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Sd/-
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Chief Executive Officer

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Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: July 18, 2022

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: July 18, 2022

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

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

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Consolidated Cash Flow Statement for the year ended March 31, 2022

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

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

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

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

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

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

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: July 18, 2022

Place: Bengaluru
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

1. Corporate information

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

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

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

2. A. Basis of preparation

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

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

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

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

B. Basis of Consolidation

(i) Subsidiary

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

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

(ii) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

(iii) Method of consolidation

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

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

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

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

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

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

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

Information about joint ventures

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

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

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

3. Uncertainties relating to COVID-19 Pandemic:

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

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

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

4. Significant accounting policies

a. Use of estimates:

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

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

b. Business combinations and goodwill:

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

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

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

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

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

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

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

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

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

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

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

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

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that,

if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

c. Investment in joint ventures:

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

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

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

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

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

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

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

d. Current versus Non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when:

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

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

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

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

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

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

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

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

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

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

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

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

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

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

i. Impairment of non-financial assets:
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) fair value less cost to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

j. Inventories:

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

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

k. Borrowing cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Provisions, contingent liabilities and commitments:

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed in the case of:

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

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

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

m. Retirement and other employee benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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

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

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

Financial assets

Initial recognition and measurement:
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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

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

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

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

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

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

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

Debt instrument at FVTPL:
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

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

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

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

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

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

Impairment of financial assets:
In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115
d. Loan commitments which are not measured as at FVTPL
e. Financial guarantee contracts which are not measured as at FVTPL

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

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group is required to consider:

a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

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

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

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

Financial liabilities

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit, financial guarantee contracts and derivative financial instruments.

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

Financial liabilities at fair value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts:
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

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

Reclassification of financial assets:
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest."

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

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

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

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

Fair value hedges

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

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

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

Cash flow hedges

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

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

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

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

p. Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

q. Cash dividend to equity holders of the parent

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

r. Foreign currency Transactions

The Group's Consolidated Financial Statements are presented in INR, which is also the Group's functional currency and the currency of the primary economic environment in which the Group operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

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

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

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

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

s. Fair Value Measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

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

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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

t. Revenue recognition:

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

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

Income from service:

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

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

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

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

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

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

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

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

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

Interest income:

i. Interest on all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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

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

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

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

u. Government Grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant is in the nature of capital subsidy it is treated as capital reserve.

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

v. Taxes:

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

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

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

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

Deferred tax

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

i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax on items reversing within the tax holiday period is not recognized.

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

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

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

w. Leases

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

Group as a lessee:

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

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

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

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

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

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

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

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

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

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

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

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

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

5 Property, Plant and Equipment

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

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

(All amounts in Rupees Crores, except otherwise stated)

6 Right of use asset

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

7 Goodwill and other intangible assets

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

(All amounts in Rupees Crores, except otherwise stated)

8 Investment in joint ventures and others

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

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

9 Loans

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

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

10 Other financial assets

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

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

(All amounts in Rupees Crores, except otherwise stated)

11 Other assets

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

12 Inventories

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

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

13 Investments

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

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

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

14 Trade receivables

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

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

15 Cash and cash equivalents

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

16 Bank balances other than cash and cash equivalents

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

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

17 Equity

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

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

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

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

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Further all shareholders will have their representative in the Board of Directors of the Company as per the terms of arrangement.

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

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

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

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

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

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

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

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

18 Other equity

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

19 Long-term borrowings

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

i) 4.25% SSN

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

ii) 4.75% SSN

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

iii) 5.375% Senior Secured Notes

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

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

iv) Redeemable Non Convertible Debentures

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

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

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

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

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

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

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

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

v) Loans from banks, secured

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

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

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

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

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

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

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

vi) Loans from others (secured)

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

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

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

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

vii) Loan from Government of Telangana (unsecured)

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

20 Other financial liabilities

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

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

21 Government grants

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

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

22 Provisions

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

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

23 Other liabilities

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

24 Short-term borrowings

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

i. Loan from bank, secured

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

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

ii. Loan from others, secured

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

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

iii. Unsecured, working capital loan from banks

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

25 Trade payables

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

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

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

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

(All amounts in Rupees Crores, except otherwise stated)

26 Revenue from operations

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

Note:

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

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

For the year ended March 31, 2022:

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

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

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

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

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

27 Other income

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

(All amounts in Rupees Crores, except otherwise stated)

28 Changes in inventory of traded goods

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

29 Employee benefits expense

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

30 Finance costs

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

31 Depreciation and amortization expense

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

32 Other expenses

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

(All amounts in Rupees Crores, except otherwise stated)

32 Other expenses (continued)

A. Payment to Auditors

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

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

33 Income tax

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

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

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

(All amounts in Rupees Crores, except otherwise stated)

33 Income tax (continued)

Deferred tax

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

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

Reconciliations of net deferred tax assets / (liabilities)

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

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

34 Components of other comprehensive income

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

For the period ended March 31, 2022

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

For the period ended March 31, 2021

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

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

35 Capital work-in-progress

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

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

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

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

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

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

No project is temporarily suspended.

