ANNUAL REPORT 2022-23

GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED

Contents

CORPORATE INFORMATION

GMR Hyderabad International Airport Limited
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
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. Bijal Tushar Ajinkya, Independent Director
Mr. Madhu Ramachandra Rao, Independent Director

Key Managerial Personnel :
Mr. Pradeep Panicker, Chief Executive Officer
Mr. Anand Kumar Polamada, Chief Financial Officer
Mr. Kiran Kumar Manikwar, Company Secretary & Compliance Officer

Registered Office:
GMR Aero Towers,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad - 500 108, Telangana
Tel : 040 – 6739 5000, www.hyderabad.aero
email ID : GHIAL-CS@gmrgroup.in

Debenture Trustee for NCDs:
IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai - 400 001, Maharashtra
Tel No. +91 22 4080 7027
Email: dipali.dorugade@idbitrustee.com
SEBI Registration Number: IND000000460
CIN: U65991MH2001GOI131154

Bonds' Trustee:
HSBC Bank USA, National Association
452 Fifth Avenue
New York, NY 10018, USA
Tel No. ++ 201-217-8417
Email Id: ctlanydealmanagement@us.hsbc.com

Joint Statutory 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
Email Id: Danish.Ahmed@WalkerChandiok.in

M/s. K. S. Rao & Co., Chartered Accountants
[Firm Registration No.003109S]
2nd Floor, 10/2, Khivraj Mansion, Kasturba Road,
Bengaluru – 560 001, Karnataka
Email Id: hitesh@ksrao.in

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
Email Id: knm.nmc@gmail.com

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– 500 044, Telangana
Email Id : secretarial.consulting@gmail.com

Bankers and 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 Corpn Ltd (HSBC)
Barclays Bank PLC

Registrar and Transfer Agent:
KFin Technologies Private Limited
Plot Nos.31 & 32, Selenium Building,
Financial District, Gachibowli
Nanakramguda, Hyderabad - 500 032, Telangana
Tel .: 040-67162222
E-mail ID: jagannadh.chakka@kfintech.com
SEBI Registration Number: INR000000221

NOTICE OF THE TWENTIETH (20TH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twentieth (20th) Annual General Meeting of the Members of GMR Hyderabad International Airport Limited will be held on **Friday, September 15, 2023 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 audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors ("the Board") and auditors thereon.

2. To appoint a Director in place of Mr. Grandhi Kiran Kumar [DIN: 00061669] who retires by rotation, and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. C. Prasanna [DIN:01630300] who retires by rotation, and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. H. J. Dora [DIN: 02385290] who retires by rotation, and being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Mr. Joyanta Chakravarty [DIN: 09090219] who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

6. **Ratification of remuneration of Cost Auditors of the Company for the financial year 2023-24.**

   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.6,00,000/- (Rupees Six Lakhs 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 2023-24, be and is hereby ratified.**"**

7. Amendment of the Articles of Association of the Company.

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 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 ["the Act"] read with the applicable rules framed thereunder and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ["SEBI NCS Regulations"] (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and all other laws, acts, rules, regulations, guidelines, circulars, directions and notifications issued by the regulatory authorities as applicable from time to time, the consent of the Members of the Company be and is hereby accorded for amending the Articles of Association ("AOA") of the Company by inserting the following new Article, after existing Article 113, and also for modification in the serial numbering and structure of AOA pursuant to the requirements of E-forms to be filed with the Registrar of Companies, aligning the AOA as per the provisions of the Act and the amended SEBI NCS Regulations and other modifications, as placed before the meeting:

Right of Debenture Trustee to appoint Nominee Director

The Board of Directors of the Company shall appoint the person nominated by the Debenture Trustee(s) in terms of the Regulations issued by Securities and Exchange Board of India, provisions of the Companies Act, 2013 or other applicable Laws, as a Nominee Director on the Board of Directors of the Company, at the earliest and in any case within the time period as specified under such Regulation / Law. The Debenture Trustee(s) may at any time withdraw such nomination and nominate another Director in his place or in place of the Director so appointed who resigns or otherwise vacates his office. Any such appointment or withdrawal shall be made in writing, addressed to the Company. The Nominee Director shall neither be liable to retire by rotation nor be required to hold any qualification shares. The Nominee Director appointed under this Article shall be entitled to all the rights and privileges available to a Nominee Director under Article above.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof or any person authorized by the Board to exercise the powers conferred on the Board under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient or incidental for the purpose of giving effect to this resolution , including making any change to the AOA, as may be required by the ROC and/or any statutory/regulatory authority or may authorize the officials of the company to give effect to the foregoing resolution."

8. **Granting of inter-corporate loans to Digi Yatra Foundation.**

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 185 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (including its Committee thereof or any person authorized by the Board to exercise the powers conferred on the Board under this resolution) for given unsecured loan, in one or more tranches, to Digi Yatra Foundation upto an amount not exceeding Rs.5 Crores (Rupees five Crores only), in its absolute discretion.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient or incidental for the purpose of giving effect to this resolution."

By Order of the Board
for GMR Hyderabad International Airport Limited

Sd/-

Date : July 27, 2023
Place : Hyderabad

Kiran Kumar Manikwar
Company Secretary
Membership No. : FCS 9062

Notes:

1. 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 and the Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 and Circular No.10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the General Meetings through Video Conferencing ("VC") facility or Other Audio Visual Means ("OAVM"), up to September 30, 2023. Pursuant to the aforesaid MCA Circulars, the 20th Annual General Meeting ("AGM" or "the Meeting") of the Members of GMR Hyderabad International Airport Limited ("GHIAL" or "the Company") is scheduled to be held on Friday, September 15, 2023, at 11.00 A.M. (IST) through VC / OAVM, without the physical presence of the Member at a common venue.
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 20th 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 20th AGM along with the 20th Annual Report 2022-23 (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 20th AGM Notice has been uploaded on the website of the Company at https://www.hyderabad.aero.

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 20th AGM Notice and the 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 20th AGM. In this regard, Members are requested to send an email from their registered email id to GHIAL-CS@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 GHIAL-CS@gmrgroup.in, on or before September 08, 2023 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 GHIAL-CS@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 GHIAL-CS@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 20th AGM for consideration and approval of the Members, which are unavoidable in the opinion of the Board:

Agenda Item No. 6	To ratify the of Cost Auditors of the Company for the financial year 2023-24.	The cost audit remuneration fixed by the Board is subject to ratification by the Members of the Company. Hence, placing this agenda in the 20th AGM.
Agenda Item No. 7	To amend the Articles of Association of the Company.	As per Section 14 of the Companies Act, 2013, the amendment to Articles of Association of the Company shall be approved by the Members of the Company. Hence, placing this agenda in the 20th AGM.
Agenda Item No. 8	To grant inter-corporate loans to Digi Yatra Foundation.	As per Section 185 of the Companies Act, 2013, giving loan to a private company in which the director of the lending company is interested shall be approved by the members of the Company. Hence, placing this agenda in the 20th AGM.

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

ANNEXURE TO NOTICE OF THE 20th ANNUAL GENERAL MEETING

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

Item No. 6

The Board of Directors of the Company at its Meeting held on July 27, 2023 had reappointed M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration No. 000042), as Cost Auditors of the Company for the financial year 2023-24, at a remuneration of Rs.6,00,000/- plus applicable taxes and reimbursement of out-of-pocket expenses, be subject to ratification of the Members of the Company.

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. 6 as an Ordinary Resolution, is placed for ratification by the Members.

The Board recommends the resolution as set out in Item No. 6, 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. 6.

Item No. 7

Securities and Exchange Board of India (SEBI), vide its Vide Notification No. SEBI/LAD-NRO/GN/2023/119 dated February 02, 2023 (SEBI Notification), has inter-alia, amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Accordingly, a listed company issuing non-convertible debt securities is required to ensure that its Articles of Association enables the Board of Directors to appoint a person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Nominee director on its Board of Directors in the event of: (i) two consecutive defaults in payment of interest to the debenture holders; or (ii) default in creation of security for debentures; or (iii) default in redemption of debentures.

In case of listed company whose debt securities are listed as on the date of publication of the SEBI Notification shall alter its Articles of Association to comply with the requirement of the SEBI Notification, on or before September 30, 2023.

During financial year 2022-23, the Company had issued Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (“NCDs”) on private placement basis in December 2022 for an amount of Rs. 1150 Crores and in March 2023 for an amount of Rs. 840 Crores, aggregating to Rs.1990 Crores.

The Company has a good track record of debt servicing. The Company is also making payment of interest on due date on debt securities and has provided adequate security cover with respect to outstanding secured debt securities. Further, it is expected that the Company would be able to serve its debt obligation(s) in future also.

Accordingly, in order to comply with SEBI Notification, it is proposed to amend the Articles of Association of the Company by inserting a new Article after existing Article 113 of the Articles of Association of the Company as to provide the right to appoint a nominee director, as set out the in the Agenda No. 7.

Further, since the Company will be altering its AOA pursuant to the aforementioned statutory requirement, the Company will be required to file with the Registrar of Companies (ROC), E-Form MGT-14 along with E-Form INC-34, to give effect to the aforementioned amendment in the AOA. The Company will be required to populate its articles under such specific headings as mentioned under E-Form INC-34, hence, the numbering and structure of the existing AOA of the Company would change in line with the applicable provisions of Companies Act, 2013, read along with applicable rules and circulars issued thereunder. There will not be any change in the content of the Articles, except the amendments as proposed above.

In terms of the provisions of Section 14 of the Companies Act, 2013 the amendment to Articles of Association of the Company shall be approved by the Members of the Company.

The Board recommends the resolution as set out in Item No. 7 of the 20th AGM Notice for approval of the Members, as a Special 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

Digi Yatra Foundation (DYF) is a not-for-profit private company, incorporated under section 8 of Companies Act 2013, on February 20, 2019. DYF is established and promoted by Airports Authority of India (AAI) in partnership with private airports including the Company, for the purpose implementation of the Digi Yatra Central Ecosystem (DYCE) an ecosystem aimed at streamlining air travel pursuant to the Digi Yatra Policy issued by Ministry of Civil Aviation, Government of India.

In order to meet the fund requirement for its short-term and medium-term purposes, DYF has approached its shareholders, including the Company seeking financial assistance by way of an unsecured loan.

Pursuant to the provisions of Sections 179, 185 and any other applicable provisions of the Companies Act, 2013, the Board of directors of the Company at its meeting held on July 27, 2023, approved for an amount upto Rs.5 Crores in the form of equity investment or giving secured loan up to Rs.5 Crores or combination of equity and loan, in one or more tranches, including the existing equity investment of Rs.1480/- to DYF. The unsecured loan to be provided to DYF is subject to the approval of members by way of a special resolution. Further the unsecured loan will be utilised by DYF for its principal business activities.

As per the provisions of Section 185 of the Companies Act, 2013, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that a special resolution is passed by the company in general meeting and the loans are utilised by the borrowing company for its principal business activities.

Mr. Dharmendra Bhojwani is a common director on the Boards of the Company and DYF. As such, the provisions of Section 185 of the Companies Act, 2013 will be applicable to the unsecured loan to be given to DYF. The Company may advance any loan to DYF, subject to the approval of members by way of a special resolution.

The Board recommends the resolution as set out in Item No. 8 of the 20th AGM Notice for approval of the Members, as a Special Resolution.

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.

By Order of the Board
for GMR Hyderabad International Airport Limited

Sd/-
Kiran Kumar Manikwar
Company Secretary
Membership No. : FCS 9062

Date : July 27, 2023
Place: Hyderabad

BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

Dear Members,

The Board of Directors hereby present this 20th 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, 2023 (Financial Year).

With the effect of COVID-19 decreasing across the globe, India lifted all restrictions on international air travel from the end of March 2022.

During the first quarter of Financial Year, an increase in COVID-19 cases in Mumbai and Delhi raised concerns of a 4th Wave but no such impact was felt in Hyderabad and even the mini-surge in cases in Mumbai and Delhi was short lived. No fresh restrictions were imposed by the Government of India which helped air traffic to slowly climb back to near pre-COVID numbers.

STATE OF AFFAIRS AND OPERATIONS:

During the Financial Year, the Rajiv Gandhi International Airport (RGIA) handled 21.00 million passengers, 1,60,597 Air Traffic Movements ("ATMs") and 1,42,338 Metric Tonnes ("MTs") of Cargo. On a year-on-year basis, passenger movements and ATMs witnessed a growth of 69% and 40%, respectively. Cargo witnessed around 4% YoY growth.

By end of the Financial Year, RGIA was connected to 66 domestic destinations as compared to pre-COVID level of 55 domestic destinations and 18 international destinations as compared to 16 destinations pre-COVID. Few domestic routes were lost due to internal issues of the airlines, with some specific routes temporarily stopped.

Medical tourism was leveraged to start operations to Dhaka and Baghdad but at the same time destinations like Chicago and Male were stopped by airlines due to their internal business cases for the routes vis-à-vis other routes.

The industry was constrained by the available capacity of aircrafts as airlines had to ground some aircrafts due to maintenance issues on account of lack of availability of spare parts arising out of the Russia-Ukraine crisis. Also, one of the engine manufacturers had not made available the required engines for aircraft for some of the airlines, which also affected the aircrafts availability. In India, over 75 aircrafts were grounded in the Financial Year, which accounts for 10-12% of the Indian fleet. This resulted in demand outstripping the supply of aircraft and led to increase in ticket pricing and slower growth of traffic. Domestic traffic was lower as compared with the estimated figures for the year. However, international traffic remained robust and the final total traffic figure for the Financial Year was 21.00 million passengers.

FINANCIAL PERFORMANCE ON STANDALONE BASIS:

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

(Rs. in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME:		
Revenue from operations	1,246.24	673.68
Other income	138.12	105
Total income	**1,384.36**	**778.68**
EXPENSES:		
Concession fee	54.41	30.33
Employee benefit expenses	115.66	109.85
Finance costs	340.23	258.52
Depreciation and amortization expenses	259.99	219.85
Loss on settlement of derivative financial instruments	90.77	-
Other expenses	465.18	312.19
Total expenses	**1,326.24**	**930.74**
Profit/(loss) before tax	**58.12**	**(152.06)**
Total tax expense / (benefit)	**25.13**	**(43.96)**
Profit/(loss) after tax for the year	**32.99**	**(108.10)**
Other Comprehensive Income / (loss)	**(141.52)**	**(171.40)**
Total Comprehensive Income / (loss) for the year	**(108.53)**	**(279.50)**
Earnings Per Share (in Rs.) -Basic and diluted (in Rs.)	**0.87**	**(2.86)**

REVENUE AND PROFIT ON STANDALONE BASIS:

During the Financial Year, your Company has recorded a total Revenue of Rs. 1,246.24 Crores as against Rs.673.68 Crores in the corresponding previous financial year, being an increase of 84.99%.

Further, your Company has also recorded a Profit After Tax [PAT] of Rs.32.99 Crores for the Financial Year, against the loss after Tax of Rs.108.1 Crores in the corresponding previous financial year ended March 31, 2022.

FINANCIAL PERFORMANCE ON CONSOLIDATED BASIS

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

(Rs. in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME:		
Revenue from operations	1,910.80	1,170.02
Other income	177.55	117.85

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Total income	**2,088.35**	**1,287.87**
EXPENSES:		
Concession fee	54.41	30.33
Employee benefit expenses	265.65	235.71
Finance costs	404.10	316.3
Depreciation and amortization expenses	312.88	271.52
Loss on settlement of derivative financial instruments	90.77	-
Other expenses	832.31	587.17
Total expenses	**1,960.12**	**1,441.03**
Profit before share of Profit /(loss) of associates and joint ventures, exceptional items and tax	128.23	(153.16)
Share of profit of associates in joint ventures	6.15	2.87
(Profit) / (Loss) before taxation	**134.38**	**(150.29)**
Total Tax expenses / (benefit):	26.48	(46.71)
Profit after tax for the year	**107.90**	**(103.58)**
Other Comprehensive income / (loss)	**(142.03)**	**(171.38)**
Share of other comprehensive income / (loss) in joint ventures	--	0.01
Total Comprehensive income for the year (net of tax)	**(34.13)**	**(274.96)**
Earnings Per Share (in Rs.) - Basic and diluted (in Rs.)	2.85	(2.74)

REVENUE AND PROFIT ON CONSOLIDATED BASIS:

During the Financial Year, your Company has recorded a consolidated Revenue of Rs. 1,910.80 Crores as against Rs.1,170.02 Crores in the corresponding previous financial year, being an increase of 63.31%.

Further, your Company has also recorded a consolidated PAT of Rs.107.90 Crores for the Financial Year, against the loss after Tax of Rs.103.58 Crores in the corresponding previous financial year ended March 31, 2022.

APPROPRIATIONS TO RESERVES:

An amount of Rs.199 Crores has been transferred to Debenture redemption reserves during the Financial Year.

DIVIDEND:

In view of preserving cash for ongoing project expansion, your directors decided not to recommend payment of dividend for the Financial Year, even though the Company earned nominal profits during the Financial Year.

EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS:

There were no material changes or 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.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

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.

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 the 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:

Some new routes were also started during the year:

- Dhaka by IndiGo
- Baghdad by Fly Baghdad
- Don Mueang, Bangkok by Nok Air
- New Goa (MOPA)

The following new airlines commenced operations from Hyderabad:

- Kuwait Airways
- Nok Air
- Fly Baghdad
- Akasa Air

On the Cargo front, Amazon started its Prime Air (Quikjet) weekly cargo operations from Hyderabad Airport, the first time it has started operations in India. Lufthansa resumed its Boeing 777F freighter with routing Frankfurt-Mumbai-Hyderabad-Frankfurt (FRA-BOM-HYD-FRA). During February 2023, Hyderabad hosted the first-ever E-Prix in the country with Hyderabad Airport playing an integral part in transporting these E-vehicles by operating 6 charter flights carrying them.

Airport Expansion:

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

- On the Airside,
    - Commissioning approval was obtained from DGCA for operationalizing New Passenger Boarding Bridge (PBB) stands 47, 48 and 49;
    - Northeast Apron stands 6 to 14, 39 and taxi lane K2 - K3 facilities corresponding to the stands are nearing completion.
- On the Passenger Terminal Building ("PTB") expansion,
    - East Pier Straight Portion was opened for operations – Departures (August 2022) and Arrivals (October 2022).
    - West Processor was opened for operations – F level (November 2022) and D level (December 2022).
- As on March 31, 2023, the Airport expansion works clocked an overall physical progress of ~85.5%.

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:

- RGIA Environment Compliance Oversight Committee was established and organized the first meeting with GHIAL's subsidiaries and the Company Secretary and Legal teams and discussed the environmental compliance status.
- Hajj operations started post COVID-19.
- Single-use plastic was banned with effect from July 01, 2022.
- Soft launch of DigiYatra commenced on August 18, 2022 at Terminal Entry and Pre-Embarkation Security Check (PESC) and declared live on March 31, 2023.
- 16 AEDs (Automated External Defibrillator) were installed at various locations in the PTB on December 25, 2022.
- CPR (Cardiopulmonary Resuscitation) was successfully administered by an Operations team member along with the service provider operator to a domestic arrival passenger.
- India's largest Arrival Duty Free stores inaugurated at International Arrivals.

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 revenue for the airport.

Highlights for the Financial Year include:

- 15th Anniversary sale for all employees in the Airport ecosystem as well as for passengers
- Despite the challenges faced due to the pandemic, your Company added several new stores / concepts and outlets 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.

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

Special Measures to Counter the Impact of the Pandemic:

- As a contingency plan to control the spread of COVID-19, your Company has undertaken Booster dose vaccination program for the benefit of its employees.

Safety and Wellbeing of Staff and Other Stakeholders:

- Working on enhancing safety culture across the airport
- Continuously monitoring safety parameters through periodic meetings with stakeholders e.g., Airport Operations Review Committee (weekly), Steering Committee Meetings (monthly), Airport Facilitation Committee Meetings (monthly) and Apron Safety Committee Meeting (monthly).

REGULATORY AND TARRIFF ORDERS PASSED BY THE REGULATORS:

Your Company’s regulated charges 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 currently 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 01, 2021 under which, the Regulator approved the continuation of the existing tariffs till March 31, 2022 and enhanced tariff from April 01, 2022 up to March 31, 2026. In the third control period tariff order, the Regulator allowed recovery of your Company’s long pending claim with respect to pre–control period entitlements. However, there are few unresolved issues with regard to classification of Cargo, Ground Handling and Fuel Farm revenues as aeronautical by AERA as against your Company’s claim of the same as non-aeronautical, treatment of revenue from real estate development, truing up of forex losses on account of External Commercial Borrowings (“ECB”) pay-outs, etc. Hence, your Company has challenged the AERA Order No. 12/2021-22 dated August 31, 2021 in respect of these contested issues vide an appeal filed before TDSAT on September 30, 2021 under Section 18(2) of the Airports Economic Regulatory Authority of India Act, 2008 (‘AERA Act’) and the appeal is pending for adjudication.

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

Your Company / RGIA received the following awards / accolades for the and during the Financial Year recognizing the significant contributions it made in different areas of functional excellence:

- Won the **Airports Council International's (ACI) Green Airports Gold Recognition 2023,** in recognition of its global efforts towards sustainable and eco-friendly airport operations, in the 15-35 Million Passengers Per Annum (MPPA) category in the Asia – Pacific region for its 'Single-Use Plastic Elimination' process.

- Adjudged as the **‘Best Regional Airport in India and South Asia for 2023** by Skytrax World Airport Awards. Also bagged the award for Best Airport Staff in India and South Asia.

- Won the **Best Airport in the category of 15 to 25 MPPA** in the Asia-Pacific region in 2022 for its Airport Service Quality (ASQ) program.

- Won the **Third Position** under the Category Infrastructure & Construction under 18th National Awards for Excellence in Cost Management for 2022 announced by The Institute of Cost Accountants of India.

- Received **1st prize** in two categories at the 7th Garden Festival - 2023, organised by the Department of Horticulture, Government of Telangana, in the categories of **"Traffic Islands and Dividers maintained by Private Companies"** and **"Landscape Gardens maintained by Private Companies - Over 90 Acres"** .

- Received the prestigious **"National Energy Leader"** and **"Excellent Energy Efficient Unit"** awards at from **Confederation of Indian Industry (CII),** in recognition of energy-efficiency initiatives and best practices.

- Adjudged as the **'Best Airport Staff in India and South Asia'** in Skytrax World Airport Awards 2022. Also progressed in its overall ranking, moving from 64th position in 2021 to 63rd position in 2022 World's Top 100 Airport league.

- Received the **ACI World's** prestigious **"Voice of Customer"** recognition for the second time in a row, for the continuous efforts to listen to its passengers, engage and gather feedback to understand their needs and address their concerns during the COVID-19 pandemic.

- Received the prestigious **"Excellency- Gold Award"** in "Telangana State Energy Conservation Awards 2021, for the excellent initiatives taken in conserving energy.

SHARE CAPITAL AND DEBT:

Equity Share Capital:

The paid-up equity share capital of your Company as on March 31, 2023, 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) equity shares of face value of Rs.10/- (Rupees Ten only) each. During the Financial Year, your Company did not issue any new shares. GMR Airports Limited, holding 63% of the paid-up equity share capital of your Company as on March 31, 2023, is the Holding Company of your Company.

Foreign Currency Bonds (FCBs):

Following are the details of Senior Secured Foreign Currency Notes**:**

Issued On	Amount Raised (US$Mn)	Outstanding Amount (US$Mn) as on31-03-2023	Coupon	ISIN	Due	Remarks
October 27, 2017	350.00	350.00	4.25%	USY3004WAA00 Under Reg S and Rule 144A respectively.	October, 2027	--
April 10, 2019	300.00	73.61	5.375%	USY3004WAB82 Under Reg S and Rule 144A respectively.	April, 2024	Partly repaid US$ 126.44 Mn on December 14, 2022 and US$ 99.95 Mn repaid on March 14, 2023 (Total repaid is US$226.39)
February 02, 2021	300.00	287.31	4.75%	USY3004WAC65 Under Reg. S and Rule 144A respectively.	February, 2026	Party repaid US$12.68 on December 14, 2022
Total	**950.00**	**710.92**				

The Senior Secured Foreign Currency Notes are listed on the Singapore Exchange Securities Trading Limited and the Credit Ratings for the same are as under:

- Fitch –BB+ level; Stable.
- S&P –BB-; outlook Stable.
- Moody's – ba2 ; Outlook Stable

During the Financial Year, the interest (half yearly) and / or principal, as applicable, on such aforementioned Senior Secured Foreign Currency Notes issued by the Company was paid by the Company on their determined due dates.

Domestic Non-Convertible Debentures:

During the Financial Year, the Company had issued Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") on a private placement basis in December 2022 for an amount of Rs. 1150 Crores and in March 2023 for an amount of Rs. 840 Crores, aggregating to Rs. 1,990 Crores. The details of NCDs are as under:

- 11,500 number of NCDs of Rs. 10,00,000/- each (ISIN: INE802J07019) were issued on December 13, 2022 at an interest rate of 8.805% per annum, payable quarterly, fixed for 5 years. The repayment of NCDs of Rs.10,00,000/- each, starts from September 2028 @ 12.5% for the first four years and 50% final bullet payment in December 2032. These NCDs were listed on the BSE Limited on December 14, 2022.

- 84,000 number of NCDs of Rs. 1,00,000/- each (ISIN: INE802J07027) were issued on March 10, 2023 interest rate @ 8.71% per annum, payable quarterly fixed for 5 years. The repayment of NCDs of Rs.1,00,000/- each, starts from December 2028 @ 12.5% for the first four years and 50% final bullet payment in March 2033. These NCDs were listed on the BSE Limited on March 14, 2023.

The NCDs have been rated "ICRA AA" with Positive outlook by ICRA Limited and "INDAA" with Positive outlook by India Ratings.

The proceeds from the NCDs were utilized to partly refinance the ECB bonds to the extent of USD 239.07 Mn due in 2024 and 2026.

IDBI Trusteeship Services Limited is the Debenture Trustee for the Non-Convertible Debentures issued by the Company by way of private placement. Further, KFin Technologies Limited is the Registrar and Share Transfer Agent of the Company.

During the Financial Year, the quarterly interest on such NCDs issued by the Company was paid on their determined due dates.

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.

MANAGEMENT:

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. K. Ramakrishna Rao, *IAS*	State Promoters (Government of Telangana)
11	Mr. Jayesh Ranjan, *IAS*	State Promoters (Government of Telangana)
12	Mr. Joyanta Chakraborty	State Promoters (Airports Authority of India)
13	Mr. Dharmendra Bhojwani	State Promoters (Airports Authority of India)
14	Mr. A. Subba Rao	Independent Director (ID)
15	Dr. M. Ramachandran	Independent Director (ID)
16	Mr. Madhu Ramachandra Rao	Independent Director (ID)
17	Mrs. Bijal Tushar Ajinkya	Independent Director (ID) &Woman Director (WD)

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) during the Financial Year:

- Mrs. Siva Kameswari Vissa, Independent Director retired 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;

- Mrs. Bijal Tushar Ajinkya was appointed as an Independent Director of the Company to hold office from the conclusion of the 19th Annual General Meeting of the Company held on September 15, 2022 for a term of Five (5) years, or up to the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2027, whichever is earlier;

- Shareholders of the Company at the Extraordinary General Meeting held on February 16, 2023 pursuant to Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 accorded their consent for continuance of Mr. H. J. Dora (DIN: 02385290), aged about 79 years, as a Non-Executive Director of the Company.

- Mr. Grandhi Kiran Kumar, Mr. C. Prasanna, Mr. H.J. Dora and Mr. Joyanta Chakraborty retire at the ensuing 20th AGM by rotation and are eligible for re-appointment.

- Mr. Kiran Kumar Manikwar 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	Designation
1	Mr. A. Subba Rao, Chairman	Independent Director
2	Dr. M. Ramachandran	Independent Director
3	Mr. K. Ramakrishna Rao, *IAS*	Director
4	Mr. Madhu Ramachandra Rao	Independent Director
5	Mrs. Bijal Tushar Ajinkya	Independent Director
6	Mr. Camilo Perez Perez	Director
7	Mr. C. Prasanna	Director

Nomination and Remuneration Committee:

SNo	Name of the Committee Member	Designation
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

SNo	Name of the Committee Member	Designation
5	Mr. Antoine Crombez	Director
6	Mr. C. Prasanna	Director

Corporate Social Responsibility (CSR) Committee:

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

Stakeholders Relationship Committee:

SNo	Name of the Committee Member	Designation
1	Mr. Madhu Ramachandra Rao, Chairman	Independent Director
2	Mr. Dharmendra Bhojwani	Director
3	Mr. H. J. Dora	Director
4	Mr. C. Prasanna	Director

Risk Management and Environment, Social and Governance (ESG) Committee:

SNo	Name of the Committee Member	Designation
1	Mr. G.B.S. Raju	Managing Director
2	Mr. A. Subba Rao	Independent Director
3	Mr. Joyanta Chakraborty	Director
4	Mr. Antoine Crombez	Director
5	Mr. SGK Kishore	Executive Director (Sr. Management)
6	Mr. Pradeep Panicker	Chief Executive Officer (Sr. Management

Statement on declaration of Independent Directors:

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

a) Mr. A. Subba Rao
b) Dr. M. Ramachandran
c) Mr. Madhu Ramachandra Rao
d) Mrs. Bijal Tushar Ajinkya

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.

Attendance of the Directors at Board Meetings held during the Financial Year:

Five 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				
		28-04-2022	18-07-2022	20-10-2022	20-01-2023	24-03-2023
1	Mr. G.M. Rao	Yes	Yes	Yes	Yes	LOA
2	Mr. G.B.S. Raju	Yes	Yes	Yes	Yes	Yes
3	Mr. Srinivas Bommidala	Yes	Yes	LOA	LOA	LOA
4	Mr. Grandhi Kiran Kumar	LOA	LOA	LOA	Yes	LOA
5	Mr. C. Prasanna	Yes	Yes	Yes	Yes	Yes
6	Mr. H. J. Dora	Yes	Yes	Yes	Yes	Yes
7	Mr. Antoine Crombez	Yes	Yes	Yes	Yes	LOA
8	Mr. Camilo Perez-Perez	Yes	Yes	Yes	Yes	Yes
9	Mr. Iskandar Mizal bin Mahmood	Yes	Yes	LOA	Yes	LOA
10	Mr. K. Ramakrishna Rao, *IAS*	Yes	Yes	Yes	LOA	Yes
11	Mr. Jayesh Ranjan, *IAS*	Yes	Yes	Yes	LOA	Yes
12	Mr. Joyanta Chakraborty	Yes	LOA	Yes	Yes	Yes
13	Mr. Dharmendra Bhojwani	Yes	Yes	Yes	Yes	LOA
14	Mr. A. Subba Rao	Yes	Yes	Yes	Yes	Yes
15	Dr. M. Ramachandran	Yes	Yes	Yes	Yes	Yes
16	Mr. Madhu Ramachandra Rao	Yes	Yes	Yes	Yes	Yes
17	Mrs. Bijal Tushar Ajinkya @	NA	NA	Yes	Yes	Yes
18	Mrs. Siva Kameswari Vissa $	Yes	Yes	NA	NA	NA

(Attended-Yes; Leave of absence granted –LOA, Not Applicable - NA)
@ appointed as a Director w.e.f. 15-09-2022
$ ceased to be a Director w.e.f. 20-08-2022

Attendance of the Committee Members at Committee Meetings held during the Financial Year:

Audit Committee Meetings:

Five 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	Date of the Meeting and Attendance				
		28-04-2022	18-07-2022	17-10-2022	20-01-2023	24-03-2023
1	Mr. A. Subba Rao, Chairman	Yes	Yes	Yes	Yes	Yes
2	Dr. M. Ramachandran	Yes	Yes	Yes	Yes	Yes
3	Mr. Madhu Ramachandra Rao	Yes	Yes	Yes	Yes	Yes
4	Mr. K. Ramakrishna Rao, IAS	Yes	Yes	Yes	Yes	Yes
5	Mr. C. Prasanna	Yes	Yes	Yes	Yes	Yes
6	Mr. Camilo Perez-Perez	Yes	Yes	Yes	Yes	Yes
7	Mrs. Bijal Tushar Ajinkya @	NA	NA	Yes	Yes	Yes
8	Mrs. Siva Kameswari Vissa $	Yes	Yes	NA	NA	NA

(Attended-Yes; Leave of absence granted –LOA, Not Applicable - NA)
@ inducted as member of the Audit Committee w.e.f. 30-09-2022
$ ceased to be a member of the Committee & Director w.e.f. 20-08-2022

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 Meeting & Attendance		
		28-04-2022	18-07-2022	20-01-2023
1	Dr. M. Ramachandran	E	Yes	Yes
2	Mr. A. Subba Rao	Yes	Yes	Yes
3	Mr. Madhu Ramachandra Rao	Yes	Yes	Yes
4	Mr. Dharmendra Bhojwani	Yes	Yes	Yes
5	Mr. Antoine Crombez	LOA	Yes	LOA
6	Mr. C. Prasanna	LOA	Yes	Yes

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)

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 Meeting and Attendance
		28-04-2022
1	Mr. A. Subba Rao	Yes
2	Mr. Jayesh Ranjan, IAS	LOA
3	Mr. H.J. Dora*	NA
4	Mr. C. Prasanna	Yes

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)
* *inducted as the CSR Committee Member w.e.f. 20-01-2023*

Stakeholders Relationship Committee:

One Stakeholders Relationship 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 Meeting and Attendance
		29-03-2023
1	Mr. Madhu Ramachandra Rao (Chairman)	Yes
2	Mr. Dharmendra Bhojwani	LOA
3	Mr. H.J. Dora*	Yes
4	Mr. C. Prasanna	Yes

(Attended-Yes; Leave of Absence granted-LOA)
* *inducted as the Member of Stakeholders Relationship Committee w.e.f. 20-01-2023*

Risk Management and Environment, Social and Governance (ESG) Committee:

One Risk Management and Environment, Social and Governance (ESG) 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 Meeting and Attendance
		24-03-2023

1	Mr. G.B.S. Raju	LOA
2	Mr. A. Subba Rao	LOA
3	Mr. Joyanta Chakraborty	Yes
4	Mr. Antoine Crombez	LOA
5	Mr. SGK Kishore	LOA
6	Mr. Pradeep Panicker	Yes

(Attended-Yes; Leave of Absence granted-LOA; Not Applicable-NA)
** Risk Management and ESG Committee was constituted w.e.f. 20-01-2023*

Board Sub-Committee Meetings:

The Board Sub-Committee for refinancing of Foreign Currency Bonds was formed for a specific purpose of re-financing. Two Board Sub-Committee meetings were held during the Financial Year and the details of attendance of the Committee Members are given below:

SNo	Name of the Committee Member	Date of the Committee Meeting and Attendance	
		29-11-2022	20-02-2023
1	Mr. Grandhi Kiran Kumar	Yes	Yes
2	Mr. K. Ramakrishna Rao, IAS	Yes	Yes
3	Mr. H. J. Dora	Yes	Yes
4	Mr. Antoine Crombez	Yes	Yes
5	Mr. C. Prasanna	Yes	Yes

Separate Meeting of the Independent Directors:

During the Financial Year, in terms of Section 149(4) read with Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI LODR Regulations, a separate meeting of the Independent Directors was held on May 30, 2022. 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	11-04-2022 30-09-2022 10-11-2022
2	Audit Committee	31-10-2022
3	Board Sub-Committee for refinancing of Foreign Currency Bonds	12-12-2022 13-12-2022 13-03-2023

General Body Meetings:

During Financial Year, the 19th Annual General Meeting of Members of the Company was held on September 15, 2022. An Extra Ordinary General Meeting of the members of the Company was held February 16, 2023.

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, corporate governance and expertise and competencies. 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. 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 (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	2,86,00,000 -- --	1,47,97,116 1,28,00,961 --	5,61,98,077
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify…	--	--	--
5	Others, please specify	39,14,000	35,54,746	74,68,746
	Total (A)	3,25,14,000	3,11,52,823	6,36,66,823
	Ceiling as per the Act	As per Special Resolution approved by the Shareholders	As per Special Resolution approved by the Shareholders	

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	4,80,000
2.	Dr. M. Ramachandran	4,60,000
3.	Mr. Madhu Ramachandra Rao	4,60,000
4.	Mrs. Bijal Tushar Ajinkya	2,40,000
5.	Mrs. Siva Kameswari Vissa	1,60,000
6.	Mr. K. Ramakrishna Rao, IAS	2,20,000
7.	Mr. Jayesh Ranjan, IAS	80,000
8.	Mr. Joyanta Chakraborty	1,00,000
9.	Mr. Dharmendra Bhojwani	1,40,000
10.	Mr. H.J. Dora	1,40,000
11.	Mr. Iskandar Mizal bin Mahmood	60,000
	Total	**25,40,000**

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.

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) & 134(5) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

b) that such accounting policies as mentioned in Note 3 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, 2023 and of the Profit 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.

PARTICULARS OF REMUNERATION:

Your Company is not an equity listed Company and as such 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.

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.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

GMR Air Cargo and Aerospace Engineering Limited (GACAEL):

Cargo Division:
During the Financial Year, the Cargo Division has Launched International Export Courier / Express Cargo as a new line of business, handled the prestigious Formula E-shipment, received Certifications: ISO 9001:2015, ISAGO (IATA Safety Audit for Ground Operations is an industry program for the global oversight of ground handling service providers) and TAPA (The Transported Asset Protection Association), which is aimed at setting the Standards for Supply Chain Resilience & Sustainability.

MRO Division:
During the Financial Year, the MRO Division has signed an Agreement with Spirit Aero for providing nacelle repair services. It signed a contract with Boeing for B737 freighter conversion and also, signed an agreement with Safran for De-Icer boots.

GMR Hospitality and Retail Limited (GHRL):

Hotel Division:
During the Financial Year, the Hotel Novotel Hyderabad Airport has achieved an occupancy of 65%. During the Financial Year, the Hotel has completed the renovation of its lobby and F & B Outlets, which were under renovation in the last financial year. The New Coffee Shop is renamed as "Food Exchange" with an increase in the seating capacity from 85 to 200 and the BAR outlet also renamed as Gourmet BAR with an increase in the Seating Capacity from 35 to 45. The newly renovated Lobby and Banquet Hall Rooms are elegant and vibrant, and all the guests are appreciative of the change and the feedback is quite positive. Hotel Rooms are under soft refurbishment and expected to be completed by mid of financial year 2023-24.

Hyderabad Duty Free Division:
During the Financial Year, the HDF Division has expanded the Area of Retail store at the Arrival location of RIGA by nearly 4 folds, also introduced new categories of products relating to Fashion category like watches, Sunglasses, and couple of Brands in the Perfumes and Cosmetics category like Dior, Chanel, etc. and implemented a Travel Retail module in the ERP to improve the customer experience.

GMR Hyderabad Aerotropolis Limited (GHAL):

During the Financial Year, about 20 Acres of land was monetized. By this around 23% of the land holding has been monetized.

GMR Hyderabad Aviation SEZ Limited (GHASL):

During the Financial Year, around 19 Acres of Land was monetized. By which around 43% of the land holding has been monetized.

GMR Hyderabad Airport Assets Limited (GHAAL):

During the Financial Year, the financial performance has improved, and the revenue increased as compared to the previous financial year.

Laqshya Hyderabad Airport Media Private Limited (LHAMPL):

During the Financial Year, LHAMPL achieved its highest sales ever in its history. There is an increase in its client base by 48% with a strong improvement in long term contracts as compared to the previous period.

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)

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

During June 2023, your Company has divested its entire equity stake in GMR Hyderabad Airport Assets Limited (GHAAL) at an enterprise value of Rs. 188.10 Crores, to ILP Core Ventures I PTE Limited, a step down subsidiary of Indospace Core PTE Limited. Indospace Core PTE Limited is one of the India's largest operators of core logistics and industrial real estates. GHAAL has an approximately 8,18,000 sqft warehouse facility located at the Hyderabad Airport. The sale proceeds will be utilised to provide seed capital to fund such new emerging opportunities.

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.

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:

S No	Name of the entity	Relationship	Amount (Rs. in Crores)	Particulars
1.	GMR Infrastructure Limited (GIL)	Holding Company	141.20	Extended the existing inter corporate loan for a further period of one year.
2.	GMR Power and Urban Infra Limited (GPUIL)	Fellow Company	58.80	Extended the existing inter corporate loan for a further period of one year.
3.	GMR Hospitality and Retail Limited (GHRL)	Subsidiary	50.04	Provided security by way of pledge of GHRL shares held by the Company in favour of Lenders of GHRL to secure its credit facilities.
4.	GMR Hyderabad Aviation SEZ Limited (GHASL)	Subsidiary	172.00	Extended Corporate Guarantee in favour of the Lenders of GHASL for securing its term loans.
5.	GMR Hyderabad Aerotropolis Limited (GHAL)	Subsidiary	62.00	Made further investment by subscription to the rights issue of GHAL.

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 of 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. Omnibus approval is obtained on a yearly basis for transactions which are of a repetitive nature. All the RPTs are mentioned in Note No. 52 of the Notes to the Standalone Financial Statements of the Company for the Financial Year.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company (GHIAL-CSR) has been implementing community development initiatives in the villages surrounding RGIA for the last 17 years in collaboration with GMR Varalakshmi Foundation. Intensive activities have been focused in six villages i.e., Airport Colony (rehabilitation colony), Gollapally, Mamidipally, Shamshabad, Charinagar and Ranganayakula Thanda as these are the villages most affected by the airport. The CSR initiatives are also extended to another 17 villages surrounding the airport. Apart from running a vocational training centre for dropout youth from disadvantaged communities, your Company is also running different activities under the thrust areas of Education, Health, Hygiene & Sanitation and Empowerment and Livelihoods in the community.

During the Financial Year, the following activities/initiatives were taken up under Preventive Health Care & Sanitation; Promoting Education including Vocational Skills, Gender Equality through Women Empowerment activities as per CSR policy of your Company.

Preventive Health Care and Sanitation:

The Mobile Medical Unit (MMU) started its operations from the year 2005 in association with Help Age India, providing healthcare services to the elderly people in 13 villages. In target villages, 5-7 per cent of the population comprises of senior citizens and all are availing MMU services. Once-a-week, MMU visits all the 13 villages around the airport and elderly are making use of the medical advice and free medicines as per their need. During the reporting period, 23865 treatments were provided, and medicines were also given to the needy.

Inaugurated Early Intervention Centre for specially abled children at Shamshabad. This centre has been equipped with different physiotherapy equipment & teaching learning tools. It provides weekly twice physiotherapy services and special education on regular basis. 25 needy and specially abled children are accessing these services.

To reduce the infant mortality and malnutrition among children, your Company initiated Nutrition Centres at Airport Rehabilitation Colony, Ranganayakula Thanda and Mamidipally villages for pregnant and lactating women. These Centres provide daily nutrition supplements, health awareness sessions and regular health check-ups for them. During the year, 337 under-privileged women got benefitted from these centres.

Promoting Education and Vocational Skills:

***Enhancing Quality of Education*:** GHIAL CSR Unit is working with the community children focusing on Education to ensure children have access to quality educational experience. The initiatives range from running Bala Badi for preschool education, Minimum Learning Standard (MLS) for slow learner and After School Learning Centre (ASLC) for Government School students to harness their interest towards learning. The approach includes direct interactions, digital classroom sessions following curricular and extracurricular activities.

The ASLC provides tuition support to slow learners and the opportunity to engage students in cocurricular and extra-curricular activities. Around 4,000 children benefitted through workbooks & Notebooks. SMART Board class and STEM lab sessions were initiated in two high Schools. Under Gifted Children Scheme, we continued supporting 126 students. The Gifted Children Scheme is to support education of meritorious under-privileged children from the community. The complete educational expenses (including school fees, transportation charges, books, and miscellaneous charges towards extracurricular activities etc.,) of the children are borne by your GHIAL CSR initiative.

***Skill Development*:** GHIAL CSR Unit is implementing various initiatives for empowering youth and women, including vocational training for drop out youth viz the Centre for Empowerment & Livelihoods (CEL-H), Shamshabad. The CSR Unit strongly believes that building and nurturing skills amongst youth is key to making a difference to their lives and to society. This Centre has been involved in skilling since 2008, when it set up its first skill training center in the vicinity of the airport. GHIAL CSR Unit is currently running 4 vocational training Centers in the states of Telangana and Karnataka namely GMR Varalakshmi Center for Empowerment and Livelihoods (CEL)-Hyderabad, CEL-Raikal, CEL-Nagaram and CEL-Hubbali.

These Centres offer a menu of 10 courses in collaboration with lead industry partners like Volvo, Schneider, Voltas, Saint-Gobain, TVS, etc., to equip trainees with market relevant skills. The Centre also provides placement and post-placement support for trainees. This year a new course on Domestic Cooks training was conducted in collaboration with a local NGO Sayodhya and also Cloud Computing Course in collaboration with Tech-Mahendra Foundation. In 2022-2023, 1564 candidates were trained in these centers wherein 1467 settled (93%) either by way of wage employment or self-employment.

Promoting Gender Equality and Empowerment of Women:

Supporting Livelihoods: Women empowerment is one of the key focus areas of GHIAL-CSR and as part of this, women groups from affected villages have been trained on tailoring, making jute and paper products etc. To further support the women in marketing these products, an initiative called EMPOWER (Enabling Marketing of Products of Women Entrepreneurs) has been initiated by GHIAL CSR. The CSR team has also facilitated setting up of a women co-operative called Srujana Mahila Abhivruddhi Society for strengthening the skills and capacities of the members to manage the initiative on their own. Looking at the market demands, skill up-gradation programs have been organized periodically, taking the help of expert resource agencies. This has been helpful in improving the quality and product range to a great extent. The regular clients for EMPOWER include Tirumala Tirupati Devasthanam, KSM Aswagandha, HMS Host, Bharati Cements, Jute Corporation of India, National Jute Board, National Thermal Corporation of India, Indian Surgicals, Taj Falaknuma, Hetero and Biological E Ltd. and other individual clients. One of the marketing channels tapped by EMPOWER to market its products is through online stores like Flipkart, Amazon, etc. This year close to 50 women were benefitted in getting occupation for their livelihoods.

***Employee Volunteering*:** GHIAL-CSR believes in effective partnership and participation of corporate employees in community services. During the period 2022-23, around 86 employee involvement programs were organized to create opportunities for employee involvement, and 568 employees / family members were involved and invested 1,696 man hours in community services. There was lot of active participation from the department heads and leadership team for different volunteering initiatives.

The CSR Annual Report 2022-23 as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, which is annexed to this report as **Annexure-3**

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, 2023	For the year ended March 31, 2022
Professional charges	0.48	0.69
Interest*	-	-
Other borrowing cost**	24.00	18.40
Others	19.14	6.66
Total	**43.62**	**25.75**

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

***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 a 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 for Financial Year, which are being monitored at regular intervals along with mitigating measures:

SNo	Key Risk	Risk Description
1	Airline Dependency	70% of Hyderabad Operations by IndiGo
2	Market Related Risk	Geopolitics Capacity constraints at other airports
3	Safety	Safety issues leading to reputational damages, regulatory issues and business disruption
4	Alternatives to Air Travel	Road, Railway becoming the preferred modes
5	Environment concerns of aviation	Environmentally conscious mindset of passengers

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.

AUDITORS:

Statutory Auditors and Statutory Audit Report:

M/s. K. S. Rao & Co., Chartered Accountants [ICAI Firm Registration No. 003109S] were re-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 19th Annual General Meeting (AGM) held in the year 2022 till the conclusion of the 24th AGM to be held in the year 2027.

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:

As detailed in Note 50 to the accompanying standalone financial statements, the Company had not recognized necessary adjustments in the carrying value of the up-front processing fees receivable amounting to Rs. 63 crores from Yes Bank Limited ("the Bank") basis the factors mentioned in the aforesaid note. However, owing to the delays in obtaining requisite approvals by the Bank for refund of the upfront processing fee, the management of the Company has assessed and written-off the upfront fee receivable, during the year ended 31 March 2023.

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

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

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

There are no qualifications, reservations or adverse remarks made by the auditors in their reports for the year ended March 31, 2023. There was a modified opinion of the previous year's comparative numbers with respect to the upfront processing fees of Rs.63 Crores paid to Yes Bank Limited in respect of an undrawn loan facility of Rs.4,200 Crores in the year 2019.

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. In view of the above and on the basis of the on-going discussions with the Bank officials, management was confident of recovery of the said amount in full, and accordingly, no adjustments were considered necessary in the financial statements for the financial year ended March 31, 2022.

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

Statement on Impact of Audit Qualifications as required under Regulation 53(1)(a) read with Regulation 52(3)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, is herewith attached as an **Annexure-4.**

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-5** 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.

Further, the Secretarial Audit reports of material unlisted subsidiaries of the Company incorporated in India, as required under Regulation 24A of the SEBI LODR Regulations for the financial year ended March 31, 2023, have been annexed as "**Annexure 5-A to 5-B**".

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 and Co., Cost Accountants (Firm Registration No. 000042), as Cost Auditor to audit the cost records of the Company for the financial year 2023-24. As required under the Companies Act, 2013, a resolution seeking Shareholders' ratification for the remuneration payable to the Cost Auditor forms part of the Notice convening the 20th AGM.

SECRETARIAL STANDARDS:

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

SEBI LODR REGULATIONS:

Consequent upon issue and listing of Non-Convertible Debentures ("NCDs") with effect from December 14, 2022, your Company has become a high value debt listed Company. The Company complied with the applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR Regulations).

The Report on Corporate Governance as stipulated under relevant provisions of SEBI LODR Regulation read with Master Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022, forms part of the Annual Report as Annexure-6. The requisite Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the said Report.

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.

ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2023 has been placed on the Company's website at https://www.hyderabad.aero.

DETAILS OF EMPLOYEE STOCK OWNERSHIP PLANS:

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

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, 2023, there were 726 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 and Ekalavya.

***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 biannually 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, mid-level management employees underwent Catapult Program which is designed to build the leadership pipeline.

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', 'Star of the Year' '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 joiners, 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, 15^{th} Anniversary Celebrations, 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, Ramzan, Holi, Deepavali, Onam, Women's Day, Father'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.

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, 2023.

INVESTOR COMPLAINTS:

Pursuant to the requirements of Regulation 13 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], your Company is registered on the SEBI Complaints Redress System (SCORES) platform, in order to handle investor complaints electronically in the manner specified by the SEBI.

During the financial year 2022-2023, no investor complaints were:

- Pending at the beginning of the financial year.
- Received during the financial year.
- Disposed of during the financial year.
- Remaining unresolved at the end of the financial year.

SAFETY:

During the Financial Year, there has been a significant increase in the Air Traffic Movements which resulted in the increase of the passenger Movements. Also, RGIA has undertaken various expansion activities both in the Airside, Landside and Passenger Terminal Building to accommodate the growth of the passengers as well as Air Traffic Movements. The resultant exponential grown had increased the risk for greater number of incidents and accidents which had been addressed by the RGIA Safety department which has always ensured stringent compliance with Safety regulations.

Special oversight audit programs were conducted which includes external consultants, cross functional teams to ensure safe operations are undertaken in full compliance with the regulatory standards.

RGIA, as a part of its continuous efforts towards enhancing safety had developed a Business continuity plan wherein 20 mega threats and 48 associated sub threats had been identified and documented. Accordingly, related mock and tabletop exercises have been conducted to validate the BCP and identified threats and the responsibilities to the concerned agencies had been ear marked. To strengthen the in-house developed BCP plan, RGIA had engaged an external consultant to test the effectiveness of these plan at RGIA which will start from August, 2023.

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 had expanded 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.

To measure the effectiveness of the Safety frameworks currently in place at RGIA and to understand the safety perception of the employees and stakeholders working at RGIA, your Company has engaged DuPont Sustainable solutions - a world class leader in implementation of safety performance, to suggest a road map for enhancing the safety culture. The total engagement was divided into two phases. Phase-1 engagement had been completed with different evaluations which are mentioned under:

1. Conduct of Safety Perception Survey
2. Conduct Safety Management Evaluation- Leadership Interactions
3. Site Visits and Special SCM workshops were conducted.
4. SME reports were submitted along with a future road map.

After the successful completion of the Phase-1, Dupont had submitted the detailed roadmap for the next two years for strengthening the Safety Culture at RGIA.

The road map will be implemented accordingly over the next two years at RGIA with agency onboarding from July/August, 2023

2. Safety Performance and assurance during Financial Year:

Despite 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 external/internal stakeholders and agencies operating at RGIA, which was created to strengthen the Safety Management System ("SMS") at RGIA which 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 & Preventive Action) effectiveness checks of all critical activities within the airport.

Also, as a proactive safety initiative RGIA had introduced the Hyderabad Safety Council, first of its kind in India with the overall objective to deliberate, develop and implement various proactive measures jointly to enhance the 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. Also, to encourage the Safety reporting, bar codes had been displayed all over the critical locations to increase the effectiveness of the hazard reporting system. This has helped the Company to proactively mitigate potential safety concerns well before they become a serious occurrence. 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 reporting. 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 TOPS, CFL, ORAT, TS and GHIAL-Safety 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 CFT (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.

Over the past few years, Safety management systems at RGIA have been completely manual and over the period, RGIA Safety Dept. felt that the entire Safety Management Systems should be automated. The objective for this initiative is to provide our Safety partners a single source of truth. It also facilitates better analysis of the data, improved communication, getting updated trends, real time compliances etc. Your airport is in the customisation phase in respect of the RGIA requirements.

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 Ladder Safety Awareness program which had been organized with the service providers associated within the Airport Eco system. Also, the stakeholders are sensitized regularly through safety bulletins and safety alerts through various communication channels.

GHIAL had brought in a practice to celebrate a reward and recognition programme for members from airlines, GHAs, 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.

GHIAL aims for a Zero major accident/ incident for the future.

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, RGIA has always ensured stringent compliance with Safety and Environment regulations.