36 Completion schedule in respect of CWIP which is overdue:

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

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

37 Intangible assets under development (IAUD)

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

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

Completion schedule in respect of IAUD which is overdue:

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

38 Trade receivables ageing

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

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

39 Trade payables ageing

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

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

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

40 Promoter's Shareholding

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

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

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

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

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

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

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

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

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

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

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

49 Retirement and other employee benefits:

a) Defined contribution plan:

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

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

b) Defined benefit plans:

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

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

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

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

Amount recognized in other comprehensive income:

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

Amounts recognised in the Balance sheet are as follows:

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

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

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

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

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

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

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

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

49 Retirement and other employee benefits: (continued)

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

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

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

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

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

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

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

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

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

51 Segment reporting

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

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

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

53 Disclosure on changes in financing liabilities

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

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

54 Related party transactions

a) Names of related parties and nature of relationship

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

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

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

54 Related party disclosures (continued)

b) Transactions with related parties

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

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

b) Transactions with related parties (continued)

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

c) Outstanding balances at the end of the year

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

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

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

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

55 Leases

(a) Group as a lessee

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

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

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

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

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

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

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

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

55 Leases (continued)

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

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

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

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

(b) **Group as a lessor**

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

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

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

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

56 Fair values

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

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

V. Assumption used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumption were used to estimate the fair values:

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

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

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

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

57 Fair Value Hierarchy

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

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

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

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

58 Financial risk management objectives and policies

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

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

Market risk

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

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

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

The assumptions made in calculating the sensitivity analyses are:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2022 and March 31, 2021.

Interest rate risk

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

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

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

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

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

Foreign currency risk

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

Cash flow hedges

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

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

Foreign currency sensitivity

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

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

Foreign currency sensitivity

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

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

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

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by Group subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

Financial instruments (security deposits) and cash deposits

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

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

Liquidity risk

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

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

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

Excessive risk concentration

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

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

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

59 Capital management

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

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

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

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

60 Commitments and Contingencies

I Contingent liabilities not provided for:

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

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

Disputed tax amount

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

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

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

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

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

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

(b) **Disputed service tax matters**

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

*including penalty amount.

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

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

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

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

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

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

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

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

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

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

Disputed tax amount

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

(h) **Disputed service tax matters**

	March 31, 2022	March 31, 2021
Rejection of service tax refund claim, pending with CESTAT, Hyderabad	1.03	1.03
	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	0.24	0.24
Non reversal of CENVAT credit and disallowance of export of service from DGGI	2.11	2.11

*including penalty amount.

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

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

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

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

(l) During the current year, the GACAEL has received an order from Sub Registrar, Shamshabad regarding the payment of fine of Rs. 69.09 Lakhs equal to five times of Registration fee of Rs.13.82 Lakhs. The company has filed writ petition before the High Court of Telangana and received Stay Interim Order dated September 27, 2021. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(m) During the current year, the Customs has issued a penalty of Rs. 1.50 Lakhs on M/s GMR Air cargo and Aerospace Engineering Limited for their role in irregular import of aircraft vide Order dated 26th October, 2021. The Company is in the process of filing Appeal with Customs, Excise and Service Tax Appellate Tribunal. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

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

In respect of other subsidiaries:

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

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

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

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

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

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

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

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

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

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

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

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

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

III Commitments

a) *Capital commitments:*

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

b) *Other commitments :*

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

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

61 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

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

Discounting rate

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

Non applicability of Service Concession Agreement (SCA)

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

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

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

Concession fee:

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

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

b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Group based its assumptions and estimates on parameters available when these consolidated financial statements were prepared, existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

61 Significant accounting judgments, estimates and assumptions (continued)

Defined benefit plans

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

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

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

Contingencies

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial asset

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

Impairment of non-financial assets

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

Taxes

Deferred tax assets on unused tax losses and minimum alternate tax credit entitlement are recognised to the extent that it is probable that taxable profit will be available against which these amounts can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