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

- In terms of recognition for its continuing contribution and achievement for Environmental Protection initiatives, RGIA continues to retain its Carbon Neutral Level 3 Plus status. This certificate is valid till December 2023. The Level 3+ Neutrality is a recognition of the airport's great efforts in reducing / neutralizing carbon emissions.
- Installed EV charging stations at the airport.
- Biodiesel fuel station opened.
- 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 plastics of not less than 120 microns before December 2023.
- Won the CII National Awards for "National Energy Leader" & "Excellent Energy Efficient Unit" Categories.
- ~ 20 vehicles converted to Electric to reduce the Carbon footprint.
- >80% conversion to LED lights across the Terminal,

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 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 started programs like Ekalavya and Catapult for better career progression programmes for high potential employees and will start the advanced phase of the same in Financial Year 2023-24 (Intermediate phases already started)

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

- Conducting Employee satisfaction surveys at the organizational level and further disclosing employee results internally. Your Company is also working on an Employee Engagement survey called ECHO by the GMR Group.
- Each employee has access to a web-based platform for online training on relevant topics as identified during their performance review, the same training can be accessed via the MyGMR app as well. 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 domains 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, Stakeholders Relationship Committee and Risk Management and Environment, Social and Governance (ESG) 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 and SEBI LODR Regulations. All the Committees have an optimum representation of Independent Directors. 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 the 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 adopted from the GMR Group and 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 an 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 wrongdoing 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 a monthly basis to the Executive Directors, the other component of remuneration viz. commission on an annual basis is linked to the performance of the Company, based on its net profits.

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.

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 : Goa	Place : Hyderabad
Date : July 27, 2023	Date : July 27, 2023

Annexure-1 to GHIAL Board's Report FY 2022-23

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 and Regulation 19 of the Listing Regulations. 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. 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.

1. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

1.1. APPOINTMENT CRITERIA AND QUALIFICATIONS

(a) Subject to the applicable provisions of the Companies Act, 2013, the Listing Agreement, Listing Regulations, 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 Senior Management and recommend to the Board his / her appointment.

(b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.

(c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the maximum age of retirement as prescribed under relevant applicable laws, unless an appropriate Resolution is passed to that effect, as prescribed under relevant applicable laws.

(d) Further, the appointment of any whole-time KMP of the Company and Independent Director as per the terms and conditions as prescribed under relevant applicable laws.

1.2. TERM / TENURE

1.2.1. 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 term.

1.2.2. Independent Director

(a) The appointment / re-appointment / removal / resignation of Independent Director shall be pursuant to the provisions of Companies Act, 2013 and the Listing Regulations.

(b) 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.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Further, no independent director, who resigns from a listed entity, shall be appointed as an executive / whole time director on the board of the listed entity, its holding subsidiary or associate company or on the Board of a Company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an Independent Director.

(c) At the time of appointment of Independent Director, it should be ensured that that the appointment should be in compliance of the rules and regulations as laid down in the Companies Act, Rules made thereunder, Listing Agreement and any other applicable law.

(d) The maximum number of companies in which a person shall hold office as Director, including any alternate directorship, shall not exceed Twenty Companies at the same time. Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten out of which not more than 7 may be in Listed (equity Listed) Companies.

For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

1.3. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

1.4. EVALUATION

In terms of Section 178 and subject to Schedule IV of the Companies Act, 2013 and Listing Regulations, the Committee shall specify the manner for effective evaluation of performance of Independent Directors, Board, its Committees and other individual directors and review its implementation and compliance periodically.

1.5. 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.

1.6. 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. Subject to applicable regulations, 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.

1.7. SUCCESSION PLANNING

A. The Company shall follow GMR Group Policy on Succession Planning to identify critical job positions including board of directors and senior management and provide Succession to these positions for business continuity & Institution Building.

B. Corporate HR (CHR) will initiate the process for identification of individuals by CEO/HOD/Chairman, as may be applicable, in the context of AOP, business and workforce plans.

C. Job specifications will be shared with CEO/HOD/Chairman to help identify potential successors.

D. Succession Planning Policy & Process will be administered by CHR in partnership with the CEO/HOD/Chairman.

E. Confidentiality with regard to outcome of the Succession Planning exercise will be maintained at all times.

2. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT PERSONNEL

2.1. GENERAL

(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 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 and the Listing Regulations.

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

(d) Where any insurance is taken by a company on behalf of its Directors and Officers, for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

2.2. REMUNERATION TO MANAGERIAL PERSONNEL, KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES

2.2.1. Fixed Pay

Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and / or Central Government, wherever required.

2.2.2. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

2.2.3. Provisions for excess remuneration

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government as per applicability.

2.2.4. The remuneration to KMPs and Personnel of Senior Management shall be governed by the GMR Group HR Policy.

2.2.5. The remuneration to other employees shall be governed by the GMR Group HR Policy.

2.3. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

2.3.1. Remuneration / Commission

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2.3.2. Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

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

2.3.3. Limit of Remuneration / Commission

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

2.3.4. Stock Options

An 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 : Goa	Place : Hyderabad
Date : July 27, 2023	Date : July 27, 2023

Annexure - 2 to the GHIAL Board's Report FY 2022-23

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 2022-23:

- Replacement of conventional lights with LED at various locations – PTB
- Heating, Ventilation and Air Conditioning (HVAC) Low side Improvement Works (Refurbishment of AHUs) – PTB
- Operationalizing energy efficient Chillers & Pumping system at expansion areas – PTB
- Upgradation of water filtration pumps at Water Treatment Plant (WTP)Pump House – ALS
- Upgradation of Sewage Treatment Plant (STP) 1 & 2 Feed pumps with energy efficient pumps – ALS
- Energy & Domestic Water conservation at Township - ALS

Brief Summary of some Key Projects:

- **Replacement of conventional lights with LED at various locations in Passenger Terminal Building (PTB):**
  With a strategic objective to convert the airport into 100% LED Airport in a phased manner, conventional lights installed in the airport like airport village, departure forecourt & Level-E Arrival Hall were replaced with LED without impacting operations, illumination level & overall passenger experience.

- **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. During COVID pandemic, Indian Society of Heating, Refrigeration and Air Conditioning Engineers (ISHRAE) revised guidelines for maintaining the indoor air quality. To cope up with the revised guidelines and to enhance the efficiency of the AHUs, we have taken up refurbishment of the AHUs in a phased manner with in-house team.

- **Operationalizing energy efficient Chillers & Pumping system at expansion areas (PTB):**
  Currently, GHIAL is operating 07 chillers to cater to the Terminal's HVAC demands. Based on operational experience of old chillers, advised Projects team for Installation of energy efficient chillers in expansion areas. With the operationalization of new chillers in PTB, this has helped in significant energy conservation in HVAC operations.

- **Upgradation of Pumping System at WTP & STP (ALS):**
  The existing water filtration pumps installed at WTP and the Feed pumps installed in STP-1 & STP-2 have been in operation since operationalization of the airport. These pumps were replaced with energy efficient pumping system, helping conserve energy consumption at WTP & STP facilities.

(b) Additional investments and proposals implemented for reduction of energy consumption in the Financial Year 2022-23:

- Replacement of conventional lights with LED at various locations (PTB) – 12.81 Lakhs
- HVAC Low side Improvement Works (Refurbishment of AHUs at PTB) – Zero investment
- Operationalizing energy efficient Chillers & Pumping system at expansion areas (PTB) – *installed under Expansion project budget.*
- Upgradation of water filtration pumps at WTP Pump House (ALS) – Zero investment
- Upgradation of STP 1 & 2 Feed pumps with energy efficient pumps (ALS) – Rs. 6.20 lakhs
- Energy & Domestic Water conservation at Township (ALS) – Rs. 30 Lakhs

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

Overall Energy Performance Index (kWh/Sq. Mtr.) has decreased by 33.94% when compared with previous year. As a result, energy consumption per Sq. Mtr. at Terminal was recorded to be 7.98 kWh/ Sq. Mtr. (Average) in FY 2022:23 against 12.07 kWh/Sq. Mtr. (Average) in FY 2021-22.

Following initiatives are planned in the Financial Year 2023-24 for reduction of energy consumption:

- Upgradation of conventional Terminal lights in existing Terminal to LED in accordance with Expansion area Lighting design (PTB) – Rs. 1,252 Lakhs (FY24 cashflow)
- Upgradation of 2 No's of 200 kVa UPS to technologically advanced, energy efficient UPS – Rs. 80 Lakhs (FY24 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 : Goa	Place : Hyderabad
Date : July 27, 2023	Date : July 27, 2023

Annexure-3 to GHIAL Board's Report 2023

GMR Hyderabad International Airport Limited

Annual Report on CSR Activities for the Financial Year 2022-23

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 2022-23	Number of meetings of CSR Committee attended by the Committee members during the financial year 2022-23
1	Mr. A. Subba Rao	Chairman of the CSR Committee (Independent Director)	One (1)	One (1) #
2	Mr. H J Dora*	Member of the CSR Committee (Non-Executive Director)	Not Applicable	Not Applicable
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 January 20, 2023 by induction of Mr. H.J. Dora as a Member of the CSR Committee*

\# *Attended the CSR Committee Meeting held on April 28, 2022*

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)
1	2021-22	36,704	--
	Total	36,704	

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

Financial Year	**Net Profits (**Amount in Rupees)
2019-20	692,77,20,011
2020-21	(229, 53,11,988)
2021-22	(156,32,12,251)
Total Net Profit / (Loss) for 3 years	306,91,95,772
Average Net Profit / (Loss) per year	102,30,65,257

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 2,04,61,306/-**
(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. 2,04,61,306/-**

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		8485000.00	No	GMR Varalakshmi Foundation	CSR00000851
2.	Education support to rural community – Rajam	Education	No	Andhra Pradesh, Vizianagaram		9731000.00	No	GMR Varalakshmi Foundation	CSR00000851
3.	Health and Sanitation programme in airport surrounding villages – Hyderabad	Health, Hygiene and Sanitation	Yes	Telangana, Ranga Reddy		5425000.00	No	GMR Varalakshmi Foundation	CSR00000851
4.	Rural Health and Sanitation programme – Rajam	Health, Hygiene and Sanitation	No	Andhra Pradesh, Vizianagaram		7103000.00	No	GMR Varalakshmi Foundation	CSR00000851
5	Community development Programs including infra support works in neighboring villages and other contributions	Community Development	Yes	Telangana, Ranga Reddy		6687000.00	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	Skill Development to unemployed youth – Hyderabad	Empowerment & Livelihoods	Yes	Telangana, Ranga Reddy		9625000.00	No	GMR Varalakshmi Foundation	CSR00000851
7	Skill Development to Agri-Entrepreneurs and Women, Hyderabad	Empowerment & Livelihoods	Yes	Telangana, Ranga Reddy		3900000.00	No	GMR Varalakshmi Foundation	CSR00000851
8	Skill Development to unemployed rural youth – Raikal	Empowerment & Livelihoods	No	Telangana, Jagityal,		2400000.00	No	GMR Varalakshmi Foundation	CSR00000851
9	Skill Development to unemployed rural youth – Nagaram	Empowerment & Livelihoods	No	Telangana, Siricilla		2908000.00	No	GMR Varalakshmi Foundation	CSR00000851
10	Skill Development to unemployed tribal youth – Kevadia	Empowerment & Livelihoods	No	Gujarat, Kevadia,		3556000.00	No	GMR Varalakshmi Foundation	CSR00000851
11	Skill Development to unemployed rural youth – Rajam	Empowerment & Livelihoods	No	Andhra Pradesh, Vizianagaram		9398000.00	No	GMR Varalakshmi Foundation	CSR00000851
12	Skill Development to unemployed youth – Hubli	Empowerment & Livelihoods	No	Karnataka, Hubli		2000000.00	No	GMR Varalakshmi Foundation	CSR00000851
13	Livelihood support to Women – Hyderabad	Empowerment & Livelihoods	Yes	Telangana, Ranga Reddy		8958000.00	No	GMR Varalakshmi Foundation	CSR00000851
14	Prathibha Coaching for unemployed youth – Hyderabad	Empowerment & Livelihoods	Yes	Telangana, Ranga Reddy		865000.00	**No**	GMR Varalakshmi Foundation	CSR00000851
15	Skill Development to unemployed youth – Muchintal	Empowerment & Livelihoods	Yes	Telangana, Ranga Reddy		278000.00	No	GMR Varalakshmi Foundation	CSR00000851
16	Skill Development to unemployed youth – Atkur	Empowerment & Livelihoods	No	Andhra Pradesh, NTR District (Vijayawada),		681000.00	No	GMR Varalakshmi Foundation	CSR00000851
	Total					**82000000.00**			

(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. 2,04,61,306
(ii)	Total amount spent for the Financial Year	Rs. 8,20,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 6,15,38,694
(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 from preceding financial years (in Rs)	Rs. 36,704
(iv)	Amount available for set off in succeeding financial years [(iii)-(iv)+(v)]	Rs. 6,15,75,398

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 duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting	Status of the project Completed / Ongoing

			project was commenced			**(in Rs)**	**Financial Year (in Rs.)**	
		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/-

C. Prasanna
Director
DIN: 01630300

Place : Hyderabad
Date : July 27, 2023

Sd/-

G. B. S. Raju
Managing Director
DIN : 00061686

Place : Goa
Date : July 27, 2023

Sd/-

A. Subba Rao
Chairman of the CSR Committee
DIN : 00082313

Place : Bengaluru
Date : July 27, 2023

Annexure 4 to GHIAL Board's Report FY 2022-23

GMR Hyderabad International Airport Limited
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Hyderabad International Airport Limited along with its audited standalone financial statements for the year ended March 31, 2023

(in ₹. crore except for earning per share)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) to be read with II(a) and II(e)(ii) below
	1	Turnover / total income	1,384.36	1,384.36
	2	Total Expenditure	1,351.37	1,351.37
	3	Net profit/(loss)	32.99	32.99
	4	Earnings Per Share (in ₹.) - Basic & Diluted	0.87	0.87
	5	Total Assets	11,403.41	11,403.41
	6	Total Liabilities	9,600.34	9,600.34
	7	Net Worth	1,803.07	1,803.07
	8	Any other financial item(s) (as felt appropriate by the management)	Not applicable	

II. Audit Qualification (each audit qualification seperately) :

Qualification

a. Details of audit qualification:

As detailed in Note 50 to the standalone financial statements for the year ended March 31, 2023, the Company had not recognized necessary adjustments in the carrying value of the up-front processing fees receivable amounting to ₹. 63 crores from Yes Bank Limited ("the Bank") basis the factors mentioned in the aforesaid note. However, owing to the delays in obtaining requisite approvals by the Bank for refund of the upfront processing fee, the management of the Company has assessed and written off upfront fee receivable during the quarter and year ended 31 March 2023.

Our opinion on the standalone financial statements for the year ended 31 March 2022 and conclusion on quarter ended 31 December 2022 was qualified in respect of above matter for lack of sufficient appropriate evidence to support management's assessment of recoverability of the said balance as on the respective reporting dates.

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

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:** First year of qualification

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i)Management`s estimation on the impact of audit qualifications: Not applicable

(ii) if management is unable to stimate the impact, reasons for the same:

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 ₹. 4,200 crores, and had incurred an up-front processing fee of ₹. 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. Further, management had obtained legal opinion from an independent lawyer regarding the Company's right to receive the refund of upfront fee and accordingly had considered the amount recoverable in full as of March 31, 2022.

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

(iii) Auditor`s Comments on (i) or (ii) above: As stated in point II(a) above.

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 : Goa	Place : Hyderabad
Date : July 27, 2023	Date : July 27, 2023

CS **KBG Associates**
Company Secretaries

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,
Telangana, India – 500 018

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, 2023; 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, 2023 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.	The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder, as may be applicable;
5.	The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
6.	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad
Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**

Company Secretaries

Sl	Particulars	
7.	The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ;)	
8.	The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;	
9.	The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018	
10.	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.	
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 meetings of : i) the Board of Directors held on 28th April, 2022; 18th July, 2022; 20th October, 2022 20th January, 2023 and 24th March, 2023; ii) Audit Committee held on 28th April, 2022; 18th July, 2022; 17th October, 2022; 20th January, 2023 and 24th March, 2023; iii) Nomination and Remuneration Committee held on 28th April, 2022, 18th July, 2022 and 20th January 2023; iv) CSR Committee held on 28th April, 2022; v) Risk Management and Environment, Social and Governance (ESG) Committee held on 24th March, 2023; vi) Stakeholders Relationship Committee held on 29th March, 2023; vii) Other Board Sub-Committees held on 29th November, 2022 and 20th February, 2023;

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

<table>
<tr><th>Sl</th><th colspan="2">Particulars</th></tr>
<tr><td></td><td>f.</td><td>The Nineteenth (19th) Annual General Meeting held on 15th September, 2022 and the Twenty-Sixth (26th) Extraordinary General Meetings held on 16th February, 2023 during the year;</td></tr>
<tr><td></td><td>g.</td><td>Approvals of the Members, the Board of Directors, the Committees of Directors wherever required;</td></tr>
<tr><td></td><td>h.</td><td>Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors;</td></tr>
<tr><td></td><td>i.</td><td>Payment of remuneration to the Executive Chairman and Managing Director and payment of sitting fees to other Directors (including Independent Directors);</td></tr>
<tr><td></td><td>j.</td><td>Appointment and remuneration of Auditors i.e. joint Statutory Auditors M/s. K. S. Rao & Co., Chartered Accountants, Bengaluru and M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Hyderabad;</td></tr>
<tr><td></td><td>l.</td><td>Declaration and distribution of dividends- No dividend was declared during the year under review;</td></tr>
<tr><td></td><td>m.</td><td>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;</td></tr>
<tr><td></td><td>n.</td><td>Borrowings and registration, modification and satisfaction of charges wherever applicable;</td></tr>
<tr><td></td><td>o.</td><td>Investment of the Company’s funds including investments and loans to others;</td></tr>
<tr><td></td><td>p.</td><td>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 Annual Accounts prepared as per Ind-AS and I-GAAP provisions, have been adopted by the Board.</td></tr>
<tr><td></td><td>q.</td><td>Board’s Report;</td></tr>
<tr><td></td><td>r.</td><td>Contracts, common seal, registered office and publication of name of the Company.</td></tr>
<tr><td>B.</td><td colspan="2">Under the Companies Act, 2013, we further report that :</td></tr>
<tr><td>i.</td><td colspan="2">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. Kiran Kumar Manikwar (FCS : 9062) was appointed as the Company Secretary and a Key Managerial Person as per Section 203 wef 28th April, 2022.
b. Mr. Anup Kumar Samal (FCS : 4832) resigned as the Company Secretary and Key Managerial Person as per section 203 wef 6th April, 2022.
c. Mr. Madhu Ramachandra Rao (DIN : 02683483) was reappointed as an Independent Director in the 19th AGM held on 15th September, 2022, for the 2nd term of five (5) years effective 15th September 2022</td></tr>
</table>

Sl	Particulars
	d. Mrs. Siva Kameswari Vissa (DIN: 02336249) retired as an Independent Director after completion of her 2nd term, on 20th August 2022. e. Mrs. Bijal Tushar Ajinkya (DIN : 01976832) was appointed as Independent Director in the 19th AGM held on 15th September, 2022, for the 1st term of five (5) years effective 15th September 2022 f. Mr. Dharmendra Bhojwani (DIN : 08826067) who was appointed as Additional Director wef 6th January, 2022 was appointed as Director in the 19th AGM held on 15th September, 2022. g. Mr. Iskandar Mizal Bin Mahmood (DIN : 09479519) who was appointed as Additional Director wef 2nd February , 2022 was appointed as Director in the 19th AGM held on 15th September, 2022. h. Mr. H J Dora (DIN : 02385290) appointment Non-Executive Director was taken up with members in their meeting held on 16th February, 2023 and members approval was accorded in this regard as per Regulation 17 (1A) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
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.
vii.	Further, we have been given to understand that the Directors of the Company have completed the Annual Board Evaluation under Dess Digital Platform.
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.

Sl	Particulars
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.
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 2022-23 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 an IT-enable Legatrix compliance management tool has been implemented for the compliance monitoring and management of all the laws applicable to the Company.
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 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').
7.	During financial year 2022-23, the Company had issued Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") on private placement basis in December 2022 for an amount of Rs. 1150.00 cr and in March 2023 for an amount of Rs. 840.00 cr; aggregating upto Rs.1990.00 cr. The proceeds of NCD issues were utilised for part-refinancing of the Foreign Currency Bonds. The NCDs are listed on BSE Limited and the Company is a High Value Debt Listed Entity. Further, based on the verification of reporting made by the Company with BSE Limited and information furnished to us, we report that the Company has complied with applicable Regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

For KBG Associates
Company Secretaries
Firm Regn No # P2009AP006100
Sd/-
Srikrishna Chintalapati
Partner
CP No: 6262
UDIN : F005984E000655479

Place: Hyderabad
Date: 20th July, 2023

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.

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**
Company Secretaries

'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.	Wherever 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
Firm Regn No # P2009AP006100

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

Place : Hyderabad
Date : 20th July, 2023

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad
Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**
Company Secretaries

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 Board of Directors
GMR Hospitality and Retail Limited
CIN: U52100TG2008PLC060866
GMR Aero Towers, Rajiv Gandhi International Airport
Shamshabad, Hyderabad, Telangana -500108

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GMR HOSPITALITY AND RETAIL 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 March 31, 2023, 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 March 31, 2023 according to the provisions of:

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.	We have also examined compliance with the applicable clauses of the following: Secretarial Standards issued by The Institute of Company Secretaries of India.

CS

KBG Associates

Company Secretaries

Sl		Particulars
1.		**Under the Companies Act, 2013**
A.		That 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 that the Company has, in our opinion, complied with the provisions of the Companies Act. 2013 ("the Act") and the rules made under the Act 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.	The Company has not closed its register of Members, since the same was not required;
	c.	Forms, returns, documents and resolutions required to be filed with the Register of Companies and the Central Government;
	d.	Service of documents by the Company on its members and Registrar of Companies.
	e.	Notices, Agenda and Minutes of proceedings of General Meetings and of the Board and its Committee meetings including Circular Resolution;
	f.	The meetings of : Board of Directors held on 25th April, 2022, 20th July, 2022, 28th October, 2022 and 17th January, 2023.
	g.	The Annual General Meeting held on 16th September, 2022 and no extra ordinary general meeting was held during the year.
	h.	Approvals of the Members, the Board of Directors, the Committees of Directors wherever required;
	i.	Constitution of the Board of Directors, appointment, retirement and reappointment of Directors.
	j.	Payment of remuneration to Directors
	k.	**Appointment and remuneration of Auditors**; During the year, M/s. K.S. Rao & Co., Chartered Accountants, Bengaluru, were appointed as the Statutory Auditors of the Company w.e.f 8th January, 2021 and hold the office of auditors till conclusion of 2026 Annual General Meeting.
	l.	There were no transfers, transmission of shares took place during the year and there are no occasions which required issue of duplicate share certificates.
	M	Declaration and distribution of dividends (the Company has not declared any dividend during the FY 2021-2022)

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**

Company Secretaries

Sl		Particulars
	n.	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).
	o.	Borrowings and registration, modification and satisfaction of charges wherever applicable;
	p.	Investment of the Company's funds including investments and loans to others;
	q.	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;
	r.	Directors' Report;
	s.	Contracts, common seal, registered office and publication of name of the Company; and
B.	**Under the Companies Act, 2013, we further report that**	
i.	Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.	
ii.	All decisions at Board Meetings are carried out on requisite majority and recorded in the minutes of the meetings of the Board of Directors, as the case may be.	
iii.	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.	
iv.	The Board of Directors of the Company is duly constituted with proper balance of, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Mr. Pradeep Panicker (DIN : 02730418) was appointed as Additional Director in the Board Meeting held on 20th July, 2022 and was appointed as Director in the Annual General Meeting held on 16th September, 2022. Mr. Manish Narisetti was re-appointed as Manager in the Annual General Meeting held on 16th September 2022 for a period of 3 years with remuneration wef 25th April, 2022.	
v.	**We further report that** the Company renewed the loan given to M/s. GMR Goa International Airport Limited (GGIAL) to the tune of Rs. 20.00 cr repayable on or before 31st Mar, 2023. GGIAL has repaid the loan amount to the Company on 28.03.2023. Further there are no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place.	

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**
Company Secretaries

Sl	Particulars
vi.	**We further report that** the Company's shares (GHRL's) shares held by holding Company GMR Hyderabad International Airport Limited have been pledged with Banks / Financials Institutions for raising loans.
2.	**Under other Applicable laws, we report that**
	Based on the Quarterly Compliance Certificate issued by Manager of the Company (and submitted to the Board of Directors at the Board Meetings held during the financial year 2022-2023 (for all 4 quarters), we are of opinion there has been due compliance of all the Laws to the extent applicable.
3.	**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.
4.	**We further report that** the Company being an Unlisted Company, the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company.

For KBG Associates
Company Secretaries
Firm Regn No # P2009AP006100

Sd/-
Srikrishna Chintalapati
Partner
CP No: 6262
UDIN : F005984E000657888

Place: Hyderabad
Date: 21st July, 2023

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.

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad
Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**
Company Secretaries

'ANNEXURE-A'

To,
The Board of Directors
GMR Hospitality and Retail Limited
GMR Aero Towers, Rajiv Gandhi International Airport
Shamshabad, Hyderabad, Telangana -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 : 21st July, 2023

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad
Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**
Company Secretaries

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
GMR Air Cargo and Aerospace Engineering Limited
Plot No. 1, GMR Hyderabad Aviation SEZ Limited
Rajiv Gandhi International Airport, Shamshabad
Hyderabad, Telangana, India – 500 108

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GMR Air Cargo and Aerospace Engineering Limited.** 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, 2023, 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, 2023 according to the provisions of:

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;

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad
Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**
Company Secretaries

Sl	Particulars	
3.	The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (c) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (d) The Company has complied with the provisions of the Securities and Exchange Board of India (Debenture Trustee) (Amendment) Regulations 2017	
4.	We have also examined compliance with the applicable clauses of the following: Secretarial Standards issued by the Institute of Company Secretaries of India.	
1.	**Under the Companies Act, 2013**	
A.	That 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 that the Company has, in our opinion, complied with the provisions of the Companies Act. 2013 ("the Act") and the rules made under the Act 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 Register of Companies and the Central Government;
	c.	Service of documents by the company on its members and Registrar of Companies.
	d.	Notices, Agenda and Minutes of proceedings of General Meetings and of the Board and its Committee meetings including Circular Resolution;
	e.	The meetings of : i. Board of Directors held on 22nd April, 2022, 22nd July, 2022, 14th November, 2022 and 19th January, 2022. ii. CSR Committee held on 22nd April, 2022

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad
Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS KBG Associates
Company Secretaries

Sl		Particulars
	f.	The Annual General Meeting held on 28th September, 2022 and No Extra Ordinary General Meeting was during the year under review;
	g.	Approvals of the Members, the Board of Directors wherever required;
	h.	Constitution of the Board of Directors, appointment, retirement and reappointment of Directors;
	i.	Payment of remuneration to Directors / Key Managerial Personnel;
	j.	Appointment and remuneration of Auditors;
	k.	Transfer and transmission of Company's shares and issue and dispatch of duplicate share certificates. There were no transfers and transmission of shares during the financial year;
	l.	the Company has not declared any dividend during the financial year under review;
	m	Transfer of Unpaid and Unclaimed dividend to the Investor Education and Protection Fund – Not Applicable
	n.	Borrowings and registration, modification and satisfaction of charges wherever applicable;
	o.	Investment of the Company’s funds including investments and loans to Wholly Owned Subsidiary;
	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;
	q.	Directors’ Report;
	r.	Contracts, common seal, registered office and publication of name of the Company.

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

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 balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
	During the year under review: (a) Mr. Pradeep Panicker was appointed as Additional Director in the Board Meeting held on 22nd July 2022 and had been regularized in the AGM held on 28th September, 2022 (b) Mr. G Chandrabhushan was reappointed as Manager with remuneration in the Board Meeting held on 22nd July 2022 and his appointment was ratified in the AGM held on 28th September, 2022
ii.	Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
iii.	All decisions at Board Meetings and Committee Meetings are 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.	There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, Depositories Act, Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

Sl	Particulars
v.	The Company had obtained the necessary permission for renewal of the loan given to M/s. GMR Goa International Airport Limited to the tune of Rs. 20.00 cr repayable during the year pursuant to Sec 185, Sec 186 of the Companies Act, 2013 and the provisions of the Act have been complied with, in this regard.
vi.	We have been given to understand that the Company expended the eligible CSR expenditure for the FY 2022-23 and have been informed that the amount had been contributed to a related party for which proper Board approvals and disclosures have been made for the FY 2022-23.
vii.	We have been given to understand that the (a) 11.97% Series A 18000 CCPS shares and (b) Series B 18735 CCPS shares both have been extinguished and converted into Equity Shares of the value of Rs. 10/- per share with effect from 29th March, 2023. Accordingly, the paid up share capital had been increased from 45,58,12,200 no. of shares @ Rs. 10/- each aggregating to Rs. 455,81,22,999/- to 45,58,48,935 no. of shares @ Rs. 10/- each aggregating to Rs. 455,84,89,350/- and the same is reflected in the Balance Sheet and P&L Account drawn as at 31-03-2023. We have been given to understand that the provisions of the Act in this regard, have been complied with.
viii.	We have been given to understand that the Company availed credit facilities from ICICI Bank pursuant to the approval of Board in its meeting held on 22nd July, 2022.
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 securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
3.	**Under FEMA, 1999, we report that**
	As per the declarations issued by the Quarterly Compliance Certificate issued by CEO of the Company (and submitted to the Board of Directors at the Board Meetings held during the financial year 2022-2023 (for all 4 quarters), we are of opinion that the Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

CS

KBG Associates
Company Secretaries

Sl	Particulars
4.	**Under the SEBI Act, We report that**
a.	We have been informed by the management that the Company has listed its non–convertible debentures on BSE and NSE in October, 2017 and since then Company has complied with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Furthermore, the Company had redeemed its debentures wef 29th September, 2021 and filed the satisfaction of charge with MCA authorities on 4th October, 2021 and **since the Company is no more debt listed Company and hence need not continue the Audit Committee and Nomination and Remuneration Committee as it was required when it was a debt listed company (with SEBI).**
b.	The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with regard to maintenance of records required under the Regulations.
c.	The Company has complied with the provisions of the Securities and Exchange Board of India (Debenture Trustee) (Amendment) Regulations 2017.
5.	**Under other Applicable laws, we report that**
	Based on the Quarterly Compliance Certificate issued by CEO of the Company (and submitted to the Board of Directors at the Board Meetings held during the financial year 2022-2023 (for all 4 quarters), we are of opinion there has been due compliance of all the Laws to the extent applicable.
6.	**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.

For **KBG Associates**
Company Secretaries
Firm Regn No # P2009AP006100
Sd/-
(**Srikrishna Chintalapati**)
Partner
CP # 6262
UDIN: F005984E000687610

Place: Hyderabad
Date: 27th Jul, 2023

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**
Company Secretaries

‘ANNEXURE-A’

To,
The Members
GMR Air Cargo And Aerospace Engineering Limited
Plot No. 1, GMR Hyderabad Aviation SEZ Limited
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.

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad
Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

CS **KBG Associates**
Company Secretaries

Sl	Particulars
7.	Though the audit scope includes such other Acts (not involving Companies Act, all Securities related Acts and FEMA); due to time, legal verification, transaction validation, expert knowledge (at certain peak levels) limitations and resulting in consequent omission of even random checking on various Acts (such as Labour Laws, Pollution and Environment related Laws, Laws governing Aircraft and Airport Authorities of India Act,1994, all connected State and Central such other applicable Acts); we had to rely upon the undertaking, declaration and written representation from the management only and had to be certified thereon.

For **KBG Associates**
Company Secretaries

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

Place: Hyderabad
Date: 27th July 2023

1st Floor, 1-9-309/A, Near Red Cross Blood Bank, Atchuta Reddy Marg, Vidya Nagar, Hyderabad
Telangana, India - 500 044 Ph: +918008402731. Email: secretanal.consultmg@gmail.com

Annexure – 6 to GHIAL Board's Report 2023

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance

(1) Corporate Governance Philosophy

The chosen vision of your Company is institution in perpetuity. The Company is deeply conscious that, while doing business successfully it will actively cater to building of nation and society around it. The long term interest of the Company, particularly in aviation sector, is closely woven with stakeholders' alignment. Your Company has a large number of stakeholders in all spheres of business and society. Your Company endeavors to constantly promote and enhance the stakeholders' legitimate interests.

The Corporate Governance philosophy is further strengthened with the adherence to the Business Excellence framework, based on the Malcolm Baldrige Model, for continuous improvement in all spheres of its activities. Your Company works towards continuous improvement in governance practices and processes, in compliance with the statutory requirements.

Ethics / Governance Policies :

Your Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, your Company has adopted various codes and policies to carry out its duties in an ethical manner. Some of these codes and policies are:

- Code of conduct for Directors and Senior Managerial Personnel. Code of Business Conduct and Ethics applicable to all employees.
- Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information.
- Corporate Social Responsibility Policy.
- Nomination and Remuneration Policy.
- Policy on Whistle Blower.
- Policy on Related Party Transactions.
- Enterprise Risk Management (ERM) Policy.
- Documents Preservation and Archival Policy.
- Policy for determining material subsidiary.
- Anti-Bribery and Anti-Corruption Policy.

(2) Board of Directors

(a) Composition and category of Directors:

The Company's policy is to maintain an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2023, the Company had 17 (Seventeen) Directors, out of whom, 4 (Four) were Independent, including a Woman Director; 11 (Eleven) were Non-Independent & Non-Executive Directors; and 2 (Two) were Executive Directors. The composition of the Board of Directors of the Company is in compliance with the Companies Act, 2013 ("Act") and with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and the Shareholders Agreement. The brief profile of the Directors is available on the Company's website https://www.hyderabad.aero/our-company.aspx#leadership.

(b) Category of the Directors, their attendance at Board Meetings and last Annual General Meeting (AGM), and number of other Directorships and Chairmanship/ Membership of Committees of each Director in various Companies and shareholding in GMR Hyderabad International Airport Limited:

S. No.	Name of Director	Category	Name of equity listed entities & Category as on March 31, 2023	Number of other Directorships held in other Public Limited Companies as on March 31, 2023#		Number of Committee Chairmanships / memberships held in Public Limited Companies as on March 31, 2023##		Board Meetings during the period from April 01, 2022 to March 31, 2023		Whether present at the Previous AGM held on September 15, 2022
				Chairman	Director	Chairman	Member	Held during the tenure	Attended	
1.	Mr. G. M. Rao	WTD & EC	1. GMR Airports Infrastructure Limited & NEC 2. GMR Power and Urban Infra Limited & NEC	10	8	-	-	5	4	No
2.	Mr. G.B.S Raju	MD & ED	1. GMR Airports Infrastructure Limited & NENID	2	7	1	1	5	5	No
3.	Mr. Srinivas Bommidala	NENID	1. GMR Airports Infrastructure Limited & NENID 2. GMR Power and Urban Infra Limited & MD	1	7	-	1	5	2	No
4.	Mr. Grandhi Kiran Kumar	NENID	1. GMR Airports Infrastructure Limited & MD and CEO 2. GMR Power and Urban Infra Limited & NENID	1	7	1	1	5	1	No
5.	Mr. H. J. Dora	NENID	Nil	1	1	-	2	5	5	No
6.	Mr. C. Prasanna	NENID	Nil	-	1	-	2	5	5	No
7.	Mr. Antoine Crombez	NENID	Nil	-	2	-	1	5	4	No
8.	Mr. Camilo Perez-Perez	NENID	Nil	-	-	-	1	5	5	No
9.	Mr. Iskandar Mizal bin Mahmood	NENID	Nil	-	-	-	-	5	3	No
10.	Mr. K. Ramakrishna Rao, *IAS*	NENID	Nil	-	9	1	1	5	4	No
11.	Mr. Jayesh Ranjan, *IAS*	NENID	Nil	-	14	-	1	5	4	No
12.	Mr. Joyanta Chakraborty	NENID	Nil	-	2	-	1	5	4	No
13.	Mr. Dharmendra Bhojwani	NENID	Nil	-	1	-	2	5	4	Yes
14.	Mr. A. Subba Rao	NEID	1. GMR Airports Infrastructure Limited & NEID	-	3	5	7	5	5	Yes
15.	Dr. M. Ramachandran	NEID	1. GMR Airports Infrastructure Limited & NEID	-	8	3	11	5	5	Yes
16.	Mr. Madhu Ramachandra Rao	NEID	1. Shree Renuka Sugar Limited & NEID 2. Adani Wilmar Limited & NEID	-	3	14	6	5	5	No
17.	Mrs. Bijal Tushar Ajinkya @	NEID	1. GMR Airports Infrastructure Limited & NEID	-	3	1	4	3	3	No

@ appointed as a Director w.e.f. September 15, 2022

* WTD & EC – Whole-time Director and Executive Chairman, MD - Managing Director, NENID - Non-Executive Non-Independent Director, NEID - Non-Executive Independent Director, ED- Executive Director, NEC - Non-Executive Chairman, MD& CEO - Managing Director & CEO

\# Other companies do not include directorship(s) of this company, private limited companies, Section 8 companies and companies incorporated outside India.

\## Committee means Audit Committee and Stakeholders' Relationship Committee.

- Five Board Meetings were held during the Financial Year (FY) ended March 31, 2023, i.e., April 28, 2022, July 18, 2022, October 20, 2022, January 20, 2023, March 24, 2023.
- At least one board meeting was held in each quarter and gap between any two consecutive board meetings did not exceed 120 days.

PS : *During the financial year 2022-23, Mrs. Siva Kameswari Vissa, Independent Director ceased to be a Director w.e.f. August 20, 2022*

(c) The following is the list of core skills/expertise/competencies identified by the Board of directors required for effective functioning as required in the context of the business(es) and sectors for it to function effectively, which are available with the Board. The names of directors who have such skills / expertise / competencies as identified by the Board are given below:

Area of Skills/ Expertise	Mr.GMRao	Mr. GBS Raju	Mr. Srinivas Bommidala	Mr. Grandhi Kiran Kumar	Mr. K. Ramakrishna Rao, IAS	Mr. Jayesh Ranjan, IAS	Mr. Joyanta Chakraborty	Mr.Dharmendra Bhojwani	Dr. M. Ramachandran	Mr. HJ Dora	Mr. A Subba Rao	Mr. Madhu Ramachandra Rao	Mrs. Bijal Tushar Ajinkya	Mr. Antoine Crombez	Mr. Camilo Perez Perez	Mr. Iskandar Mizal Bin Mahmood	Mr. C Prasanna
Project Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	--	✓	✓	✓	✓
Domain/ Industry Specialist	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Management/ Operational Excellence	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	--	✓	✓	✓	✓
Business Development & Business Strategist	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Organizational Learning and Institutional Memory	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance Consciousness	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Functional Expertise:	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance & Banking	✓	✓	✓	✓	✓	✓	--	✓	✓	--	✓	✓	✓	✓	✓	✓	✓
Networking	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
General Attributes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Entrepreneurship																	
Understanding of Domestic Economic Environment & Global Issue																	
Interpersonal Communication skills, Leadership Skills																	
Soundness of Judgment, People & Process Orientation																	

(d) Disclosure of relationships between directors:

Mr. G. M. Rao is the father of Mr. G. B. S. Raju and Mr. Grandhi Kiran Kumar and father-in-law of Mr. Srinivas Bommidala and therefore, are deemed to be related to each other.

None of the other Directors are related to any other Director on the Board.

(e) No shares are held by the Directors of the Company, and no convertible instruments were issued by the Company.

(f) Familiarisation programs for Board Members :

The Board members are provided with necessary documents, viz., Company's corporate profile, its Mission, Vision, Values and Beliefs, Organization Structure, the Company's history and milestones, Annual Reports, a brief background on the business of the Company, Institutional Building and highlights of its performance, major policies of the Company, Code of Conduct, fund raising history etc. Periodic presentations are made to the Board on business and performance updates of the Company, global business environment, risk management, company policies, subsidiaries information and changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates and other relevant issues. The details of such familiarisation programs for Independent Directors are posted on the website of the Company and are available at https://www.hyderabad.aero/pdf/03-GHIAL-Familiarization-Programme-for-Independent-Directors.pdf.

(g) Based on the declarations received from the following Independent Directors and on an evaluation of the relationships disclosed for the financial year ended March 31, 2023, the Board is of the opinion that they fulfill they meet the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1) of the SEBI LODR Regulations, 2015.

i) Mr. A. Subba Rao
ii) Dr. M. Ramachandran
iii) Mr. Madhu Ramachandra Rao
iv) Mrs. Bijal Tushar Ajinkya

(h) None of the independent directors have resigned during the financial year before the expiry of their tenure.

(3) Committees of the Board

The Board constituted various Committees as required under the provisions of the Act, the SEBI(LODR) Regulations, 2015 and the Shareholders Agreement, with specific terms of reference. The Committees include: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, and Risk Management and Environment, Social and Governance (ESG) Committee. The Company Secretary is the Secretary of all the aforementioned Committees. The Minutes of all the Committee meetings of the Board are circulated to the Board of Directors for noting.

(a) Audit Committee:

(i) Brief description of terms of reference:

The Board of Directors of the Company adopted the terms of reference of the Audit Committee as provided under the Act and the SEBI LODR Regulations, 2015. The primary objective of the Audit Committee is to oversee the Company's financial reporting process and ensure that they are correct, sufficient and credible. The Committee reviews with the management, the annual / quarterly financial statements and auditor's report thereon before submission to the board for approval. The Committee recommends to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.

The Committee reviews the performance of statutory and internal auditors, internal financial controls and risk management systems, adequacy of the internal control systems, including compliance with laws, Company's Code of Conduct and Whistle Blower Policies. The Committee also approves the transactions with the related parties. The Senior Management of the Company and Auditors also attend the meetings as invitees.

(ii) Composition of the Audit Committee and No. of Meetings held and attendance of the members:

Five Audit Committee Meetings were held during the financial year ended March 31, 2023. These meetings were held on April 28, 2022, July 18, 2022, October 17, 2022, January 20, 2023, March 24, 2023.

S. No.	Name of the Committee Member	Category	No. of the Meetings	
			No. of Meetings which director was entitled to attend	Attended
1	Mr. A. Subba Rao	Independent Director & Chairman	5	5
2	Dr. M. Ramachandran	Independent Director	5	5
3	Mr. Madhu Ramachandra Rao	Independent Director	5	5
4	Mr. K. Ramakrishna Rao, IAS	Non-Executive & Non Independent Director	5	5
5	Mr. C. Prasanna	Non-Executive & Non Independent Director	5	5
6	Mr. Camilo Perez-Perez	Non-Executive & Non Independent Director	5	5
7	Mrs. Bijal Tushar Ajinkya @	Independent Director	3	3
8	Mrs. Siva Kameswari Vissa $	Independent Director	2	2

@ inducted as member of the Audit Committee w.e.f. September 30, 2022
$ ceased to be a member of the Audit Committee & Director w.e.f. August 20, 2022

Mr. A. Subba Rao, being the Chairman of the Audit Committee, had attended the last Annual General Meeting held on September 15, 2022 and was available to address the queries of the shareholders.

(b) Nomination and Remuneration Committee

(i) Brief description of terms of reference:

The Board of Directors of the Company adopted the terms of reference of the Nomination and Remuneration Committee (NRC) as provided under the Act and the SEBI LODR Regulations, 2015. The role of NRC is to recommend to the Board a policy, regarding the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees, one level below KMP and identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria that has been laid down. The NRC reviews and recommends to the Board on the appointment and evaluation of every director's performance. The NRC also reviews and recommends to the Board for its approval, the compensation for the Executive Directors and KMPs.

(ii) Composition of the Nomination and Remuneration Committee and No. of Meetings held and attendance of the members:

During the Financial Year ended March 31, 2023, three (3) Nomination and Remuneration Committee (NRC) Meetings were held on April 28, 2022, July 18, 2022 and January 20, 2023.

SNo.	Name of the Committee Member	Category	No. of the Meetings	
			Number of Meetings which director was entitled to attend	Attended
1	Dr. M. Ramachandran	Independent Director & Chairman	3	3
2	Mr. A. Subba Rao	Independent Director	3	3
3	Mr. Madhu Ramachandra Rao	Independent Director	3	3
4	Mr. Dharmendra Bhojwani	Non-Executive and Non Independent Director	3	3
5	Mr. Antoine Crombez	Non-Executive and Non Independent Director	3	1
6	Mr. C. Prasanna	Non-Executive and Non Independent Director	3	2

Dr. M. Ramachandran, being the Chairman of the Nomination and Remuneration Committee, had attended the last Annual General Meeting held on September 15, 2022 and was available to address the queries of the shareholders.

(iii) Performance evaluation criteria for Independent Directors

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual director to the Board and the Committee meetings in bringing independent judgement including preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, and adherence to the high standards of personal integrity and gives high priority to ethical standards, practices confidentiality, etc.

Performance evaluation of independent directors was done by the entire Board, excluding the concerned independent director being evaluated and also reviewed the fulfilment of the criteria of independence from the Management.

(c) Stakeholders' Relationship Committee

(i) Brief description of terms of reference:

The Board of Directors of the Company adopted the terms of reference of the Stakeholders' Relationship Committee as provided under the Act and the SEBI LODR Regulations, 2015.The role of the Committee includes Allotment of securities, transfers/transmission/transposition of securities, issue of duplicate certificates of securities, and matters relating to dematerialization and re-materialization of securities, Resolving the grievances of the security holders of the Company, and to perform all functions relating to the interests of shareholders/ security holders/ investors of the Company.

The Stakeholders' Relationship Committee comprises of the following Directors:

SNo	Name of the Committee Member	Category
1	Mr. Madhu Ramachandra Rao	Independent Director (Chairman)
2	Mr. Dharmendra Bhojwani	Non-Executive and Non-Independent Director
3	Mr. H. J. Dora	Non-Executive and Non-Independent Director
4	Mr. C. Prasanna	Non-Executive and Non-Independent Director

The Share Allotment and Transfer Committee was renamed as Stakeholders' Relationship Committee and reconstituted on January 20, 2023.

Mr. Kiran Kumar Manikwar, Company Secretary is the Compliance Officer of the Company.

No complaints were received from the Members or from the Debenture Holders of the Company during the financial year 2022-23 and there were no complaints pending as on March 31, 2023.

(d) Risk Management and Environment, Social and Governance (ESG) Committee

(i) Brief description of the terms of reference:

The Board of Directors of the Company has constituted Risk Management and ESG Committee on January 20, 2023 and also adopted the terms of reference of the Risk Management and ESG Committee as provided under the Act and the SEBI LODR Regulations, 2015. The purpose of the Committee is to recommend to the Board a detailed risk management policy, to monitor and oversee the implementation of the risk management policy evaluating the adequacy of risk management systems, review the risk management policy by considering the changing industry dynamics and evolving complexity. Further, the purpose of the Committee is also to oversee the development of and make recommendations to the Board regarding the Company's ESG policies, strategy, initiatives, priorities and best practices and monitor the implementation of such policies and practices.

(ii) Composition of Risk Management and ESG Committee and No. of Meetings held and attendance of the members is as under:

During the financial year ended March 31, 2023, one (1) meeting of the Risk Management & ESG Committee was held i.e. on March 24, 2023.

SNo	Name of the Committee Member	Category	No. of the Meetings	
			Held during FY 2022-23	Attended
1	Mr. G.B.S. Raju	Chairman & Executive and Non-Independent Director	1	0

SNo	Name of the Committee Member	Category	No. of the Meetings	
			Held during FY 2022-23	Attended
2	Mr. A. Subba Rao	Independent Director	1	0
3	Mr. Joyanta Chakraborty	Non-Executive and Non-Independent Director	1	1
4	Mr. Antoine Crombez	Non-Executive and Non-Independent Director	1	0
5	Mr. S. G. K. Kishore	Executive Director (Sr. Management)	1	0
6	Mr. Pradeep Panicker	Chief Executive Officer (Sr. Management)	1	1

(e) Corporate Social Responsibility (CSR) Committee

(i) Brief description of terms of reference :

The Board of Directors of the Company adopted the terms of reference of the Corporate Social Responsibility (CSR) Committee as provided under the Act. The purpose of this Committee is to formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy and institute a transparent monitoring mechanism for the implementation of the CSR projects or programs or activities.

(ii) Composition of CSR Committee and No. of Meetings held and attendance of the members:

During the financial year ended March 31, 2023, one (1) meeting of CSR Committee was held i.e., on April 28, 2022.

SNo	Name of the Committee Member	Category	No. of the Meetings	
			Held during FY 2022-23	Attended
1	Mr. A. Subba Rao	Chairman & Independent Director	1	1
2	Mr. Jayesh Ranjan, *IAS*	Non-Executive & Non Independent Director	1	0
3	Mr. H. J. Dora(*)	Non-Executive and Non-Independent Director	0	NA
4	Mr. C. Prasanna	Non-Executive and Non-Independent Director	1	1

Not Applicable-NA
* *inducted as the CSR Committee Member w.e.f. January 20, 2023*

(4) Senior Management:

Details of the Senior Management Personnel as on March 31, 2023 are mentioned below:

SNo.	Employee Name	Designation
1	Mr. Pradeep Panicker	Chief Executive Officer
2	Mr. Arun Behal	Chief Operating Officer
3	Mr. Anand Kumar Polamada	Chief Financial Officer
4	Mr. Ashish Kumar	Chief Commercial Officer – Aero Business
5	Mr. George Cherian	Chief Commercial Officer - Non Aero Business
6	Mr. Sudheer Yarlagadda	Head - Corporate Relations
7	Mr. Sanjay Kaparaju	Head - Ground Transportation
8	Mr. Bharath Kumar Kamdar	Head - Security & Vigilance
9	Mr. Prasad Jaligama	Head – Strategic Planning Group

10	Mr. Vineet Kumar	Head – Legal
11	Ms. Sangeetha C R	Head - Corporate Communications
12	Mr. Rama Rao Sankarasetty	General Manager - Business HR
13	Mr. Samrat Pramanik	Head – Procurement & Contracts
14	Mr. Manikwar Kiran Kumar	Company Secretary & Compliance Officer
15	Mr. Subhabrata Mandal	Head – Facility Management Services

During the financial year 2022-23, three Senior Management Personnel viz. Chief Passenger Experience Officer, Chief Human Resource Officer and the Company Secretary resigned from the Company.

(5) Remuneration of Directors

(a) There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the financial year 2022-23, except for payment of sitting fees for the Meetings of the Board and the Committees thereof.

(b) Criteria for making payments to Non-Executive Directors:

The Non-Executive Directors may receive remuneration by way of fees for attending meetings of Board or Committees thereof, as decided by the Board. The amount of sitting fees does not exceed the amount prescribed by the Central Government from time to time.

Other than the above, no other payments are made to the Non- Executive Directors of the Company.

(c) Details of Remuneration to Directors:

S.No.	Name	Category	Salary & Allowances & Commission	Perquisites	Sitting Fees	Total
1.	Mr. G. M. Rao	WTD & EC	3,25,14,000	-	-	3,25,14,000
2.	Mr. G.B.S Raju	MD	3,11,52,823	-	-	3,11,52,823
3.	Mr. Srinivas Bommidala	NEPD	-	-	-	-
4.	Mr. Grandhi Kiran Kumar	NEPD	-	-	-	-
5.	Mr. H. J. Dora	NENID	-	-	1,60,000	1,60,000
6.	Mr. C. Prasanna	NENID	-	-	-	-
7.	Mr. Antoine Crombez	NENID	-	-	-	-
8.	Mr. Camilo Perez-Perez	NENID	-	-	-	-
9.	Mr. Iskandar Mizal bin Mahmood	NENID	-	-	60,000	60,000
10.	Mr. K. Ramakrishna Rao, *IAS*	NENID	-	-	2,00,000	2,00,000
11.	Mr. Jayesh Ranjan, *IAS*	NENID	-	-	80,000	80,000
12.	Mr. Joyanta Chakraborty	NENID	-	-	1,00,000	1,00,000
13.	Mr. Dharmendra Bhojwani	NENID	-	-	1,40,000	1,40,000
14.	Mr. A. Subba Rao	NEID	-	-	4,80,000	4,80,000
15.	Dr. M. Ramachandran	NEID	-	-	4,60,000	4,60,000
16.	Mr. Madhu Ramachandra Rao	NEID	-	-	4,80,000	4,80,000
17.	Mrs. Bijal Tushar Ajinkya @	NEID	-	-	2,40,000	2,40,000
18.	Mrs. Siva Kameswari Vissa#	NEID	-	-	1,60,000	1,60,000

@ Mrs. Bijal Tushar Ajinkya was appointed as a Director w.e.f. September 15, 2022
# Mrs. Siva Kameswari Vissa was ceased to be a Director w.e.f. August 20,2022
No service contracts, notice period and severance fee are applicable.
The Company does not have any stock option plan or performance-linked incentive for the Director(s).

(d) Meeting of Independent Directors :

As per the requirement of Regulation 25 of SEBI LODR and Schedule IV of the Companies Act, 2013, the Independent Directors of the Company meet at least once every financial year without the presence of Non-Independent Directors and management personnel. Such meetings enable Independent Directors to discuss matters pertaining to the Company's affairs and the matters mentioned in Regulation 25 of SEBI LODR and Schedule IV to the Companies Act, 2013. The Independent Directors take appropriate steps to present their views to the Chairman. One meeting of the Independent Directors was held during the Financial Year 2022-23 i.e., on May 30, 2022. All the Independent Directors participated in this meeting.

(e) Code of Conduct

As per the requirement of Regulation 26(3) of SEBI LODR, the Board has laid down a Code of Conduct ("the Code") for all Board members and Senior Management Personnel of the Company. The Code is posted on the website of the Company. https://www.hyderabad.aero/pdf/04-GHIAL--Code-of-Conduct-of-Directors-Senior-Mgmt-personnel.pdf. All Board members and Senior Management Personnel affirm compliance with the Code on an annual basis and the declaration to that effect by CEO - Mr. Pradeep Panicker is enclosed to this report.

A Code of Business Conduct and Ethics applicable to all the employees of the Group is communicated and affirmed by them periodically, which is to be followed in the day to day work life and which enables the employees to maintain highest standards of values in their conduct to achieve organizational objectives.