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

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

63 Determination of aeronautical tariff

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

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

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

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

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

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

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

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

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

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

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

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

** Contract asset includes unbilled revenue.

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

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

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

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

68 GMR Air Cargo and Aerospace Engineering Limited

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

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

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

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

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

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

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

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

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

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

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

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

71 Interest in Joint Ventures

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

Summarised Balance Sheet:

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

Summarized Statement of Profit and Loss account:

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

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

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

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

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

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

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

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

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

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

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

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

	March 31, 2022		March 31, 2021	
Name of the Entity	**As % of consolidated profit or loss**	**Amount**	**As % of consolidated profit or loss**	**Amount**
GHIAL	111.16%	(108.10)	88.87%	(151.05)
GACAEL	-12.19%	11.85	-3.34%	5.68
GHAL	4.10%	(3.99)	1.77%	(3.01)
GHASL	-4.24%	4.12	0.22%	(0.37)
GATL	0.01%	(0.01)	-0.19%	0.32
GHRL	10.25%	(9.97)	12.71%	(21.61)
GHAAL	-6.15%	5.98	0.00	(0.01)
Jointly controlled entities (as per Equity method)				
Laqshya	-3.17%	3.08	-0.06%	0.10
GLPPL	0.22%	(0.21)	0.00	(0.01)
	100.00%	**(97.25)**	**100.00%**	**(169.96)**
Less: Consolidated adjustments/elimination*		(6.33)		(5.79)
Grand Total		**(103.58)**		**(175.75)**

C) Share in other comprehensive income for the financial year:

	March 31, 2022		March 31, 2021	
Name of the Entity	**As % of consolidated other comprehensive income**	**Amount**	**As % of consolidated other comprehensive income**	**Amount**
GHIAL	100.01%	(171.40)	101.56%	(37.03)
GACAEL	-0.05%	0.08	-0.49%	0.18
GHAL	0.00%	(0.00)	-0.38%	0.14
GHASL	0.00%	0.00	-0.08%	0.03
GATL	-	-	-	-
GHRL	0.04%	(0.07)	-0.55%	0.20
GHAAL	-	-	-	-
Jointly controlled entities (as per Equity method)				
Laqshya	-0.01%	0.01	-0.05%	0.02
GLPPL	-	-	-	-
	100.00%	**(171.38)**	**100.00%**	**(36.46)**
Less: Consolidated adjustments/elimination*		-		-
Grand Total		**(171.38)**		**(36.46)**

(All amounts in Rupees crores, except per share data and when otherwise stated)

D) Share of profit and loss for the financial year:

Name of the Entity	March 31, 2022 As % of consolidated profit or loss	March 31, 2022 Amount	March 31, 2021 As % of consolidated profit or loss	March 31, 2021 Amount
GHIAL	104.05%	(279.50)	91.11%	(188.08)
GACAEL	-4.44%	11.93	-2.84%	5.86
GHAL	1.49%	(3.99)	1.39%	(2.87)
GHASL	-1.53%	4.12	0.16%	(0.34)
GATL	0.00%	(0.01)	-0.16%	0.32
GLPPL	0.00%	-	0.00%	-
GHRL	3.74%	(10.04)	10.37%	(21.41)
GHAAL	-2.23%	5.98	0.00%	(0.01)
Jointly controlled entities (as per Equity method)				
Laqshya	-1.15%	3.09	-0.06%	0.12
GLPPL	0.08%	(0.21)	0.00	(0.01)
	100.00%	**(268.63)**	**100.00%**	**(206.42)**
Less: Consolidated adjustments/elimination*		(6.33)		(5.79)
Grand Total		**(274.96)**		**(212.21)**

73 Additional information required under paragraph 5 of part II of Schedule III to the Act, to the extent either "Nil" or "Not Applicable" has not been furnished

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration
Number: 001076N/N500013

Sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: Hyderabad
Date: July 18, 2022