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate any act of sexual harassment (which includes unwelcomed sexually determined behavior) and to take necessary penal action, if required. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment by displaying posters at all the prominent places in the offices of the Company and organising awareness sessions.

(6) General Body Meetings

(a) Annual General Meetings:

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolutions passed thereat are as under:

Year	Venue *	Date and Time	Special Resolutions passed
2021-22	Through Video Conferencing	September 15, 2022, 11.00 AM	Reappointment of Mr. Madhu Ramachandra Rao as an Independent Director of the Company.
2020-21	Through Video Conferencing	September 15, 2021, 11.00 AM	No Special Resolution was passed.
2019-20	Through Video Conferencing	September 15, 2020, 11.00 AM	No Special Resolution was passed

* the deemed venue for the meetings is at the Registered Office of the Company i.e. GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500108, Telangana, India.

(b) Extraordinary General Meetings:

Year	Venue*	Date and Time	Special Resolutions passed
2022-23	Through Video Conferencing	February 16, 2023, 11.30 AM	Approval of the Continuation of Mr. H.J. Dora as a Director of the Company, to comply with the SEBI LODR Regulations.
2021-22	Through Video Conferencing	May 31, 2021, 11.00 AM	1) Re-appointment of Mr. Grandhi Mallikarjuna Rao as the Executive Chairman of the Company: 2) Re-appointment of Mr. G. B. S. Raju as the Managing Director of the Company

* the deemed venue for the meetings is at the Registered Office of the Company i.e. GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500108, Telangana, India.

(c) Special Resolution passed through postal ballot:

No special resolution was passed through the exercise of postal ballot, during the financial year 2022-23 and no special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

(7) Means of Communication

The quarterly/annual financial results and the annual reports, including the Notice convening the Annual General Meeting and the periodical / event based intimations, including price sensitive information submitted to The BSE Limited are placed on the website of the Company at https://www.hyderabad.aero/our-company.aspx#investors as per the requirement of the SEBI (LODR) Regulations. The quarterly / annual financial results are generally published in Business Line (English) in all editions. The official news released by the Company are posted on the Company's website.

(8) General Shareholder Information

(a) Annual General Meeting to be held for the financial year 2022-23:

Day : Friday
Date : September 15, 2023
Time : 11.00 A.M.
Venue : Video Conferencing. the deemed venue for the meetings is at the Registered Office of the Company

(b) Financial Year:

The Financial year is 1st April of a year to 31st March of the subsequent year.

(c) Dividend payment date**:**

Not Applicable as no dividend is proposed.

(d) Details of the Stock Exchanges on which the securities are listed

The equity shares of the Company are not listed on any Stock Exchange**.** However, the NCDs (Non-Convertible Debentures) are listed on the BSE Limited

S No	Name	Address	Annual Listing Fee	Date of Payment
1.	BSE Limited	25th Floor, P.J. Tower, Dalal Street, Fort, Mumbai – 400 001.	60,000	27/04/2023

(e) Security Code for the listed NCDs on BSE Limited: 974419 and 974657

(f) Performance of the share price of the Company in comparison to BSE Sensex and S&P CNX Nifty: Since the Company is a High Value Debt Listed entity and its equity shares of the Company are not listed on the stock exchange, therefore performance of the share price of the company in comparison to BSE Sensex and S & P CNX Nifty is not applicable.

(g) The Company is a High Value Debt Listed entity and the Non-Convertible debentures as Listed on BSE Limited, there were no instances of suspension from trading

(i) Registrars and Transfer Agents for the Equity shares and NCDs:
KFin Technologies Limited
(Formerly known as KFin Technologies Pvt Limited)
Selenium Tower B, Plot 31-32, Financial District, Nanakramguda,
Serilingampally Ranga Reddi, Hyderabad – 500032, Telangana, India
Tel: 040-67162222; Fax: 040-23001153
SEBI Registration Number: INR000000221
CIN: U72400TG2017PTC117649

(j) Share transfer system**:** All the equity shares are held in dematerialized mode. Any transfer of such shares will happen in demat mode.

(k) Distribution of shareholding as on March 31, 2023:

SNo	**Category**	**No. of Shares**	**% of Shareholding**
1	Promoters Bodies Corporate	23,81,40,000	63.00%
2	Foreign Body Corporate	4,15,80,000	11.00%
3	State Government	4,91,40,000	13.00%
4	Central Government Enterprise	4,91,40,000	13.00%
	Total	**37,80,00,000**	**100.000**

(l) Dematerialization of Shares and Liquidity
100% of shares of the Company are held in demat mode, as on March 31, 2023 (ISIN is INE802J01012), with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

All the NCDs of the Company are held in demat mode, as on March 31, 2023

ISIN	**Allotment Date**	**BSE Scrip Code**	**Amount Issued (in Rs.)**
INE802J07019	13-12-2022	974419	1150,00,00,000
INE802J07027	13-03-2023	974657	840,00,00,000

(m) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

(n) Commodity Price Risk/ Foreign Exchange Risk and Hedging activities:

The Company hedges its foreign currency exposure as per the Treasury Policy, the details of foreign currency exposure and hedging are disclosed in note no. 56 to the standalone financial statements for the financial year ended March 31, 2023.

(o) Location of the Operations:

1) Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana
2) Bidar Airport at Bidar Airport Civil Enclave, Bidar Airforce Station, Bidar– 585401, Karnataka

(p) Address for Correspondence:

The Company Secretary & Compliance Officer
GMR Hyderabad International Airport Limited
Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500108, Telangana.
Email ID : GHIAL-CS@gmrgroup.in
Tel : +91-40-67393260

During the year under review, the Company has not issued any warrant and there is no warrant outstanding for conversion which is likely to impact on equity.

(q) Credit Ratings of the Non-Convertible Debentures (NCDs):

Type of Instrument	Amount (Rs. in Crores)	Credit Rating Agency	Credit Ratings	Date of Rating
Non Convertible Debentures due 2032	1,150	India Ratings & Research Private Limited	IND AA (Outlook: Stable)	30-11-2022
		ICRA Limited	ICRA AA (Outlook: Positive)	30-11-2022
		India Ratings & Research Private Limited	IND AA (Outlook: Positive) Revised	22-02-2023
		ICRA Limited	ICRA AA (Outlook: Positive)	27-02-2023
Non Convertible Debentures due 2033	840	India Ratings & Research Private Limited	IND AA (Outlook: Positive)	22-02-2023
		ICRA Limited	ICRA AA (Outlook: Positive)	27-02-2023

(9) Other Disclosure:

(a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

There was no material related party transactions during the year under review that have a conflict with the interest of the Company.

(b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;** There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalty or stricture was imposed by the Stock Exchanges or SEBI or any statutory authority.

(c) **Whistle Blower Policy/ Vigil Mechanism:**

The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors, employees and stakeholders to report the genuine concerns by internally disclosing information which they believe show serious malpractice, impropriety, abuse or wrong doing within the Company, or in the dealings of the Company with other persons, or constitutes a violation of the GMR Group's Code of Business Conduct and Ethics Policy.

The Company has set up an "Ethics Helpline", with a toll free number and entrusted the running of the said helpline to an external agency so as to address issues relating to protection of confidentiality of information and identity of the whistle blower.

During the financial year 2022-23, no person has been denied access to the Audit Committee under the Whistle Blower Policy.

This mechanism has been communicated to the concerned persons and departments .Also the same has been posted on the Company's website https://www.hyderabad.aero/our-company.aspx#corporate-governance

(d) The Company has complied with the mandatory requirements of listing regulations. Further, the Company endeavors to comply with non- mandatory requirement(s).

(e) The Company has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the same is https://www.hyderabad.aero/our-company.aspx#corporate-governance

(f) The Company has framed Related Party Transaction Policy, and the same is placed on the Company's website and the web link for the same is https://www.hyderabad.aero/our-company.aspx#corporate-governance

(g) During the financial year ended March 31, 2023, the Company did not engage in commodity price risk and commodity hedging activity.

(h) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A): Not Applicable

(i) A Certificate from Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority, is annexed hereinafter.

(j) The Board has accepted all the recommendations of the Board committees which are mandatorily required, in the relevant financial year.

(k) Total fees for all services paid by the listed entity & its subsidiaries, on a consolidated basis, to the statutory auditors as well as all entities in the network firm/ network entity of which the statutory auditors are a part.

M/s.Walker Chandiok & Co LLP, Chartered Accountants [Firm Regn No. 001076N /N500013] **and** M/s. K. S. Rao & Co., Chartered Accountants [Firm Regn No.003109S] are the joint statutory auditors of the Company. Particulars of fee paid to these statutory auditors by the Company and its Subsidiaries during the financial year 2022-23 are given below:

(Amount in Rupees)

SNo.	Name of the Company	Remuneration paid to M/s. Walker Chandiok & Co LLP	Remuneration paid to M/s. K. S. Rao & Co
1	GMR Hyderabad International Airport Limited	38,00,000	26,00,000
2	GMR Hospitality and Retail Limited (Subsidiary)	--	13,75,000
3	GMR Hyderabad Aerotropolis Limited (Subsidiary)	--	3,00,000

SNo.	Name of the Company	Remuneration paid to M/s. Walker Chandiok & Co LLP	Remuneration paid to M/s. K. S. Rao & Co
4	GMR Hyderabad Aviation SEZ Limited (Subsidiary)	--	3,00,000
5	GMR Air Cargo and Aerospace Engineering Limited (Subsidiary)	--	15,00,000
6	GMR Aero Technic Limited (Subsidiary)	--	2,00,000
7	GMR Hyderabad Airports Assets Limited (Subsidiary)	--	2,00,000
	Total	38,00,000	64,75,000

(l) Disclosure in relation to the Sexual Harassment of Women at Workplace (prevention, prohibition, & redressal) Act, 2013, during the financial year 2022-23:

a. Number of complaints filed during the financial year: Nil
b. Number of complaints disposed of during the financial year: Nil
c. Number of complaints pending as on end of the financial year: Nil

(m) Disclosure by listed entity and its subsidiaries of 'Loans and advances" in the nature of loans to firms/companies in which directors are interested by name and amount: Nil

(n) Details of material subsidiaries of the listed entity:

Name Of the Company	Date and Place of Incorporation	Name and date of appointment of the statutory auditors
GMR Hospitality and Retail Limited	08-09-2008 Hyderabad	M/s. K S Rao & Co 29-09-2021
GMR Air Cargo And Aerospace Engineering Limited	29-02-2008 Hyderabad	M/s. K S Rao & Co 22-09-2021

(10) There has been no instance of non-compliance of any requirement of Corporate Governance Report as prescribed under SEBI LODR.

(11) Adoption of Non-Mandatory Requirements as stipulated in Part E of Schedule II of SEBI LODR:

Reporting of Internal Auditors

The Head, Management Assurance Group, Internal Auditor of the Company, is the permanent invitees to the Audit Committee Meetings and regularly attend the Meetings to report their findings of the internal audit to the Audit Committee.

(12) The company has fully complied with the applicable requirements specified in Regulations 17 to 27 and Regulation 62 of the SEBI LODR Regulations.

(13) Compliance Certificate from M/s. KBG Associates, Practising Company Secretaries regarding compliance of conditions of corporate governance, is annexed hereinafter.

Declaration by the CEO on compliance with Code of Conduct

To,

The Members of GMR Hyderabad International Airport Limited

Sub: Declaration by the CEO under Regulation 34(3) read with Schedule V Part D of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Pradeep Panicker, Chief Executive Officer of GMR Hyderabad International Airport Limited, to the best of my knowledge and belief, hereby declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel of the Company for the year ended March 31, 2023.

Sd/-

Place : Hyderabad — Pradeep Panicker
Date : July 27 , 2023 — Chief Executive Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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 examined all the relevant records of M/s. GMR Hyderabad International Airport Limited for the purpose of certifying the compliance of the conditions of the Corporate Governance as stipulated under Regulations 17 to 27, Regulation 62 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and as applicable to the Company on a comply or explain basis until 31st March 2024 and the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of the SEBI Listing Regulations.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation process, adopted by the Company for ensuring compliance with conditions of the corporate governance.

This certificate 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.

In our opinion and to the best of our information and according to the explanations given to us and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the SEBI Listing Regulations, for the year ended 31st March 2023.

For KBG Associates
Company Secretaries
Firm Regn No # P2009AP006100

Sd/-
Srikrishna Chintalapati
Partner
CP No: 6262
Peer Review Cert # P2009AP6100/1103/2021 valid upto 28-02-26

Place: Hyderabad
Date : 21st July, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GMR Hyderabad International Airport Limited having CIN : U62100TG2002PCL040118 and having registered office at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500108, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in terms of Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion, based on our verification.

For KBG Associates
Company Secretaries
Firm Regn No # P2009AP006100

Sd/-
Srikrishna Chintalapati
Partner
CP No: 6262
Peer Review Cert # P2009AP6100/1103/2021 valid upto 28-02-26

Place: Hyderabad
Date : 21st July, 2023

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 2023, 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 notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, 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 2023, and its profit (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 50 to the accompanying standalone financial statements, the Company had not recognized necessary adjustments in the carrying value of the up-front processing fees receivable amounting to Rs. 63 crores from Yes Bank Limited ("the Bank") basis the factors mentioned in the aforesaid note. However, owing to the delays in obtaining requisite approvals by the Bank for refund of the upfront processing fee, the management of the Company has assessed and written-off the upfront fee receivable, during the year ended 31 March 2023.

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

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

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.

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

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

5. We draw attention to Note 58(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. Our opinion is not modified in respect of this matter.

Key Audit Matters

6. 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.

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

Key audit matter	How our audit addressed the key audit matter
1. Utilisation of deferred tax asset comprising of minimum alternate tax (MAT) credit and unabsorbed business losses *Refer to Note 3(r) for the accounting policy and note 31 and 62 for the financial disclosures in the accompanying standalone financial statements.* The Company was under tax holiday period until financial year 2021-22 and had accumulated MAT credit asset of ₹446.28 crores (31 March 2022: ₹457.28 crores) and deferred tax on unabsorbed business loss of ₹122.56 crores (31 March 2022: ₹103.52 crores). Recognition of these deferred tax asset requires significant judgement regarding the likelihood of its realization within the specified period through estimation of future taxable profits of the Company and 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	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; • 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 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;

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

growth, passenger growth, profit margins, tax adjustments under the Income-tax Act, 1961. Further, as explained in note 61, 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.	• Tested the appropriateness of the forecasted tax liability computation as per the provisions of the IT Act, including assessment of the eligibility of various tax exemptions availed and MAT liability computation as per Section 115JB of the IT Act; • Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the future taxable profits; • Obtained and reviewed the documents with respect to the litigations with AERA and the related order issued by Telecom Dispute Settlement and Appellate Tribunal (TDSAT); and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
2. Valuation of derivative financial instruments *Refer to Note 3(m) for the accounting policy and note 54 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. 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	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; • 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;

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

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.	• 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. Capitalization for airport expansion *Refer to Note 3(c) and 3(i) for the accounting policy and notes 4 and 35 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, 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.	Our audit procedures to assess appropriate capitalisation of such expenditure included, but were not limited to the following: • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalisation policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment. • Compared the additions with the budgets and the orders given to the vendors. • Ensured that the borrowing cost capitalized is as per Ind AS 23 Borrowing Costs. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

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

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

8. 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 will 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

9. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, 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.

11. 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

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

17. 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.

18. 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.

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

19. 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 are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

   f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in 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 2023 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:

      i. the Company, as detailed in note 58(I) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

      ii. the Company has made provision as at 31 March 2023, 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 2023;

      iv.
         a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 42 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 43 to the standalone financial statements, no funds have been received by the Company

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

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 notice that has caused 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 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144
UDIN: 23522144BGZHMN9483

Place: New Delhi
Date: 04 May 2023

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

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

Place: Bengaluru
Date: 04 May 2023

Annexure I referred to in Paragraph 18 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 2023

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 programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification which have been properly dealt with in the books of account.

(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) disclosed in note 4 to the standalone financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment including 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 Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

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 as compared to book records.

(b) As disclosed in note 22 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore by banks or financial institutions based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks or financial institutions and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit.

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

(₹ in Crores)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year:				
- Subsidiaries	172.00	32.90	-	-
- Others	-	-	0.15	-
Balance outstanding as at 31 March 2023:				
- Subsidiaries	831.61	32.90	-	-
- Others	-	-	200.15	-

(b) In our opinion, and according to the information and explanations 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 or other parties.

(e) The Company has granted loans which had fallen due during the year and such loans were extended during the year. The details of the same has been given below:

(₹ in crores)

Name of the party	**Total loan amount granted during the year**	**Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans**	**Nature of extension (i.e. renewed/ extended/fresh loan provided)**	**Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year**
GMR Infrastructure Limited	141.20	141.20	Extended	0%
GMR Power and Urban Infrastructure Limited	58.80	58.80	Extended	0%

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 loans, which are repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits 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 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:

(₹ in crores)

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	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 on recovery of water and electricity from its 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	3.26	Nil	Assessment year (AY) 2013-14	Hon'ble Supreme Court
		3.76	Nil	AY 2014-15	Commissioner of Income Tax (Appeals)
		6.46	Nil	AY 2016-17	
		34.70	Nil	AY 2016-17	
		0.70	Nil	AY 2016-17	
		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 previously 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 including 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 government or any government authority.

(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, prima facie, 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, joint ventures or associate companies.

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 and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or 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 no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, 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 per the provisions of 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 its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

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

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has two CICs as part of the Group.

xvii. The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

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 us to believe that any material uncertainty exists as on the date of the audit report indicating 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 amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end 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) of the Order 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/-
Danish Ahmed
Partner
Membership No.: 522144
UDIN: 23522144BGZHMN9483

Place: New Delhi
Date: 04 May 2023

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 23233734BGRCMX9044

Place: Bengaluru
Date: 04 May 2023

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

Annexure II to 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 2023

Annexure II

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

1. In conjunction with our audit of the standalone financial statements of GMR Hyderabad International Airport Limited ('the Company') as at and for the year ended 31 March 2023, 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 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.

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

Annexure II to 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 2023

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2023:

   The Company's internal financial control system over financial statement closure process towards restatement of the comparative financial information in accordance with the requirements of Indian Accounting Standard 8 as explained in Note 50 to the accompanying standalone financial statements, were not operating effectively, which has resulted in the Company not providing for appropriate adjustment in the said account balance and its consequential impact on profit before taxes, other equity and related disclosures in the accompanying 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 2023, based on 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 31 March 2023.

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

Annexure II to 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 2023

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2023, 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/-
Danish Ahmed
Partner
Membership No.: 522144
UDIN: 23522144BGZHMN9483

Place: New Delhi
Date: 04 May 2023

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN:23233734BGRCMX9044

Place: Bengaluru
Date: 04 May 2023

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Balance Sheet
(All amounts in Rupees crores, except when otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	4	4,153.42	2,457.59
Capital work-in-progress	35	2,756.60	3,043.11
Right of use asset	5	71.24	72.75
Other intangible assets	6	7.47	4.04
Financial assets			
- Investments in subsidiaries and joint venture	7	780.02	756.79
- Loans	8	0.12	0.14
- Other financial assets	9	830.82	684.69
Non current tax assets (net)		38.64	37.84
Deferred tax asset (net)	31	485.40	452.50
Other non-current assets	10	37.17	589.27
		9,160.90	**8,098.72**
Current assets			
Inventories	11	8.65	5.73
Financial assets			
- Investments	12	978.11	841.50
- Trade receivables	13	79.95	59.67
- Cash and cash equivalents	14	120.14	24.55
- Bank balances other than cash and cash equivalents	15	649.33	1,244.60
- Loans	8	200.03	211.57
- Other financial assets	9	114.29	197.09
Other current assets	10	31.14	55.02
		2,181.64	**2,639.73**
Assets held for sale		60.87	
Total assets		**11,403.41**	**10,738.45**
Equity and Liabilities			
Equity			
Equity share capital	16	378.00	378.00
Other equity	17		
- Capital reserve		107.00	107.00
- Debenture Redemption Reserve		199.00	-
- Retained earnings		1,246.10	1,412.83
- Cash flow hedge reserve		(127.03)	(44.27)
Total equity		**1,803.07**	**1,853.56**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	8,017.17	7,441.79
- Lease liabilities	53	95.09	92.08
- Other financial liabilities	19	153.72	108.24
Government grants	20	19.79	25.05
Other non-current liabilities	21	9.37	6.46
		8,295.14	**7,673.62**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Balance Sheet
(All amounts in Rupees crores, except when otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
- Borrowings	22	213.01	257.55
- Lease liabilities	53	1.07	-
- Trade payables	23		
- Total outstanding dues of micro and small enterprises		21.42	14.79
- Total outstanding dues of creditors other than micro and small		157.09	75.93
- Other financial liabilities	19	811.04	760.94
Government grants	20	5.27	5.27
Other current liabilities	21	74.78	75.98
Provisions	24	21.52	20.81
		1,305.20	**1,211.27**
Total liabilities		**9,600.34**	**8,884.89**
Total equity and liabilities		**11,403.41**	**10,738.45**

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/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

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

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Statement of Profit and Loss
(All amounts in Rupees crores, except when otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	25	1,246.24	673.68
Other income	26	138.12	105.00
Total income		**1,384.36**	**778.68**
Expenses			
Concession fee		54.41	30.33
Employee benefits expense	27	115.66	109.85
Finance costs	28	340.23	258.52
Depreciation and amortization expenses	29	259.99	219.85
Loss on settlement of derivative financial instruments		90.77	-
Other expenses	30	465.18	312.19
Total expenses		**1,326.24**	**930.74**
Profit/(loss) before tax		**58.12**	**(152.06)**
Tax expense/(benefit)	31		
Current tax		3.01	-
Minimum alternate tax credit entitlement		(3.01)	-
Deferred tax (credit)/ expense		24.33	(43.96)
Taxes of earlier years		0.80	-
Total tax expense/(benefit)		**25.13**	**(43.96)**
Profit/(loss) after tax		**32.99**	**(108.10)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans, net of tax	32	(0.72)	(0.24)
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	32	(240.22)	(206.41)
Income tax effect on above	32	99.42	35.25
Total other comprehensive loss		**(141.52)**	**(171.40)**
Total comprehensive loss		**(108.53)**	**(279.50)**
Earnings per equity share: (in absolute terms)			
Basic and diluted (in Rs.)	33	0.87	(2.86)
Weighted average number of equity shares		37,80,00,000	37,80,00,000
Face Value per equity share (in Rs.)		10.00	10.00

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/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

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

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Cash Flow Statement
(All amounts in Rupees crores, except when otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit/(loss) before tax	58.12	(152.06)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization expenses	259.99	219.85
Bad debts written off	63.00	-
Advances written off	0.03	-
Fixed assets written off	0.68	-
(Gain)/loss on sale of property, plant and equipment	0.65	(0.19)
Dividend income	(4.90)	(1.96)
Interest income	(91.42)	(82.24)
Finance costs	340.23	258.52
Gain on sale of financial assets (mutual funds)	(21.16)	(7.13)
Loss on settlement of derivative financial instruments	89.25	-
Provision no longer required, written back	(1.80)	(1.24)
Unrealised foreign exchange loss	0.97	-
Income from government grants	(5.27)	(5.27)
Amortisation of deferred income	(10.79)	(12.43)
Interest income arising from fair valuation of financial guarantee	(1.82)	(2.54)
Operating profit before working capital changes	**675.76**	**213.31**
Working capital adjustments:		
Changes in trade payables	86.35	6.12
Changes in other liabilities	18.98	(22.72)
Changes in other financial liabilities	5.26	(112.22)
Changes in provisions	-	3.29
Changes in trade receivables	(83.29)	51.43
Changes in inventories	(2.92)	(0.14)
Changes in other assets	(48.52)	(66.23)
Changes in other financial assets	77.90	(36.27)
Changes in loans	0.56	3.96
Cash generated from operations	**730.08**	**40.53**
Direct taxes paid (net)	(0.84)	(17.09)
Net cash generated from operating activities (A)	**729.24**	**23.44**
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP and capital advance:	(660.73)	(654.91)
Proceeds from sale of property, plant and equipment	0.74	115.00
Investment in subsidiary companies	(62.00)	(40.00)
Loans to subsidiary companies	-	(46.25)
Repayment of loans by subsidiary	11.00	75.25
Purchase of current investments	(2,378.59)	(2,283.58)
Proceeds from sale of current investments	2,302.66	2,421.80
Movement in other bank balances, net	595.28	217.42
Dividend income	4.90	1.96
Interest received	94.94	121.15
Net cash used in investing activities (B)	**(91.80)**	**(72.16)**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Cash Flow Statement
(All amounts in Rupees crores, except when otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	1,990.00	-
Repayment of long-term borrowings	(1,959.24)	-
Proceeds/ (repayment) of short-term borrowings, net	(107.55)	86.23
Payment of lease rental	(7.28)	(5.72)
Proceeds from hedge cancellation	225.49	-
Interest paid, including borrowing costs	(683.27)	(675.10)
Net cash used in financing activities (C)	**(541.85)**	**(594.59)**
Net change in cash and cash equivalents (A + B + C)	**95.59**	**(643.31)**
Cash and cash equivalents at the beginning of the year	24.55	667.86
Cash and cash equivalents at the end of the year	**120.14**	**24.55**
Components of cash and cash equivalents		
With banks		
- on current accounts	19.60	12.50
- on deposit accounts	100.50	12.00
Cash on hand	0.04	0.05
Total cash and cash equivalents	**120.14**	**24.55**

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/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

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

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Statement of Changes in Equity
(All amounts in Rupees crores, except when otherwise stated)

Equity share capital:

	Number	Amount
Equity shares of Rs.10 each issued, subscribed and fully paid		
As at April 1, 2021	37,80,00,000	378.00
Issue of shares during the period	-	-
As at March 31, 2022	**37,80,00,000**	**378.00**
As at April 1, 2022	37,80,00,000	378.00
Issue of shares during the period	-	-
As at March 31, 2023	**37,80,00,000**	**378.00**

Other equity

	Reserves and surplus			Other comprehensive income	Total
	Capital reserve*	Debenture Redemption Reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 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**
As at April 1, 2022	**107.00**	**-**	**1,412.83**	**(44.27)**	**1,475.56**
Profit for the year	-	-	32.99	-	32.99
Remeasurement of post-employment benefits obligations	-	-	(0.72)	-	(0.72)
Adjustment on account of Debenture Redemption Reserve	-	199.00	(199.00)	-	-
Reclassified to Statement of Profit and Loss on account of hedge settlement (net of tax)	-	-	-	58.04	58.04
Cash flow hedge reserve (net of tax)	-	-	-	(140.80)	(140.80)
As at March 31, 2023	**107.00**	**199.00**	**1,246.10**	**(127.03)**	**1,425.07**

*The Company has received a contribution of Rs.107 crores from its shareholder i.e., Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from share holder of the Company.

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/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 0003109S

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

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

1. Corporate information

GMR Hyderabad International Airport Limited ("GHIAL" 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 2023 are approved by the Company's Board of Directors in their meeting held on May 4, 2023.

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.

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

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

The 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 per share data and when otherwise indicated.

3. 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 59. 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.

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

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

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

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

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

#During the previous years, 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 (Computer software) 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 on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.

Revenue from contract with customer

Revenue from contracts with customers is recognised when performance obligation in relation to transfer of services is satisfied at an amount that reflects the transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. The 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 goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Company satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Company's right to an amount of consideration that is unconditional.

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

Contract liabilities
A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is 5ecognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are 5ecognized as revenue when the Company performs under the contract.

Income from services
Revenue from airport operations i.e. Aeronautical and Non-Aeronautical operations are 5ecognized 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 5ecognized 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 / 5ecognized5.

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 5ecognized 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 6ecognized6n is included in other income in the profit or loss. The losses arising from impairment are 6ecognized 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.

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.

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. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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. 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 in accordance with Ind AS 116, 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 tax
Current tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

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

Current tax relating to items 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) Non-current assets held for sale

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

t) Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR' or '₹' or 'Rs.') 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.

u) 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.

v) 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'.

w) 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.

x) 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.

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 Company are segregated.

z) Standards and recent pronouncements issued but not yet effective

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

Ind AS 1 – Presentation of Financial Statements

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

Ind AS 12 – Income Taxes

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

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

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

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

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

4 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, 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**
Additions (refer note 65)	0.23	-	195.16	6.08	1,032.02	-	189.73	534.59	8.48	6.89	37.58	2.30	2,013.06
Disposals	-	-	-	(1.59)	(3.42)	-	(0.30)	(7.75)	-	-	-	(0.13)	(13.19)
Adjustments*	-	-	-	(1.43)	(79.97)	-	(6.54)	(13.35)	(1.37)	(1.73)	(6.29)	-	(110.68)
As at March 31, 2023	**104.25**	**16.13**	**1,275.92**	**145.81**	**2,250.17**	**62.31**	**483.64**	**1,119.49**	**19.83**	**67.70**	**87.58**	**12.64**	**5,645.47**
Accumulated Depreciation													
As at April 1, 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)	(10.85)	(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**
Charge for the year	4.42	-	62.60	4.38	70.12	1.33	25.54	70.97	2.95	4.68	7.19	1.45	255.63
Disposals	-	-	-	(1.18)	(3.40)	-	(0.30)	(7.45)	-	-	-	(0.13)	(12.46)
Adjustments*	-	-	-	(0.87)	(25.27)	-	(5.69)	(10.42)	(1.19)	(1.49)	(4.88)	-	(49.81)
Up to March 31, 2023	**32.67**	**-**	**237.46**	**111.90**	**373.08**	**11.96**	**187.66**	**425.03**	**10.24**	**55.16**	**41.72**	**5.17**	**1,492.05**
Net book value													
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**
As at March 31, 2023	**71.58**	**16.13**	**1,038.46**	**33.91**	**1,877.09**	**50.35**	**295.98**	**694.46**	**9.59**	**12.54**	**45.86**	**7.47**	**4,153.42**

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

Note: The title deeds of all the immovable properties including investment 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.

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

5 Right of use asset

	Land and Building	Vehicles	Total
Gross block, At cost			
As at April 1, 2021	**80.83**	**-**	**80.83**
Additions	-	-	-
As at March 31, 2022	**80.83**	**-**	**80.83**
Additions	-	1.30	1.30
As at March 31, 2023	**80.83**	**1.30**	**82.13**
Accumulated Depreciation			
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**
Charge for the year	2.65	0.16	2.81
Up to March 31, 2023	**10.73**	**0.16**	**10.89**
Net book value			
As at March 31, 2022	**72.75**	**-**	**72.75**
As at March 31, 2023	**70.10**	**1.14**	**71.24**

6 Other intangible assets

	Computer Software	Total
Gross block, At cost		
As at April 1, 2021	**11.58**	**11.58**
Additions	12.36	12.36
Disposals	14.42	14.42
As at March 31, 2022	**9.52**	**9.52**
Additions	4.98	4.98
As at March 31, 2023	**14.50**	**14.50**
Accumulated Depreciation		
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**
Charge for the year	1.56	1.56
Up to March 31, 2023	**7.04**	**7.04**
Net book value		
As at March 31, 2022	**4.04**	**4.04**
As at March 31, 2023	**7.47**	**7.47**

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

7 Investments in subsidiaries and joint ventures

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Non-current investments:				
Investment in subsidiaries, measured at cost				
Investment in equity shares (unquoted)				
GMR Hyderabad Aerotropolis Limited	11,18,83,600	111.88	4,98,83,600	49.88
GMR Hyderabad Airport Assets Limited	-	-	4,06,16,400	40.62
GMR Hyderabad Aviation SEZ Limited	5,16,00,000	51.60	5,16,00,000	51.60
GMR Hospitality and Retail Limited	23,83,28,710	238.33	23,83,28,710	238.33
GMR Air Cargo and Aerospace Engineering Limited	45,58,48,935	327.44	45,58,12,130	320.66
		729.25		**701.09**
Investment in preference shares (unquoted)				
GMR Air Cargo and Aerospace Engineering Limited - Series A Preference Shares	-	-	18,000	6.76
GMR Air Cargo and Aerospace Engineering Limited - Series B Preference Shares	-	-	18,735	0.02
		-		**6.78**
Investment in Joint Venture, measured at cost				
Investment in equity shares (unquoted)				
Laqshya Hyderabad Airport Media Private Limited	98,00,000	9.80	98,00,000	9.80
		9.80		**9.80**
Investment in Others, measured at FVTOCI				
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		3.89		2.12
GMR Hospitality and Retail Limited		5.94		5.90
GMR Air Cargo and Aerospace Engineering Limited		12.01		11.97
GMR Hyderabad Aerotropolis Limited		1.68		1.68
		23.52		**21.67**
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		**780.02**		**756.79**
Aggreate book value of unquoted investments		780.02		756.79
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. Further, the Company holds 100% stake in all its subsidiaries and 49% stake in the joint venture as at 31 March 2023 and 31 March 2022.

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

	31-Mar-23	31-Mar-22
GMR Hospitality and Retail Limited	3,28,97,675	8,29,46,705

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

8 Loans

	Non-current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Loan receivables in the nature of				
Loans to employees	0.12	0.14	0.03	0.57
Loans to related parties (refer details below)	-	-	200.00	211.00
	0.12	**0.14**	**200.03**	**211.57**

Break up of loans to related parties*:	Non-current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
GMR Hyderabad Aerotropolis Limited	-	-	-	11.00
GMR Power & Urban Infrastructure Limited	-	-	58.80	58.80
GMR Airports Infrastructure Limited	-	-	141.20	141.20
	-	**-**	**200.00**	**211.00**

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

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

9 Other financial assets

	Non-current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Security deposits	17.34	14.07	3.74	8.70
	17.34	**14.07**	**3.74**	**8.70**
Non-trade receivables	-	-	29.61	69.34
Unbilled revenue	-	-	53.88	27.26
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on others	-	-	13.90	14.14
Interest accrued on fixed deposits	-	-	5.47	10.70
Interst accrued on investments	-	-	7.65	3.91
Other receivables (refer note 50)	-	-	-	63.00
Derivative asset	813.48	670.62	-	-
	830.82	**684.69**	**114.29**	**197.09**

10 Other assets

		Non-current		Current	
		March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Capital advances		9.77	125.68	-	-
	(A)	**9.77**	**125.68**	**-**	**-**
Advances other than capital advances					
Others		5.06	5.06	7.32	10.95
		5.06	**5.06**	**7.32**	**10.95**
Less: Provision for doubtful advances		(0.04)	(0.04)	-	-
	(B)	**5.02**	**5.02**	**7.32**	**10.95**
Prepaid expenses		1.35	1.24	5.21	5.32
Lease equilisation reserve		16.99	12.46	-	-
Balances with government authorities (refer note 65)		4.04	444.87	18.61	38.75
	(C)	**22.38**	**458.57**	**23.82**	**44.07**
Total (A+B+C)		**37.17**	**589.27**	**31.14**	**55.02**

11 Inventories

	March 31, 2023	March 31, 2022
Stores and spares	8.72	5.90
Less: Provision for non-moving spares	(0.07)	(0.17)
	8.65	**5.73**

12 Investments

	As at March 31, 2023		As at March 31, 2022	
	No. of units	Amount	No. of units	Amount
Investment in mutual funds (unqouted, non-trade) at FVTPL				
UTI Overnight Fund-Regular Growth Plan	1,35,704	41.64	1,41,965	41.31
Sundaram Money Fund Regular Growth	1,30,850	15.35	-	-
Sundaram Money Fund Direct Growth	2,77,117	33.01	-	-
SBI Overnight Fund - Direct Growth	82,666	30.17	1,16,544	40.34
Axis Overnight Fund-Direcet Growth Plan	1,98,763	23.57	3,96,844	44.47
Invesco India Liquid Fund - Growth	-	-	2,01,253	21.62
HDFC Overnight fund direct growth plan	-	-	4,800.98	1.52
Nippon india overnight fund -Direct Fund growth	38,16,414	45.89	39,83,030	45.41
ICICI Prudential Overnight Fund Direct Plan Growth	1,45,668	17.80	33,40,635	41.31
Tata Overnight Direct Plan Growth	1,50,789	17.83	3,44,087	38.59
Aditya Birla Sunlife Overnight Fund - Growth-Regular Plan	9,12,255	110.61	3,02,266	34.76
L&T Liquid Fund Growth	-	-	1,85,963	30.84
Kotak Overnight fund Institutional premium-growth	3,05,580	36.54	3,92,936	44.55
		372.41		**384.72**
Investment in subsidiaries held for sale				
Investment in equity shares (unquoted), measured at cost				
GMR Hyderabad Airport Assets Limited	4,06,16,400	40.62	-	-
Investment in commerical paper* (unqouted, non-trade), measured at amortised cost				
Time Technoplast Ltd	2,200	107.59	1,400	65.50
Edelweiss Financial Services Limited	2,140	97.39	3,000	139.10
Edelweiss Rural and Corporate Services Limited	7,660	360.10	5,440	252.18
		565.08		**456.78**
		978.11		**841.50**
Aggreate book value of unquoted investments		978.11		841.50
Aggregate amount of impairment in the value of investments		-		-

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

13 Trade receivables

	March 31, 2023	March 31, 2022
Secured receivables, considered good	54.55	46.27
Unsecured receivables, considered good	25.40	13.40
Unsecured receivables, with significant increase in credit risk	0.18	0.31
	80.13	59.98
Less: Allowance for trade receivables	(0.18)	(0.31)
	79.95	**59.67**
Breakup of trade receivables:		
Related parties	13.41	19.88
Others	66.54	39.79
	79.95	**59.67**

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

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

14 Cash and cash equivalents

	March 31, 2023	March 31, 2022
Balances with banks		
- In current accounts	19.60	12.50
- Deposits with original maturity of less than three months	100.50	12.00
Cash on hand	0.04	0.05
	120.14	**24.55**

15 Bank balances other than cash and cash equivalent

	March 31, 2023	March 31, 2022
Deposits with original maturity of more than 3 months but less than 12 months	647.59	1,211.44
Margin money deposits*	1.74	33.16
	649.33	**1,244.60**

*Represents margin money deposits held with banks.

16 Equity

	March 31, 2023	March 31, 2022
Authorized share capital		
400,000,000 (March 31, 2022: 400,000,000) equity shares of Rs.10 each	400.00	400.00
Issued, subscribed and fully paid-up shares		
378,000,000 (March 31, 2022: 378,000,000) equity shares of Rs.10 each fully paid up	378.00	378.00

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

	March 31, 2023		March 31, 2022	
Equity Shares	**Number**	**Amount**	**Number**	**Amount**
At the beginning of the year	37,80,00,000	378.00	37,80,00,000	378.00
Outstanding at the end of the year	**37,80,00,000**	**378.00**	**37,80,00,000**	**378.00**

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

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

	March 31, 2023		March 31, 2022	
	Number	**Amount**	**Number**	**Amount**
Equity shares of Rs.10 each fully paid				
GMR Airports Limited (GAL), holding company*	23,81,39,000	238.14	23,81,39,000	238.14
GMR Airports Infrastructure Limited, GAL's holding company	1,000	0.00	1,000	0.00
	23,81,40,000	**238.14**	**23,81,40,000**	**238.14**

*Including 5 equity shares held by others as nominee shareholders

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

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

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

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

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

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

17 Other equity

	March 31, 2023	March 31, 2022
Reserves and surplus		
Capital reserve	107.00	107.00
Debenture Redemption Reserve	199.00	-
Retained earnings	1,246.10	1,412.83
	1,552.10	**1,519.83**
Other comprehensive income		
Cash flow hedge reserve	**(127.03)**	**(44.27)**
Total other equity	**1,425.07**	**1,475.56**

Nature and purpose of reserves

Capital Reserve

The Company has received a contribution of Rs.107 crores from its shareholder i.e., Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from share holder of the Company.

Debenture Redemption Reserve

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

Retained earnings

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

Cash flow hedge reserve

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

18 Borrowings

	March 31, 2023	March 31, 2022
Bonds and Debentures, secured		
1,750 units 4.25% Senior Secured Notes ('SSN') of USD 200,000 each	2,850.77	2,622.57
1,436.58 units (March 31, 2022: 1,500 units) 4.75% SSN of USD 200,000 each	2,339.61	2,244.44
368 units (March 31, 2022: 1,500 units) 5.375% SSN of USD 200,000 each	603.02	2,259.73
11,500 units 8.805% Listed, Secured, Rated, Redeemable NCD of Rs. 1,000,000 each	1,138.34	-
84,000 units 8.710% Listed, Secured, Rated, Redeemable NCD of Rs. 100,000 each	833.39	-
Term loan, unsecured		
From Others		
Government of Telangana	252.04	315.05
Net Amount	**8,017.17**	**7,441.79**

i) 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). During the current year, the Company has prepaid 5.375% SSN to the extent of USD 226.39 million.

ii) 4.75% SSN

4.75% SSN were issued on February 02, 2021 for funding the airport expansion project works. The coupon rate of 4.75% p.a. plus applicable withholding tax is fixed through the tenor and payable semi-annually. 4.75% SSN are repayable after 5 years i.e. on February 02, 2026 (bullet repayment). During the current year, the Company has prepaid 4.75% SSN to the extent of USD 12.685 million.

iii) 4.25% SSN

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

iv. 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).

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

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

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

18 Borrowings (continued)

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

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

Senior Secured Notes mentioned in notes (i) (ii) and (iii) and NCD mentioned in (v) and (vi) above are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2,136.45 acres), freehold land of 8,824 acres and first pari-passu charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of GHIAL in, to and in respect of the Project Agreements (i.e. Concession Agreement, State Support Agreement, Land Lease Agreement and the CNS-ATS Agreement) as detailed in the Indenture dated October 27, 2017, April 10, 2019 and February 02, 2021 and Debenture Trust Deed dated December 12, 2022 and March 10, 2023 respectively to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of GHIAL; and floating charge on all the GHIAL's accounts and each of the other accounts required to be created by GHIAL pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts.

19 Other financial liabilities

	Non-current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
At amortised cost				
Retention money	0.14	0.02	5.42	2.25
Deposit from concessionaires and othres	43.26	31.39	53.96	49.06
Concession fee payable	104.27	70.75	100.31	127.39
Non-trade payables	-	-	37.87	37.11
Capital creditors*	-	-	458.12	344.06
Interest accrued but not due on borrowings	-	-	154.33	200.10
Financial guarantee contracts	6.05	6.08	1.03	0.97
	153.72	**108.24**	**811.04**	**760.94**

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

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

	Non-current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
GMR Hospitality and Retail Limited	0.85	1.09	0.28	0.27
GMR Hyderabad Aviation SEZ Limited	1.52	0.68	0.14	0.11
GMR Hyderabad Aerotropolis Limited	0.98	1.13	0.14	0.13
GMR Air Cargo and Aerospace Engineering Limited	2.70	3.18	0.47	0.46
	6.05	**6.08**	**1.03**	**0.97**

Note: The financial guarantees are given by the Company against loans taken by its subsidiaries for capex and working capital requirements.

20 Government grants

	March 31, 2023	**March 31, 2022**
Opening Balance	30.32	35.59
Less: recognised in the statement of profit and loss	(5.27)	(5.27)
	25.05	**30.32**
Non-current	19.79	25.05
Current	5.27	5.27

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

21 Other liabilities

	Non-current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Advanced received from customers	-	-	21.10	20.78
Marketing fund liability	-	-	1.81	3.28
Deferred income	9.37	6.46	5.48	3.85
Statutory liabilities	-	-	26.15	16.78
Other payable	-	-	20.24	31.29
	9.37	**6.46**	**74.78**	**75.98**

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

22 Short-term borrowings

	March 31, 2023	March 31, 2022
Loans		
Secured		
From bank	150.00	150.00
From others	-	100.00
	150.00	**250.00**
Unsecured		
From bank	-	7.55
Current maturities of long term borrowings	63.01	-
	213.01	**257.55**

i) Loan from bank, secured

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

ii) Loan from others, secured

The working capital demand loan of Rs. 100 crore has been entirely repaid during the year

iii) Loan from bank, unsecured

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

Working capital arrangement mentioned in note (i) and (ii) (during previous year) is secured by mortgage of leasehold and/or freehold rights, title and interest in respect of 2,145 acres and 11 guntas of land under the Land Lease Agreement and other land related documents, together with all buildings and structures thereon and charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of the 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 such accounts.

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

23 Trade payables

	March 31, 2023	March 31, 2022
Total outstanding dues of micro and small enterprises	21.42	14.79
Total outstanding dues of creditors other than micro and small enterprises	157.09	75.93
	178.51	**90.72**

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

Particulars	**March 31, 2023**	**March 31, 2022**
the principal amount remaining unpaid to any supplier as at the end of each accounting year;	48.34	26.91
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 Company.

24 Provisions

	March 31, 2023	March 31, 2022
Provision for employee benefits		
Provision for compensated absences	14.28	14.76
Provision for superannuation fund	0.17	0.17
Provision for gratuity (refer note 47)	7.07	5.88
	21.52	**20.81**

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

25 Revenue from contracts with customers

	March 31, 2023	March 31, 2022
Aeronautical		
Landing and parking charges	154.33	92.65
User Development Fee (UDF)	440.97	144.83
Information Communication and Technology Charges (ICT Charges)	11.77	45.39
Fuel farm	85.86	57.81
Ground handling	39.01	15.92
Cargo	17.07	15.26
Others	36.22	33.55
Revenue from Aeronautical services (A)	**785.23**	**405.41**
Non-Aeronautical		
Duty free	66.12	22.18
Retail	70.85	32.95
Advertisement	43.64	22.96
Food and beverages	77.46	32.08
Parking	93.29	46.94
Land and space rentals	49.64	45.14
Others	45.06	57.24
Revenue from Non-Aeronautical services (B)	**446.06**	**259.49**
Revenue from commercial property development (C)	14.95	8.78
Revenue from operations (A+B+C)	**1,246.24**	**673.68**

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Aeronautical services	687.34	333.00	97.89	72.41
Non-Aeronautical services	-	-	446.06	259.49
Others	-	-	14.95	8.78
Total revenue from operations	**687.34**	**333.00**	**558.90**	**340.68**

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

	March 31, 2023	March 31, 2022
Revenue as per contracted price	1,245.60	672.58
Adjustments:		
Significant financing component	0.64	1.10
Revenue from operations	**1,246.24**	**673.68**

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

Amounts included in contract liabilities at the beginning of the year	1.63	2.80
Total	**1.63**	**2.80**

26 Other income

	March 31, 2023	March 31, 2022
Interest on:		
Bank deposits	22.00	3.69
Loan to subsidiaries	0.44	8.27
Others	68.88	70.03
Unwinding of financial assets	0.10	0.25
Dividend from investment in joint venture	4.90	1.96
Gain on investments carried at fair value through profit and loss	21.16	7.13
Income from government grant	5.27	5.27
Provisions no longer required, written back	1.80	1.24
Other miscellaneous income	13.55	6.92
Profit on sale of assets	0.02	0.24
	138.12	**105.00**

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

27 Employee benefits expense

	March 31, 2023	March 31, 2022
Salaries, wages and bonus	103.50	99.26
Contribution to provident and other funds	7.30	6.96
Gratuity expense	1.55	1.53
Staff welfare expenses	3.31	2.10
	115.66	**109.85**

28 Finance costs

	March 31, 2023	March 31, 2022
Interest on borrowings	188.97	140.72
Premium on derivative instruments	98.97	83.88
Interest expenses on financial liability carried at amortised cost	31.21	27.01
Other borrowing costs	21.08	6.91
	340.23	**258.52**

29 Depreciation and amortisation expenses

	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment (refer note 4)	255.62	213.76
Amortisation of other intangible assets (refer note 6)	1.56	3.45
Amortisation of right of use assets (refer note 5)	2.81	2.64
	259.99	**219.85**

30 Other expenses

	March 31, 2023	March 31, 2022
Operating and maintenance expenses	30.07	18.70
Power and fuel	13.91	11.36
Manpower hire charges	65.27	66.46
Consumption of stores & spares	12.20	4.39
Repairs and maintenance		
Buildings	16.34	7.16
Plant and machinery	46.27	30.03
IT systems	14.25	16.25
Other	7.94	5.37
Insurance expense	6.00	5.56
Security expenses	20.75	14.38
Rent	6.62	2.34
Rates and taxes	11.65	4.46
Advertising and business promotion	7.72	6.13
Collection charges	3.52	1.97
Travelling and conveyance	38.99	27.64
Communication costs	2.28	2.30
Legal and professional fees	45.70	16.73
Management fees	35.24	34.02
Director's sitting fees	0.25	0.17
Payment to auditors (refer note A below)	0.80	0.59
Contribution to political parties	-	20.00
CSR expenditure (refer note B below)	8.20	8.20
Loss on account of foreign exchange fluctuations (net)	0.97	0.17
Bad debts written off	63.00	-
Loss on sale of fixed assets (net)	0.68	0.05
Miscellaneous expenses	6.56	7.76
	465.18	**312.19**

A. Payment to Auditors

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

B. Details of CSR expenditure (included in other expenses above)

	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Company	2.05	8.20
b) Amount spent during the year	8.20	8.20
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	Health and educational purpose	Health and educational purpose
g) Details of related party transactions	Refer note 52	
h) Provision made during the year	-	-

31 Income tax

	March 31, 2023	March 31, 2022
Statement of profit and loss:		
Current income tax	3.01	-
Minimum alternate tax credit entitlement	(3.01)	-
Deferred tax	24.33	(43.96)
Income tax expense / (credit) reported in the statement of profit or loss	**24.33**	**(43.96)**
Adjustments relating to previous year	0.80	-
Income tax expense / (credit) reported in the statement of profit or loss	**25.13**	**(43.96)**

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

	March 31, 2023	March 31, 2022
Profit/ (loss) before tax	58.12	(152.06)
Tax at the applicable tax rate of 34.94% (March 31, 2022: 34.94%)	20.31	(53.14)
Adjustments		
Expenses disallowed in calculation of tax	11.58	9.85
Others	(7.56)	(0.67)
Total tax expense reported in the statement of profit and loss	**24.33**	**(43.96)**

Deferred tax

	Statement of profit or loss/OCI		Balance sheet	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deferred tax asset				
Unabosorbed business losses	3.44	(29.47)	100.08	103.52
MAT Credit asset*	-	-	446.28	457.28
Capital work-in progress	22.73	(20.54)	40.17	62.90
Cash flow hedge reserve	(99.42)	(35.25)	68.23	-
Others	(22.79)	(0.25)	26.21	3.42
	(96.04)	**(85.51)**	**680.96**	**627.12**
Deferred tax liability				
Property, plant and equipment	20.94	6.30	(195.56)	(174.62)
	20.94	**6.30**	**(195.56)**	**(174.62)**
Net deferred tax assets	**(75.10)**	**(79.21)**	**485.40**	**452.50**

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

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.

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

Reconciliations of net deferred tax assets / (liabilities)

	March 31, 2023	March 31, 2022
Opening balance as at beginning of the year	452.50	373.30
Recognised in profit or loss	(24.33)	43.96
Recognised in OCI	99.42	35.24
Deferred tax on cash flow hedge reserve loss reclassified to profit or loss	(31.19)	-
MAT credit adjustment*	(11.00)	-
	485.40	**452.50**

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

32 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, 2023

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve (net)	323.19	-	323.19
Effect of changes in foreign exchange rates	(621.45)	-	(621.45)
Deferred tax	99.42	-	99.42
Reclassified to statement of profit and loss	90.77	-	90.77
Tax effect of the above	(32.73)	-	(32.73)
Remeasurement gain on defined benefit plans	-	(1.11)	(1.11)
Tax effect of the above	-	0.39	0.39
Closing balance	**(140.80)**	**(0.72)**	**(141.52)**

For the year ended March 31, 2022

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve	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)**

33 Earnings per equity share (EPES)

The following reflects the profit/ (loss) and share data used in the basic and diluted EPS computations:

	March 31, 2023	March 31, 2022
Profit/ (loss) attributable to equity holders of the company	32.99	(108.10)
Weighted average number of equity shares used for Computing Earning Per Share (Basic & Diluted)	37,80,00,000	37,80,00,000
Earnings per share (Basic and Diluted) (Rs.)	0.87	(2.86)
Face value per share (Rs.)	10.00	10.00

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

34 Financial Ratios

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Change %	Reasons for change by more than 25%
Current ratio	Current assets	Current liabilities	1.67	2.18	-23%	
Debt-equity ratio	Total debt [Non-current borrowings + current borrowings + lease liability]	Shareholder's equity	4.62	4.20	10%	
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]	0.92	0.54	69%	Principal reason for movement is owing to increase in the profits reported for the year.
Return on equity ratio	Net Profit/ (loss) after tax	Average Shareholder's equity	1.80%	-5.42%	-133%	Principal reason for movement is owing to increase in the profits reported for the year.
Trade receivables turnover ratio	Revenue from operations	Average trade receivables[(2)]	11.29	6.22	82%	Revenue from operations during previous year was low on account of Covid-19 which has significantly improved in current year.
Trade payables turnover ratio	Other Expenses	Average trade payables	3.46	3.53	-2%	
Net capital turnover ratio	Revenue from operations	Working capital	1.42	0.47	202%	Increase in revenue from operation during the current year compared to last year.
Net profit ratio	Profit after tax	Revenue from operations	2.65%	-16.05%	116%	Increase in revenue from operation during the current year compared to last year.
Return on capital employed	Earnings before interest and tax	Capital employed [(3)]	2.07%	0.59%	252%	Principal reason for movement is owing to increase in the profits reported for the year.
Return on investment	Income generated from investments in subsidiaries and joint venture	Weighted average investments in subsidiaries and ioint venture	0.64%	0.26%	146%	Due to receipt of dividend during the current year from JV company.
Return on investment	Income generated from other investments [(4)]	Time weighted average investments	6.72%	4.74%	42%	Due to increase in return % from mutual funds and fixed deposits.

Notes :

(1) Interest payment also includes borrowing costs capitalised.

(2) Average trade receivables includes average unbilled revenue.

(3) Capital Employed is Tangible Net Worth, Total Debt including Lease liabilities and Deferred tax liability.

(4) Includes income received from mutual funds and commercial papers.