For K S Rao & Co.,
Chartered Accountants
ICAI Firm Registration
Number: 003109S

Sd/-
Hitesh Kumar P
Partner
Membership No.:233734

Place: Bengaluru
Date: July 18, 2022

For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited

Sd/-
GBS Raju
Managing Director
DIN.: 00061686

Sd/-
C Prasanna
Director
DIN: 01630300

Place: New Delhi
Date: July 18, 2022

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: July 18, 2022

Place: Hyderabad
Date: July 18, 2022

Form No. AOC - 1

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

Rs. In Crore

S.No	1	2	3	4	5	6
Name of the subsidiary	GMR Air Cargo and Aerospace Engineering Limited (GACAEL)	GMR Hyderabad Aerotropolis Limited	GMR Hyderabad Aviation SEZ Limited	GMR Aero Technic Limited	GMR Hyderabad Airport Assets Limited	GMR Hospitality and Retail Limited (Formerly GMR Hotels and Resorts Limited)
The date since when subsidiary was acquired	12-Dec-2014	18-Jul-2007	4-Dec-2007	12-Dec-2014	25-Nov-2020	8-Sep-2008
Reporting period	April 01, 2021 - March 31, 2022	April 01, 2021 - March 31, 2022	April 01, 2021 - March 31, 2022	April 01, 2021 - March 31, 2022	April 01, 2021 - March 31, 2022	April 01, 2021 - March 31, 2022
Reporting currency	INR	INR	INR	INR	INR	INR
Share Capital	473.83	49.88	51.60	0.10	40.72	238.33
Reserves and Surplus	(459.61)	(26.75)	(0.48)	0.01	12.80	(158.36)
Total Assets	545.19	200.09	234.93	1.08	124.93	256.85
Total Liabilities	530.97	176.95	183.82	0.97	71.42	176.88
Investments*	23.43	1.26	2.71	-	-	18.25
Turnover	349.05	17.57	40.46	0.42	19.60	133.87
Profit before taxation	6.35	(4.80)	5.85	(0.01)	7.81	(9.97)
Provision for taxation	(5.51)	(0.81)	1.73	0.00	1.84	-
Profit after taxation	11.85	(3.99)	4.12	(0.01)	5.98	(9.97)
Proposed dividend	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%

Notes:

1.The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the Company and the subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any member in the registered office and that of the subsidiary companies concerned.

*2.Investments except investment in Subsidiaries, joint ventures and associates.

Part B-Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Rs. In Crore

Name of Associates or Joint Ventures	GMR Logistics Park Private Limited $	Laqshya Hyderabad Airport Media Private Limited (LHAMPL)
1. Latest audited Balance Sheet Date	31-Mar-2022	31-Mar-2022
2. Date on which the Associate or Joint Venture was associated or acquired		
3. Shares of Associate or Joint Ventures held by the company on the year end		
No.	1.77	0.98
Amount of Investment in equity shares of Associates or Joint Venture	17.71	9.80
Amount of Investment in Optionally Convertible Debentures (unquoted) of Associates or Joint Venture	16.35	-
Extent of Holding (in percentage)	30.00%	49.00%
4. Description of how there is significant influence	NA	NA
5. Reason why the associate/joint venture is not consolidated	Refer note 1 below	Refer note 1 below
6. Networth attributable to shareholding as per latest audited Balance Sheet	76.58	23.98
7. Profit or Loss for the year		
i. Considered in Consolidation	(0.21)	3.09
ii. Not Considered in Consolidation	-	-

Note 1 :

GHIAL has assessed and determined that LHAMPL and GLPPL as its JV and associate under Ind AS 111 Joint Arrangements. Therefore, this need to be accounted for using the equity method as against proportionate consolidation.

Under the equity method, the investment in a joint venture/associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the entity's share of net assets of the joint venture /associate since the acquisition date. Goodwill relating to the joint venture/associate is included in the carrying amount of the investment and is not tested for impairment individually.

Further, in case entity's share of losses of a joint venture/associates equals or exceeds its interest in the joint venture/associates (which includes any long term interest that, in substance, form part of the entity's net investment in the joint venture/associates), the entity discontinues recognising its share of further losses. If the joint venture/associates 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 recognised.

$ On December 20, 2018, GHAL has incorporated a wholly owned subsidiary GMR Logistics Park Private Limited. Pursuant to the Subscription Agreement and Shareholders' Agreement dated January 08, 2020 executed by and amongst GMR Logistics Park Private Limited (GLPPL), GMR Hyderabad Aerotropolis Limited (GHAL) and ESR Hyderabad 1 Pte. Limited, Singapore (ESR), GLPPL allotted 4,13,35,182 equity shares of Rs. 10 each at par to ESR and 16,965,078 equity shares of Rs. 10 each at par to GHAL on private placement basis by passing a circular resolution dated April 16, 2020. Consequently, the percentage shareholding of ESR and GHAL in GLPPL stands at 70 and 30 respectively, as a result of which, GLPPL has ceased to be a wholly owned subsidiary of GHAL with effect from April 16, 2020.

For and on behalf of Board of Directors

Sd/-	Sd/-
G B S Raju	**C Prasanna**
Managing Director	Director
DIN: 00061686	DIN :01630300
Place : New Delhi	Place : Hyderabad
Date : July 18, 2022	Date : July 18, 2022

GMR Hyderabad International Airport Limited
Registered Office:
GMR Aero Towers,
Rajiv Gandhi International Airport
Shamshabad,
Hyderabad - 500 108, Telangana