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

35 Capital work-in-progress

	March 31, 2023	March 31, 2022
Opening balance as at the beginning of the year	3,043.11	2,255.00
Add: Incurred during the year (refer note 65)	1,427.72	1,399.24
Less: Capitalised during the year	(1,714.23)	(488.74)
Less: Adjustments during the year*	-	(122.39)
Closing balance as at the end of the year	**2,756.60**	**3,043.11**

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

	March 31, 2023	March 31, 2022
Capital expenditure incurred on property, plant and equipment	1,961.06	2,205.59
Legal and professional expense	123.37	149.06
Employee benefits expense	2.12	1.77
Travelling and conveyance	0.74	2.32
Finance costs	785.54	866.70
Total (i)	**2,872.83**	**3,225.44**
Less:-		
Interest income from bank deposit	(114.33)	(179.16)
Interest income on security deposit paid	(1.90)	(3.17)
Total (ii)	**(116.23)**	**(182.33)**
Net capital work-in-progress (i-ii)	**2,756.60**	**3,043.11**

During the year ended March 31, 2023, the following expenses of revenue nature are capitalized to the capital work-in-progress (CWIP). Consequently, expenses disclosed under the other expenses are net of amounts capitalized by the Company.

	March 31, 2023	March 31, 2022
Opening balance (A)	**837.52**	**501.33**
Expense:		
Legal and professional expense	43.71	41.90
Employee benefit expense	0.76	0.78
Travelling and conveyance	0.69	0.51
Finance cost	369.05	431.38
Total (B)	**414.21**	**474.57**
Less:		
Interest income from bank deposit	(1.90)	(53.79)
Interest income on security deposit paid	-	(4.13)
Total (C)	**(1.90)**	**(57.92)**
Less: Capitalised during the year (D)	(454.29)	(55.87)
Less: Adjustments (E)*	-	(24.59)
Closing balance (F=A+B-C-D-E)	**795.54**	**837.52**

*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 2023	1,376.85	928.34	226.53	224.88	**2,756.60**
As at 31 March 2022	1,663.86	815.24	364.79	199.22	**3,043.11**

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.

36 Trade receivables ageing

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

	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 2023						
- considered good	73.20	3.17	3.20	-	0.38	**79.95**
- significant increase in credit risk	-	-	0.16	-	0.02	**0.18**
Unbilled receivables as at 31 March 2023	53.88	-	-	-	-	**53.88**

(All amounts in Rupees crores, except when otherwise stated)

	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**
Unbilled receivables as at 31 March 2022	27.26	-	-	-	-	**27.26**

There are no disputed trade receivables outstanding as at 31 March 2023 and 31 March 2022.

37 Trade payables ageing

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

	Outstanding for the following periods from the due date of payments				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Trade payables as at 31 March 2023					
Outstanding dues to MSME	19.26	1.27	0.81	0.08	**21.42**
Others	108.90	30.80	11.19	6.20	**157.09**
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**

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

38 Promoter's Shareholding

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

39 The Company neither holds any Benami property, nor any 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.

40 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.

41 The Company have not traded or invested in Crypto currency or Virtual Currency.

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

43 The Company have not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the 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.

44 The Company has used borrowings from Banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

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

46 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).

47 Retirement and other employee benefits

a) Defined contribution plan:

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

	March 31, 2023	**March 31, 2022**
Contribution to provident fund	5.21	4.73
Contribution to ESI and Labour welfare fund	0.05	0.16
Contribution to superannuation fund	2.04	2.07
	7.30	**6.96**

47 Retirement and other employee benefits: (continued)

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 crores (March 31, 2022: 0.20 crores).

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

Net employee benefit expense:

	March 31, 2023	March 31, 2022
Current service cost	1.17	1.25
Interest cost on net Defined Benefit Obligation (DBO)	0.38	0.29
Net benefit expense	**1.55**	**1.54**

Amount recognized in other comprehensive income:

	March 31, 2023	March 31, 2022
Actuarial loss due to DBO experience	1.07	0.03
Actuarial gain due to DBO assumption changes	(0.18)	(0.27)
Return on plan assets (greater)/less than discount rate	(0.17)	0.48
Actuarial losses recognized in OCI	**0.72**	**0.24**

Amounts recognised in the Balance sheet are as follows:

	March 31, 2023	March 31, 2022
Fair value of plan assets	6.35	6.20
Defined benefit obligation	(13.43)	(12.07)
Plan liability	**(7.08)**	**(5.87)**

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

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	12.07	11.28
Interest cost	0.80	0.74
Current service cost	1.17	1.25
Benefits paid	(1.57)	(0.75)
Actuarial losses on obligation	1.08	0.02
Acquisition cost/ (credit) by the Company	0.06	(0.20)
Actuarial gain on financial assumption	(0.18)	(0.27)
Closing defined benefit obligation	**13.43**	**12.07**

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

	March 31, 2023	March 31, 2022
Opening fair value of plan assets	6.20	7.12
Expected return on plan assets	0.42	0.46
Contributions by employer	1.13	0.13
Return on plan assets greater/(lesser) than discount rate	0.17	(0.48)
Acquisition adjustment	-	(0.28)
Benefits paid	(1.57)	(0.75)
Closing fair value of plan assets	**6.35**	**6.20**

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

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

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

	March 31, 2023	March 31, 2022
Discount rate	7.30%	7.10%
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, 2023	March 31, 2022
Discount rate		
Effect due to 1% increase in discount rate	(0.85)	(0.82)
Effect due to 1% decrease in discount rate	0.97	0.94
Attrition rate		
Effect due to 1% increase in attrition rate	(0.10)	(0.07)
Effect due to 1% decrease in attrition rate	0.11	0.08

47 Retirement and other employee benefits: (continued)

	March 31, 2023	March 31, 2022
Salary escalation rate		
Effect due to 1% increase in salary increase rate	0.78	0.78
Effect due to 1% decrease in salary increase rate	(0.73)	(0.72)

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

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

	March 31, 2023	March 31, 2022
within one year	1.60	1.22
between one to two years	1.76	0.89
between two to three years	1.61	1.79
between three to five years	3.21	3.07
between five to ten years	8.28	8.11

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2022: 10 years).
The Company expects to contribute to Rs. 1.13 Crore to gratuity fund during the year ended on March 31, 2024 (March 31, 2023: Rs. 0.13 Crore)

48 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, 2023	March 31, 2022
Expense head		
Electricity and water charges	79.41	62.67
Salaries, wages and bonus	6.73	6.19
Staff welfare expenses	5.64	4.23
Miscellaneous expenses	2.69	1.98
Rent	0.84	1.54
Travelling and conveyance	2.13	1.14
Repairs and maintenance	7.00	5.04
	104.44	**82.79**

49 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. 340.58 crore out of revenue from operations of the Company for the year ended March 31, 2023 (March 31, 2022: Rs. 158.77 crore).

50 During the financial year ended 2019, the Company had entered into a term loan facility arrangement with Yes Bank Limited ("YBL" or "Bank"), to avail term loan of Rs. 4,200 crore, and had incurred an up-front processing fee of Rs. 63 crore. However, in view of certain developments, the Bank expressed its inability to extend the loan, and accordingly on April 21, 2020, the arrangement was terminated. Further YBL vide their letter dated June 9, 2020 acknowledged the receipt of request from the Company for refund of the aforesaid up-front fees and to present the Company's request to the appropriate committees for approvals. Further, management had obtained legal opinion from an independent lawyer regarding the Company's right to receive the refund of upfront fee and accordingly had considered the amount recoverable in full as of March 31, 2022.

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

51 Disclosure on changes in financing liabilities

	Current borrowings	Non-current borrowings	Assets held to hedge
Balance as on 1 April 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**
Cash flows, net	(107.55)	30.76	-
Amortization of borrowing cost	-	15.10	-
Effect of changes in foreign exchange rates	-	592.53	-
Finance cost	-	-	279.99
Other adjustments	63.01	(63.01)	-
Change in fair values	-	-	(137.13)
Balance as on 31 March 2023	**213.01**	**8,017.17**	**813.48**

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

52 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 Airports Infrastructure Limited (GIL) *(Formerly GMR Infrastructure Limited)*
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 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 GMR Aerostructure Services Limited GMR Hyderabad Vijayawada Expressways Private Limited GMR Business Process and Services Private Limited GMR Power and Urban Infra Limited (GPUIL) GMR Pochanpalli Expressways Limited Raxa Security Services Limited
Shareholders having significant influence	Government of Telangana Airports Authority of India Malaysia Airports Holdings Berhad MAHB (Mauritius) Private Limited.
Key Management Personnel (KMP)	Mr. G M Rao, Executive Chairman Mr. GBS Raju – Managing Director Mr. Pradeep Panicker – Chief Executive Officer Mr. Anand Kumar Polamada - Chief Financial Officer Mr. Anup Kumar Samal - Company Secretary (till April 06, 2022) Mr. Kiran Kumar Manikwar - Company Secretary (wef April 28, 2022) Mr. Srinivas Bommidala – Director Mr. HJ Dora – Director Mr. Grandhi Kiran Kumar– Director Mr. C Prasanna – Director Mr. K Ramakrishna Rao IAS - Director Mr. Jayesh Ranjan IAS - Director Mr. Joyanta Chakraborty - Director Mr. Antoine Crombrez - Director Mr. Camilo Perez Perez - Director Mrs. Siva Kameswari Vissa - Independent Director (upto August 2022) Mrs. Bijal Tushar Ajinkya - Independent Director (wef September 15, 2022) Mr. Iskandar Mizal Bin Mahmood - Director Mr. Dharmendra Bhojwani - Director Mr. A. Subba Rao Amartaluru- Independent Director Dr. M. Ramachandran - Independent Director 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

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

52 Related party disclosures (continued)

b) Transactions with related parties

	March 31, 2023	March 31, 2022
Services received		
Raxa Security Services Limited	25.76	19.29
GMR Hospitality and Retail Limited	0.56	0.69
Airports Authority of India	0.08	0.06
GMR Airport Developers Limited	36.02	19.64
GMR Airports Infrastructure Limited	11.52	7.68
GMR Power and Urban Infra Limited	-	7.68
GMR Airports Limited	24.62	18.65
Laqshya Hyderabad Airport Media Private Limited	0.03	0.03
Delhi International Airport Limited	-	0.35
GMR Rajahmundry Energy Limited	0.03	-
Investment made during the year		
GMR Hyderabad Aerotropolis Limited	62.00	-
Security deposit (paid) /received		
GMR Hyderabad Airport Assets Limited	1.43	-
Income from operations		
GMR Air Cargo and Aerospace Engineering Limited	22.11	19.60
GMR Hospitality and Retail Limited	71.12	26.19
Airports Authority of India	0.57	0.64
GMR Power and Urban Infra Limited	-	0.01
GMR Hyderabad Aviation SEZ Limited	8.40	2.73
Laqshya Hyderabad Airport Media Private Limited	40.25	19.43
GMR Airport Developers Limited	0.18	0.20
GMR Hyderabad Aerotropolis Limited	2.05	1.87
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.03	0.04
GMR Varalakshmi Foundation	0.44	0.42
GMR Business Process and Services Private Limited	3.40	3.40
GMR Hyderabad Airport Assets Limited	0.49	0.19
Dividend income		
Laqshya Hyderabad Airport Media Private Limited	4.90	1.96
Unsecured loan given		
GMR Hospitality and Retail Limited	-	46.25
Unsecured loan received back		
GMR Hyderabad Aerotropolis Limited	11.00	29.00
GMR Hospitality and Retail Limited	-	46.25
Interest on unsecured loan given		
GMR Hospitality and Retail Limited	-	4.48
GMR Hyderabad Aerotropolis Limited	0.44	3.78
GMR Airports Infrastructure Limited	15.53	20.25
GMR Power and Urban Infra Limited	6.47	1.75
Purchase of captial asset / services for Capital work-in-progress:		
GMR Hospitality and Retail Limited	0.13	0.01
GMR Airport Developers Limited	32.91	39.73
GMR Highways Limited	0.13	-
Corporate guarantee given on behalf of the subsidiaries		
GMR Hyderabad Aviation SEZ Limited	172.00	-
GMR Hospitality and Retail Limited	-	41.25
GMR Hyderabad Aerotropolis Limited	-	13.50
GMR Air Cargo and Aerospace Engineering Limited	-	300.00
CSR expenditure		
GMR Varalakshmi Foundation	8.20	8.20

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

b) Transactions with related parties (continued)

	March 31, 2023	March 31, 2022
Straight lining of lease rental income		
GMR Hospitality and Retail Limited	0.83	0.99
GMR Air Cargo and Aerospace Engineering Limited	3.41	3.70
Laqshya Hyderabad Airport Media Private Limited	-	(0.01)
GMR Business Process & Services Private limited	(0.13)	0.04
GMR Airport Developers Limited	-	(0.01)
GMR Varalakshmi Foundation	(0.02)	0.00
Depreciation and interest cost as per Ind AS 116		
GMR Family Fund Trust	0.48	0.48
Government of Telangana	9.17	8.83
Sri Varalakshmi Jute Twine Mills Private Limited	0.34	0.35
Corporate guarantee commission income:		
GMR Hospitality and Retail Limited	0.28	0.16
GMR Air Cargo and Aerospace Engineering Limited	0.49	2.07
GMR Hyderabad Aerotropolis Limited	0.16	0.16
GMR Hyderabad Aviation SEZ Limited	0.90	0.14
Income on amortization of deposit received		
GMR Air Cargo and Aerospace Engineering Limited	0.01	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
Interest income on amortization of deposit paid:		
Raxa Security Services Limited	0.06	0.17
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.01
GMR Family Fund Trust	-	0.02
Reimbursement of expenses claimed by the Company during the year from its related parties		
Laqshya Hyderabad Airport Media Private Limited	0.99	0.75
Delhi International Airport Limited	-	0.01
GMR Hyderabad Aviation SEZ Limited	22.17	20.16
GMR Airports Limited	0.03	0.02
GMR Hospitality and Retail Limited	8.97	7.85
GMR Air Cargo and Aerospace Engineering Limited	4.26	5.07
Airports Authority of India	-	3.23
GMR Hyderabad Aerotropolis Limited	2.65	7.97
GMR Airport Developers Limited	1.95	1.85
Raxa Security Services Limited	-	0.01
GMR Varalakshmi Foundation	0.06	0.05
Geokno India Private Limited	0.02	0.01
GMR Business Process and Services Private Limited	0.57	0.42
GMR Pochanpalli Expressways Limited	-	0.01
GMR Hyderabad Airport Assets Limited	8.41	3.33
Interest expense on amortization of deposit received:		
GMR Air Cargo and Aerospace Engineering Limited	0.01	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	0.06	0.17
Reimbursement of expenses claimed from the Company during the year by its related parties		
GMR Hospitality and Retail Limited	0.00	0.04
Delhi International Airport Limited	-	0.14
Remuneration paid to Key managerial personnel		
Short term employee benefits	11.06	12.34
Sitting fees	0.25	0.17

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

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

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

52 Related party disclosures (continued)

c) Outstanding balances at the end of the year

	March 31, 2023		March 31, 2022	
	Non-Current	Current	Non-Current	Current
Balance recoverable/(payable)				
GMR Air Cargo and Aerospace Engineering Limited	-	2.83	-	(3.25)
Raxa Security Services Limited	-	(5.84)	-	(3.75)
Airports Authority of India	-	2.63	-	4.13
GMR Airports Infrastructure Limited	-	10.71	-	-
GMR Power and Urban Infra Limited	-	4.22	-	2.26
Delhi International Airport Limited	-	0.00	-	(0.19)
GMR Rajahmundry Energy Limited	-	-	-	0.04
GMR Airports Limited	-	(14.04)	-	(3.82)
GMR Hospitality and Retail Limited	-	7.65	-	7.27
GMR Hyderabad Vijayawada Expressways Private Limited	-	-	-	0.01
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	0.03	-	0.00
GMR Hyderabad Aviation SEZ Limited	-	7.46	-	4.13
GMR Airport Developers Limited	-	(10.95)	-	(7.28)
Laqshya Hyderabad Airport Media Private Limited	-	4.46	-	(3.77)
Kakinada SEZ Limited	-	0.00	-	0.00
GMR Hyderabad Aerotropolis Limited	-	0.88	-	16.38
GMR Varalakshmi Foundation	-	0.17	-	0.16
GMR Highways Limited	-	0.11	-	0.25
Geokno India Private Limited	-	0.95	-	0.88
GMR Business Process and Services Private Limited	-	2.03	-	2.84
GMR Hyderabad Airport Assets Limited	-	0.77	-	0.04
Security deposit receivable /(payable)				
GMR Airports Infrastructure Limited	-	(0.04)	-	(0.04)
GMR Hospitality and Retail Limited	-	(0.01)	-	(0.01)
Laqshya Hyderabad Airport Media Private Limited	(0.27)	(0.20)	(0.42)	-
GMR Varalakshmi Foundation	-	(0.13)	(0.12)	-
Raxa Security Services Limited	-	1.75	-	1.69
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.10	-	0.10
GMR Family Fund Trust	-	0.39	-	0.38
GMR Air Cargo and Aerospace Engineering Limited	(0.10)	-	0.09	-
Loans given				
GMR Hyderabad Aerotropolis Limited	-	-	-	11.00
GMR Airports Infrastructure Limited	-	141.20	-	141.20
GMR Power and Urban Infra Limited	-	58.80	-	58.80
Lease liabilities				
GMR Family Fund Trust	(2.33)	-	(2.41)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(1.67)	-	(1.75)	-
Government of Telanagana	(84.77)	-	(81.13)	-
Borrowings				
Government of Telangana	(252.04)	(63.01)	(315.05)	-

d) Details of guarantees/pledge of equity shares

	March 31, 2023	March 31, 2022
Pledge of equity shares (face value) with banks against the loan taken by the subsidiary		
GMR Hospitality and Retail Limited	32.90	82.95
Corporate guarantee given on behalf of its subsidiaries to banks against the loan taken by the subsidiary*		
GMR Hospitality and Retail Limited	126.29	115.21
GMR Air Cargo and Aerospace Engineering Limited	308.94	325.50
GMR Hyderabad Aviation SEZ Limited	121.59	93.36
GMR Hyderabad Aerotropolis Limited	57.00	60.50
GMR Hyderabad Airport Assets Limited	55.70	60.78
Bank guarantee given on behalf of its subsidiary*		
GMR Hyderabad Aerotropolis Limited	-	1.53
GMR Aero Technic Limited	0.36	-
GMR Air Cargo and Aerospace Engineering Limited	45.00	45.00

*Pledge of equity shares, Corporate guarantees and Bank guarantees have been given by the Company on behalf of its subsidiaries for the purpose of loans availed by the subsidiairies for their operational purpose.

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

53 Leases

(a) **Company as a lessee**

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

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

	Category of ROU asset			Total
	Land	Building	Vehicles	
Balance as at April 1, 2021	64.67	10.72	-	75.39
Depreciation	(1.37)	(1.27)	-	(2.64)
Balance as at March 31, 2022	**63.30**	**9.45**	**-**	**72.75**
Additions	-	-	1.30	1.30
Depreciation	(1.37)	(1.28)	(0.16)	(2.81)
Balance as at March 31, 2023	**61.93**	**8.17**	**1.14**	**71.24**

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

	March 31, 2023	March 31, 2022
Current lease liabilities	1.07	-
Non-current lease liabilities	95.09	92.08
	96.16	**92.08**

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

	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	92.08	89.15
Movement:		
Additions	1.30	-
Finance cost accrued during the year	10.06	8.65
Payment of lease liabilities	(7.28)	(5.72)
Balance at the end of the year	**96.16**	**92.08**

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

	March 31, 2023	March 31, 2022
Depreciation/amortisation on right to use asset	2.81	2.64
Interest on lease liability	10.06	8.65
Expenses related to short term lease (included under other expenses)	6.62	2.34
Total amount recognized in the statement of profit and loss	**19.49**	**13.63**

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

	March 31, 2023	March 31, 2022
Within one year	6.92	10.37
After one year but not more than two years	7.25	6.53
After two years but not more than three years	7.52	6.85
After three years but not more than four years	7.76	7.23
After four years but not more than five years	8.00	7.56
More than five years	709.98	717.94

(b) **Company as a lessor**

The Company has sub-leased land to various parties under operating leases having a term of 1 to 30 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiable.

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

	March 31, 2023	March 31, 2022
Within one year	54.80	47.96
After one year but not more than five years	141.41	137.13
More than five years	123.32	148.13

(All amounts in Rupees crores, except when otherwise stated)

54 Fair values

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

	Carrying value		Fair value	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Financial assets				
I. At fair value through Profit or loss				
Investments in mutual funds	372.41	384.72	372.41	384.72
II. At fair value through Other comprehensive income				
Cash flow hedges (refer note V(a))				
Cross currency swap	571.97	457.18	571.97	457.18
Coupon only swap	10.99	(3.09)	10.99	(3.09)
Call spread option	230.52	216.53	230.52	216.53
III. At amortized cost				
Investments in commercial paper	565.08	456.78	565.08	456.78
Loans	200.15	211.71	200.15	211.71
Trade receivables	79.95	59.67	79.95	59.67
Cash and cash equivalents	120.14	24.55	120.14	24.55
Bank balances other than cash and cash equivalents	649.33	1,244.60	649.33	1,244.60
Other financial assets	131.63	211.16	131.63	211.16
	2,932.17	**3,263.81**	**2,932.17**	**3,263.81**
Financial liabilities				
IV. At amortized cost				
Borrowings	8,230.18	7,699.34	7,799.20	7,485.91
Other financial liabilities	964.76	869.18	964.51	868.90
Lease liabilities	96.16	92.08	96.16	92.08
Trade payables	178.51	90.72	178.51	90.72
	9,469.61	**8,751.32**	**9,038.38**	**8,537.61**

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 has entered into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at March 31, 2023, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

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

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

(d) Management has assessed that cash and cash equivalent, trade receivables, trade payables, other bank balances, investments in commercial papers 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.

55 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, 2023			
Investment in mutual funds	372.41	-	-
Derivatives designed as Cash flow hedge	-	813.48	-
	372.41	**813.48**	**-**
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**	**-**

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 when otherwise stated)

56 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, 2023 and March 31, 2022.

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

Interest rate risk

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

The 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 for the year.

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

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, 2023		March 31, 2022	
Foreign Currency	**Foreign Currency**	**Rs. (in Crore)**	**Foreign Currency**	**Rs. (in Crore)**
EUR	(8,80,971)	(7.88)	(9,35,990)	(7.95)
CAD	(7,130)	(0.04)	-	-
GBP	(480)	(0.00)	(1,800)	(0.02)
AED	(1,15,500)	(0.26)	(1,73,250)	(0.36)
USD	(14,30,560)	(11.75)	(91,280)	(0.69)

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, 2023	March 31, 2022
EUR	Change in fair valuation of financial liabilities	5%	0.39	0.40
USD		5%	0.59	0.03

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, 2023 and March 31, 2022 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, 2.57% of the Company's debt will mature in less than one year at March 31, 2023 (March 31, 2022: 3.31%) 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, 2023					
Borrowings	-	213.01	6,093.71	1,990.00	8,296.72
Lease liabilities	-	6.92	30.53	709.98	747.43
Trade payables	-	178.51	-	-	178.51
Other financial liabilities	-	811.04	149.20	5.78	966.02
Guarantees	714.88	-	-	-	714.88
Total	**714.88**	**1,209.48**	**6,273.44**	**2,705.76**	**10,903.56**
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**

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

57 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, 2023	March 31, 2022
Borrowings (A)	**8,230.18**	**7,699.34**
Share Capital	378.00	378.00
Other equity	1,425.07	1,475.56
Total equity (B)	**1,803.07**	**1,853.56**
Total equity and total debt (C=A+B)	**10,033.25**	**9,552.90**
Gearing ratio (A/C)	**82%**	**81%**

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, 2023 and March 31, 2022.

58 Commitments and Contingencies

I Contingent liabilities not provided for:

	March 31, 2023	March 31, 2022
In respect of income tax matters [refer (a) below]	24.65	21.32
In respect of service tax matters [refer (b) below]	35.66	35.66
Claim against the Company not acknowledged as debt [refer (d), (e) and (f) below]	7.85	149.75
In respect of other matters [refer (c) below]	25.20	25.20

(a) Pursuant to the income tax assessment for the years mentioned below, 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, 2023	March 31, 2022
Pending with the Hon'ble Supreme Court of India		
A.Y.2013-14 [Disallowed under 115JB]	3.26	-
Pending with Income Tax Appellate Tribunal, Bangalore ("ITAT")		
A.Y.2014-15 [Disallowed under 115JB]	-	3.76
A.Y.2016-17 [Disallowed under 115JB]	-	6.46
Pending with Commissioner of Income Tax (Appeals) ("CIT(A)")		
A.Y.2014-15 [Disallowed under 115JB]	3.76	-
A.Y.2016-17 [Disallowed under 115JB]	6.46	-
A.Y.2016-17 [Disallowed under 115JB]	0.07	-
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, 2023	March 31, 2022
Pending with the Hon'ble Supreme Court of India	Note	Note
A.Y 2011-12 to A.Y 2013-14	35.60	-
Pending with the Assessing Officer		
A.Y 2010-11 to 2014-15	-	5.25
Pending with CIT (A)		
A.Y 2009-10	4.01	4.01
A.Y 2010-11 to A.Y 2013-14	23.15	-
A.Y 2017-18 to A.Y 2018-19	50.51	13.27
A.Y 2014-15 to A.Y 2016-17	67.54	72.10
A.Y 2016-17 **	0.80	0.80
A.Y 2021-22	7.15	-
A.Y 2022-23	0.48	-

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

(b) **Disputed service tax matters**

	March 31, 2023	March 31, 2022
Irregular availment of the cenvat credit, pending with Hon'ble High Court of Telangana*	24.84	24.84
Penalty equivalent to service tax levy on delay in payment of service tax on the user development fee, pending with Hon'ble Supreme Court	7.43	7.43
Appealed filed with with Commissioner of Central Tax (Appeals), for demand order received towards non-payment of service tax on corporate guarantee.	0.19	0.19
Irregular availment of cenvat credit and non-payment of service tax on recovery of electricity and water charges from its concessionaires, pending with CESTAT Hyderabad*	3.20	3.20

*including penalty amount.

(c) The Company had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 crore (March 31, 2022: Rs. 25.20 crore). The Company had received the stay order from Hon'ble High Court of Telangana against the said order in the earlier years.

(d) The Company had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. The Company had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2023 amounts to Rs. 5.80 crore (March 31, 2022: Rs. 5.70 crore).

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

(i) The Ministry of Civil Aviation (MoCA) had issued orders in 2014, requiring the Airport Operators to reverse the expenditure incurred from 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 Rs142 crore towards the aforesaid expenses till March 31, 2018, excluding related maintenance expense, other costs and interest thereon which is presently unascertainable. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that the funds utilized by the Company is contrary to the directions issued by MoCA. Management is of the opinion that the utilisation of funds from PSF(SC) 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 vide a writ petition before the Hon'ble High Court of Andhra Pradesh. The Hon'ble High Court, vide its order dated March 3, 2014 followed by further clarifications dated April 28, 2014 and December 24, 2014, stayed the MoCA order with an undertaking that, in the event the decision of the writ petition goes against the Company, it shall restore the PSF (SC) Fund to this extent. The matter is currently sub judice with the Hon'ble High Court of Telangana.

Based on the internal legal assessment, Management of the Company is of the view that no further adjustments are required to be made to the accompanying Statement, 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 crore 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 crore (March 31, 2022: Rs. 2.05 crore).

(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 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, 2023.

II **Financial guarantees**	March 31, 2023	March 31, 2022
Corporate guarantee given on behalf of its subsidiaries to banks against the loan taken		
(a) sanctioned	831.61	745.69
(b) outstanding	669.52	655.35
(c) sanctioned during the year	172.00	354.75

III **Guarantees other than financial guarantees**		
Bank guarantee given		
(a) sanctioned	46.50	57.84
(b) outstanding	46.50	57.84

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. 573.28 crore (March 31, 2022: Rs. 1,063.37 crore).

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. During the current period, the Company has cancelled/matured CS arrangements and COS arrangements of USD 226.39 million on partial repayment of 2024 SSN and USD 12.68 million on partial repayment of 2026 SSN.

59 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 financial statements.

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.

59 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.

60 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.

61 Determination of aeronautical tariff

The Company had filed an appeal, challenging the disallowance of pre-control period losses and foreign exchange loss on external commercial borrowings, classification of revenues from ground handling, cargo and fuel farm as aeronautical revenues and other issues for determination of aeronautical tariff for the First Control Period ("FCP") commencing from April 1, 2011 to March 31, 2016 by Airport Economic Regulatory Authority ('AERA'). In relation to determination of tariff for the Second Control Period ("SCP"), commencing from April 1, 2016 to March 31, 2021, AERA had issued a consultation paper on November 19, 2017. However, as the aforesaid consultation paper does not address the issues arising out of the FCP, including true up for shortfall of receipt vis-a-vis entitlement for the FCP, the Company had filed a writ petition and obtained a stay order from the Hon'ble High Court at Hyderabad in the month of February 2018 in respect of further proceedings in determination of tariff order for the SCP. The Adjudicating Authority, Telecom Disputes Settlement Appellate Tribunal (TDSAT), in its disposal order dated March 06, 2020 has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing ("TCP") from April 01, 2021.

During the month of August 2021, AERA has issued Tariff Order ("the Order") effective from October 01, 2021 for the Third Control Period commencing from April 1, 2021 to March 31, 2026. The Company in the month of September 2021, has filed an appeal against the Order with TDSAT, as the management is of the view that AERA has not considered the outstanding issues of FCP and SCP in determination of aeronautical tariff for the TCP as directed by TDSAT vide its ordered dated March 06, 2020, while continuing to charge the aeronautical tariff as determined by AERA.

62 The Company has recognized, deferred tax asset comprising of Minimum Alternate Tax (MAT) credit entitlement and unabsorbed business losses aggregating to Rs. 546.36 crore (March 31, 2022: Rs. 560.92 crore) as at March 31, 2023. The Company based on the future taxable income expects to adjust these amounts against the projected taxable profits. The ultimate realisation of the deferred tax asset is dependent upon the generation of future taxable income projected by considering the applicable tariff order for the Third Control Period and the anticipated tariff orders for the subsequent control periods, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income including projected aeronautical tariff revenue which involved determination of applicable tariff orders by AERA and being a subject matter of litigations as detailed in note 61, 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.

63 As detailed in note 59(a), 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, 2023	March 31, 2022
Discounting on fair valuation of deposit received from concessionaries	Revenue from operations	5.40	6.35
Income recognised on advance from customers under Ind AS 115	Revenue from operations	0.64	1.10
Impact on account of straight lining of lease rentals	Revenue from operations	4.53	4.71
Income arising from fair valuation of financial guarantee	Other income	1.82	2.54
Discounting on fair valuation of deposit paid to vendors	Other income	0.10	0.25
Income from government grant	Other income	5.27	5.27
Amortisation of deferred income	Other income	0.22	0.26

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

Contract balances	**March 31, 2023**	**March 31, 2022**
Trade receivables *	79.95	59.67
Contract assets**	53.88	27.26
Contract liabilities***	21.10	20.78

* Trade receivables carry a credit period ranging between 15-30 days. Further, trade receivables beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2023: Rs. 0.18 crore (March 31, 2022: Rs. 0.31 crore) was recognized as provision for expected credit losses on trade receivables.

** Contract asset includes unbilled revenue. Amount of revenue recognised from amounts included in the contract assets at the beginning of the year is Rs. 27.26 crores. Total contract assets outstanding as on 31 March 2023 will be recognised in next 12 months.

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

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

Particulars	**March 31, 2023**	**March 31, 2022**
Opening balance	0.31	0.31
Add: Provision reversed during the year	(0.13)	-
Closing balance	**0.18**	**0.31**

65 The Hon'ble Orissa High Court vide Judgement in W.P. No.20463/2018, in the case of Safari Retreats Private Limited, observed that the GST provisions under Section 17(5)(c) and 17(5)(d) w.r.t input tax credit eligibility are not in line with the objective of the GST Act to allow seamless credit where such input services are used to provide taxable output services and accordingly, it was held that if an assessee is required to discharge GST on the rental income, it is eligible to avail the Input Tax Credit (ITC) of GST paid on the goods or services or both by a taxable person for construction of an immovable property when they are used in the course or furtherance of business. The Company is engaged in the operation of Airport, it renders taxable Output Services in the nature of landing and parking charges, hanger services, charges for use of terminal facilities, refuelling facilities, licensing of space for various aeronautical and non-aeronautical charges being its output supplies which are subject to output GST. Hence, the company in view of the favourable judgment of Orissa High Court in the case of Safari Retreats Private Limited has availed the Input Tax Credit accumulated in respect of the Input goods and Services supplied for the construction of Airport facilities as part of the ongoing expansion project and regular operations. Further, department has filed Special leave to appeal before Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court, where leave has been allowed without stay of operation of the judgment. Thus relying upon the favourable ruling of Orissa High Court which is a binding law and enforceable across all jurisdictions, the management decided to avail the Input Tax Credit in the GST Returns and books for the respective periods. However, the credit availed was not utilized by the Company owing to pending outcome of the judgement of Hon'ble Supreme Court of India. Further, the Company has filed a writ petition (10367/2020) with Hon'ble High Court of Telangana requesting to strike down the relevant provisions of GST which denies ITC in respect of works contract services or goods and services received for construction of 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.

Considering that, the final decision from the Hon'ble Supreme Court of India, may take longer time, the management has taken a considered view for recognition of the project expenditure in terms of the prudent accounting principles and prevailing circumstances and also in view of the fact that various developmental activities under the ongoing expansion project are under completion and currently being recognised as CWIP, the said expenditure including the value of Input Tax Credit pertaining to the Civil Works needs to be capitalised during the year ended March 31, 2023. However, the management reserves its right to claim ITC in case of favourable decision from the Supreme Court on the above issue. Accordingly, GST ITC on civil works amounting to Rs. 513.12 crores accumulated till March 31, 2023 (March 31, 2022: Rs. 451.21 crores) has been reversed from GST recoverable account and now capitalized against the respective property, plant and equipment and capital work in progress to the tune of Rs. 303.81 Crores and Rs. 209.31 Crores respectively in the books on accounts during financial year 2022-23.

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

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

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

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

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

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN.: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Office

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

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 Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its joint ventures, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and joint ventures, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As detailed in Note 51 to the accompanying consolidated financial statements, the Company had not recognized necessary adjustments in the carrying value of the up-front processing fees receivable amounting to Rs. 63 crores from Yes Bank Limited ("the Bank") basis the factors mentioned in the aforesaid note. However, owing to the delays in obtaining requisite approvals by the Bank for refund of the upfront processing fee, the management of the Company has assessed and written-off the upfront fee receivable during the quarter and year ended 31 March 2023.

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

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

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

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 & 18 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

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

5. We draw attention to Note 59(I)(e) to the accompanying consolidated financial statements, which describes the uncertainty relating to outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF(SC) Fund upto 31 March 2018, pending final decision from the Hon'ble High Court of Telangana. Our opinion is not modified in respect of these matters.

Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
1. Utilization of deferred tax asset comprising of minimum alternate tax (MAT) credit and unabsorbed business losses *Refer to Note 3(v) for the accounting policy and note 32 and 63 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company was under tax holiday period until financial year 2021-22 and had accumulated MAT credit asset of ₹446.28 crores (31 March 2022: ₹457.59 crores) and deferred tax on unabsorbed business loss of ₹ 100.08 crores (31 March 2022: ₹103.52 crores). Recognition of these deferred tax asset requires significant judgement regarding the likelihood of its realization within the specified period through estimation of future taxable profits of the company and	Our audit procedures in relation to assessment of recognition of deferred tax asset comprising of MAT credit and unabsorbed business losses and its utilization as at reporting date, included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over recognition of the deferred tax asset; • Understood the process and tested the internal controls over preparation of the taxable profit forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future taxable profits; • Understood and tested the controls surrounding management's evaluation of litigations and contingent liabilities;

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

consequently there is a risk that the deferred tax asset comprising of minimum MAT and unabsorbed business losses may not be realized within the specified period, if these future projections are not met. In order to assess the utilization of MAT credit, the management of Holding Company has prepared revenue and profit projections which involved judgements and estimations such as estimating aeronautical tariff [which is determined by Airport Economic Regulatory Authority ("AERA")], revenue growth, passenger growth, profit margins, tax adjustments under the Income-tax Act, 1961. Further, as explained in note 62, the Holding Company had filed an appeal, challenging various aspects of the aeronautical tariff order passed by AERA in respect of third control period from 1 April 2021 to 31 March 2026. We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved and inherent subjectivity in determination of utilization of MAT credit and unabsorbed business losses through estimation of future taxable profits and projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations.	• Challenged the judgements exercised by the management and tested the key assumptions used based on our knowledge of the industry, publicly available information and Company's strategic plans; • Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process; • Tested the appropriateness of the forecasted tax liability computation as per the provisions of the IT Act, including assessment of the eligibility of various tax exemptions availed and MAT liability computation as per Section 115JB of the IT Act; • Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the future taxable profits; • Obtained and reviewed the documents with respect to the litigations with AERA and the related order issued by Telecom Dispute Settlement and Appellate Tribunal (TDSAT); and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
2. Valuation of derivative financial instruments *Refer to Note 3(o) for the accounting policy and note 55 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 spread options to hedge its foreign currency risks relation to the long-term debt issued in foreign currency. Management has designated these derivative financial instruments and the aforesaid debt at	Our audit procedures to test the valuation of derivative financial instruments included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over derivative financial instruments and the related hedge accounting; • Reviewed the management documentation for the designated hedge instrument which defines the nature of hedge relationship; • Considered consistent application of the accounting policies and assessed the hedge accounting methodologies applied; and

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

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

Key audit matter	How our audit addressed the key audit matter
3. Testing of capital-work-in-progress *Refer to Note 3(e) and 3(k) for the accounting policy and notes 4 and 34 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company is in the process of expansion of Rajiv Gandhi International Airport, Hyderabad. Determining whether expenditure meets the capitalization criteria in line with Ind AS 16, Property, Plant and Equipment and the Company's accounting policy, specifically with regard to whether they are operational or capital in nature, involves significant management judgement. Further, the tariff determination by AERA for different control periods with respect to the aeronautical services is linked to the Regulated Asset Base, which is based on the fixed asset balance and considering these additions are significant to the asset base of the Holding Company, we have assessed inappropriate capitalization as a significant risk as part of our audit strategy.	Our audit procedures to assess appropriate capitalisation of such expenditure included, but were not limited to the following: • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalisation policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment. • Compared the additions with the budgets and the orders given to the vendors. • Ensured that the borrowing cost capitalized is as per Ind AS 23 Borrowing Costs. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

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

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.	

Key audit matter	How our audit addressed the key audit matter
4. Revenue from maintenance, repair and overhaul (MRO) services *Refer to Note 3(t) for the accounting policy and notes 25 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, 2023, revenue from such services amounted to ₹274.21 crores. The existing ERP system has limitation of capturing the manhours spent and effective use of materials issued rate for each aircraft in billing due to which billing is computed manually may have an impact on accuracy and completeness of the revenue recognised for the year.	The auditor's of GACAEL, have reported as follows: In response to the key matter, the following principal audit procedures performed: Our procedures included: • We ensured that revenue recognition method applied was appropriate based on the terms of the agreement with the customer. • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition. **For time and material-based contracts:** 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:** 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;

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

	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

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

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

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

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

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

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

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

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

    - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group and its joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and

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

performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

17. We did not jointly audit the financial statements of 6 subsidiaries, whose financial information reflects total assets of ₹1,551.15 Crores and net assets of ₹356.77 Crores as at 31 March 2023, total revenues of ₹824.61 Crores and net cash outflows amounting to ₹(24.56) Crores for the year ended on that date. These financial results have been audited solely by K.S. Rao & Co., ('KSR') one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP's ('WCC') opinion so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries, and WCC's report in terms of sub-section (3), in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports issued by KSR in its individual capacity.

18. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹7.55 Crores for the year ended 31 March 2023, as considered in the consolidated financial statements in respect of one (1) joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid joint venture is based solely on the audit report of such other auditors.

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

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

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

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17 & 18, on separate financial statements of the subsidiaries and joint ventures, we report that the Holding Company, 6 subsidiary companies and 2 joint venture companies incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to 2 joint venture companies incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

21. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 17 & 18 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

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

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

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;

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

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

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and joint venture companies, covered under the Act, none of the directors of the Group companies and joint venture companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

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

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

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint ventures as detailed in Note 59(I) to the consolidated financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and joint venture companies covered under the Act, during the year ended 31 March 2023;

iv.

a. The respective managements of the Holding Company, its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 43 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies or its joint venture companies to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies or its joint venture companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company, its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 44 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies or its joint venture companies from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or its joint venture companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and joint ventures, as considered reasonable and appropriate in the

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

circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiary companies and one (1) joint venture have not declared or paid any dividend during the year ended 31 March 2023. Interim dividend declared and paid by a joint venture during the year ended 31 March 2023 and until the date of this audit report is in compliance with section 123 of the Act.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144
UDIN: 23522144BGZHMO4724

Place: New Delhi
Date: 04 May 2023

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

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

Place: Bengaluru
Date: 04 May 2023

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

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)

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

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

Annexure II

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

1. In conjunction with our audit of the consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its joint ventures as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture companies, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture companies as aforesaid.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to financial statements as at 31 March 2023:

   The Holding Company's internal financial control system over financial statement closure process towards restatement of the comparative financial information in accordance with the requirements of Indian Accounting Standard 8 as explained in Note 51 to the accompanying consolidated financial statements, were not operating effectively, which has resulted in the Group not providing for appropriate adjustment in the said account balance and its consequential impact on profit before taxes, other equity and related disclosures in the accompanying consolidated financial statements.

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

10. In our opinion, the Group has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Group's internal financial controls with reference to financial statements were operating effectively as at March 31, 2023.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group as at and for the year ended 31 March 2023, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

Walker Chandiok & Co LLP
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

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

Other Matter

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 6 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹1,551.15 Crores and net assets of ₹356.77 Crores as at 31 March 2023, total revenues of ₹824.61 Crores and net cash outflows amounting to ₹(24.56) Crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited solely by K.S Rao & Co., ('KSR') one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP's ("WCC") opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports issued by KSR in its individual capacity. WCC's opinion is not modified in respect of this matter with respect to reliance on the work done by and on the reports issued by KSR.

13. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹7.55 Crores for the year ended 31 March 2023, in respect of 1 joint venture company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such joint venture company has been audited by other auditors whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

14. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹1.40 Crores for the year ended 31 March 2023, in respect of 1 joint venture company. The internal financial controls with reference to financial statements of such joint venture company, which is a company covered under the Act, is unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid joint venture company, which are companies covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144
UDIN: 23522144BGZHMO4724

Place: New Delhi
Date: 04 May 2023

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

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

Place: Bengaluru
Date: 04 May 2023

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

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

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

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

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

As per our report of even date.

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

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

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

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

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

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

As per our report of even date.

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

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

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

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

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

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

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

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

As per our report of even date.

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

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

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Rupees Crores, except per share data and when otherwise stated)

Equity share capital:

	Number	Amount
Equity shares of Rs.10 each issued, subscribed and fully paid		
As at April 1, 2021	37,80,00,000	378.00
Issue of shares during the year	-	-
As at March 31, 2022	**37,80,00,000**	**378.00**
Issue of shares during the year	-	-
As at March 31, 2023	**37,80,00,000**	**378.00**

Other equity

	Attributable to the equity holders of the parent				
	Reserves and surplus			Other reserves	Total
	Capital reserve*	Debenture Redemption Reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2021	**107.00**	**-**	**1,040.25**	**126.89**	**1,274.14**
Loss for the year	-	-	(103.58)	-	(103.58)
Other comprehensive income	-	-	(0.23)	(171.15)	(171.38)
As at March 31, 2022	**107.00**	**-**	**936.44**	**(44.26)**	**999.18**
As at April 1, 2022	**107.00**	**-**	**936.44**	**(44.26)**	**999.18**
Profit for the year	-	-	107.90	-	107.90
Adjustment on account of Debenture Redemption Reserve	-	199.00	(199.00)	-	-
Remeasurement of post-employment benefits obligations	-	-	(1.22)	-	(1.22)
Reclassified to Statement of Profit and Loss on account of hedge settlement (net of tax)	-	-	-	58.06	58.06
Cash flow hedge reserve (net of tax)	-	-	-	(140.81)	(140.81)
As at March 31, 2023	**107.00**	**199.00**	**844.12**	**(127.01)**	**1,023.11**

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

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

As per our report of even date.

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

For K.S.Rao & Co.,
Chartered Accountants
ICAI Firm registration number: 0003109S

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

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

1. Corporate information

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

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

The Consolidated Financial Statements are authorized for issue in accordance with a resolution passed by the Board of Directors of Holding Company in its meeting held on May 04, 2023.

2. A. Basis of preparation

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

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

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

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

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

B. Basis of Consolidation

(i) Subsidiary

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

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

(ii) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

(iii) Method of consolidation

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

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

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

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

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

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

Name	**Principal activities**	**Place and country of operation**	**% equity interest as March 31**	
			2023	**2022**
GMR Hyderabad Aerotropolis Limited (GHAL)#	Development of commercial property	Hyderabad, India	100%	100%
GMR Hyderabad Aviation SEZ Limited (GHASL)	Development of SEZ	Hyderabad, India	100%	100%
GMR Air Cargo and Aerospace Engineering Limited (GACAEL)	Cargo handling operations and operation of maintenance, repair and overhaul (MRO) of aircrafts at Airport	Hyderabad, India	100%	100%
GMR Hospitality and Retail Limited (GHRL)	Operation of business hotel and duty free	Hyderabad, India	100%	100%
GMR Aero Technic Limited (GATL)	MRO consultancy services	Hyderabad, India	100%	100%
GMR Hyderabad Airport Assets Limited (GHAAL)	Development of commercial property	Hyderabad, India	100%	100%

Information about joint ventures

Name	**Principal activities**	**Country of Incorporation**	**% equity interest as at March 31**	
			2023	**2022**
Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Advertisement	India	49%	49%
ESR GMR Logistics Park Private Limited (GLPPL) *(formerly GMR Logistics Park Private Limited)*	Development of logistics park	India	30%	30%

3. Significant accounting policies

a. Use of estimates:

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

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

b. Business combinations and goodwill:

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

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

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

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

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

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

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

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

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

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

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

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

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

c. Investment in joint ventures:
A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

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

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

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

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

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

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

d. Current versus Non-current classification:

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

e. Property, plant and equipment:

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

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

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

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

f. Depreciation:

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

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

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

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

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

g. Intangible assets:

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

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

h. Amortization of intangible assets:

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

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

i. Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) fair value less cost to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
Impairment losses are recognized in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

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

j. Inventories:

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

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

k. Borrowing cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 except in case of Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

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

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

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

Debt instrument at FVTPL:
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

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

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

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

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

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

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

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115
d. Loan commitments which are not measured as at FVTPL
e. Financial guarantee contracts which are not measured as at FVTPL

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

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

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

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

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

Financial liabilities

Initial recognition and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss:
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

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

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

Derecognition:
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Reclassification of financial assets:
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period

following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest."

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

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

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

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation. Hedges that meet the strict criteria for hedge accounting are accounted for, as 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 recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.

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

Revenue from contract with customer

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

Income from service:

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

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

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

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

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

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

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

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

Sale of Goods:

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

Interest income:

i. Interest on all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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

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

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

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

Contract balances

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

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

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

u. Government Grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant is in the nature of capital subsidy it is treated as capital reserve.

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

v. Taxes:

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

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax on items reversing within the tax holiday period is not recognized.

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

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

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

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

Group as a lessee:
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.
Right-of-use assets: The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

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

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

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

In case of a short-term lease contract and lease contracts for which the underlying asset is of low value in accordance with Ind AS 116, lease payments are charged to statement of profit and loss on accrual basis.

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

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

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

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

z. Non-current assets held for sale

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

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

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

bb. Standards and recent pronouncements issued but not yet effective
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

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

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

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

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

4 Property, Plant and Equipment

	Leasehold Improvements	Freehold land	Buildings on leasehold land	Buildings on freehold land	Runways	Roads	Plant and equipments	Furniture and fixtures	Office equipments	Computer equipments	Electrical installations	Vehicles	Total
Gross block, At cost													
As at April 1, 2021	**153.89**	**16.13**	**1,579.13**	**62.31**	**913.24**	**150.64**	**732.42**	**76.03**	**18.06**	**88.48**	**282.98**	**10.20**	**4,083.51**
Additions	7.60	-	241.57	-	168.36	-	65.00	11.59	1.09	29.43	71.33	0.58	596.55
Disposals	-	-	2.63	-	-	-	(0.72)	(1.29)	(1.77)	(45.91)	(0.88)	(0.02)	(53.22)
As at March 31, 2022	**161.49**	**16.13**	**1,818.07**	**62.31**	**1,081.60**	**150.64**	**796.70**	**86.33**	**17.38**	**72.00**	**353.43**	**10.76**	**4,626.84**
Additions (refer note 71)	11.22	-	1,035.64	-	195.16	6.08	542.13	41.93	12.09	10.20	193.61	2.71	2,050.77
Disposals	(8.27)	-	(3.61)	-	-	(1.59)	(8.47)	(1.47)	(0.02)	(0.16)	(0.64)	(0.14)	(24.37)
Adjustments*	(5.82)	-	(86.16)	-	-	(5.44)	(8.41)	-	(0.01)	-	(2.54)	-	(108.38)
As at March 31, 2023	**158.62**	**16.13**	**2,763.94**	**62.31**	**1,276.76**	**149.69**	**1,321.95**	**126.79**	**29.44**	**82.04**	**543.86**	**13.33**	**6,544.86**
Depreciation													
Up to March 31, 2021	**34.71**	**-**	**378.62**	**9.30**	**125.32**	**108.59**	**375.94**	**50.39**	**9.90**	**51.03**	**174.78**	**2.40**	**1,320.98**
Charge for the year	6.92	-	79.22	1.33	49.78	5.99	69.43	6.32	3.06	17.64	20.67	1.35	261.71
Disposals	-	-	(0.24)	-	-	-	(0.60)	(1.29)	(1.13)	(11.67)	(0.72)	(0.01)	(15.66)
Up to March 31, 2022	**41.63**	**-**	**457.60**	**10.63**	**175.10**	**114.58**	**444.77**	**55.42**	**11.83**	**57.00**	**194.73**	**3.74**	**1,567.03**
Charge for the year	7.12	-	91.13	1.33	62.63	4.68	85.96	9.22	3.79	6.66	29.80	1.52	303.84
Adjustments*	0.53	-	15.76	-	-	2.86	2.69	-	-	-	(1.42)	-	(23.26)
Disposals	(5.92)	-	(3.40)	-	-	(1.18)	(7.82)	(0.89)	(0.02)	(0.13)	(0.63)	(0.13)	(20.12)
Up to March 31, 2023	**42.30**	**-**	**529.57**	**11.96**	**237.73**	**115.22**	**520.22**	**63.75**	**15.60**	**63.53**	**222.48**	**5.13**	**1,827.49**
Net book value													
As at March 31, 2022	**119.86**	**16.13**	**1,360.47**	**51.68**	**906.50**	**36.06**	**351.93**	**30.91**	**5.55**	**15.00**	**158.70**	**7.02**	**3,059.81**
As at March 31, 2023	**116.32**	**16.13**	**2,234.37**	**50.35**	**1,039.03**	**34.47**	**801.72**	**63.04**	**13.84**	**18.51**	**321.38**	**8.20**	**4,717.37**

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

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

5 Right of use asset

	Land and Building	Vehicles	Total
Gross block, At cost			
As at April 1, 2021	**82.99**	**-**	**82.99**
Additions	-	-	-
As at March 31, 2022	**82.99**	**-**	**82.99**
Additions	-	1.30	1.30
As at March 31, 2023	**82.99**	**1.30**	**84.29**
Accumulated depreciation			
Up to March 31, 2021	**6.40**	**-**	**6.40**
Charge for the year	3.30	-	3.30
Up to March 31, 2022	**9.70**	**-**	**9.70**
Charge for the year	3.18	0.16	3.34
Up to March 31, 2023	**12.88**	**0.16**	**13.04**
Net book value			
As at March 31, 2022	**73.29**	**-**	**73.29**
As at March 31, 2023	**70.11**	**1.14**	**71.25**

6 Goodwill and other intangible assets

	Goodwill	Computer software	Technical knowhow	Right to operate - cargo facility	Total
Gross block, At cost					
As at April 1, 2021	**36.27**	**18.23**	**8.98**	**62.09**	**125.57**
Additions	-	12.53	-	4.41	16.94
Disposals	-	(14.42)	-	-	(14.42)
As at March 31, 2022	**36.27**	**16.34**	**8.98**	**66.50**	**128.09**
Additions	-	5.81	-	17.33	23.14
Disposals	-	-	-	(1.59)	(1.59)
As at March 31, 2023	**36.27**	**22.15**	**8.98**	**82.24**	**149.64**
Accumulated Depreciation					
Up to March 31, 2021	**-**	**9.11**	**8.98**	**20.32**	**38.41**
Charge for the year	-	4.10	-	2.41	6.51
Disposals	-	(2.67)	-	-	(2.67)
Up to March 31, 2022	**-**	**10.54**	**8.98**	**22.73**	**42.25**
Charge for the year	-	2.20	-	3.50	5.70
Disposals	-	-	-	(1.53)	(1.53)
As at March 31, 2023	**-**	**12.74**	**8.98**	**24.70**	**46.42**
Net book value					
As at March 31, 2022	**36.27**	**5.80**	**-**	**43.77**	**85.84**
As at March 31, 2023	**36.27**	**9.41**	**-**	**57.54**	**103.22**

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

7 Investment in joint ventures and others

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Investment measured at cost (accounted using equity method)				
Investment in equity shares (unquoted)				
Laqshya Hyderabad Airport Media Private Limited	98,00,000	24.41	98,00,000	16.87
ESR GMR Logistics Park Private Limited	1,77,15,000	15.48	1,77,15,000	16.88
Investment in Optionally Convertible Debentures (unquoted)				
ESR GMR Logistics Park Private Limited	20,85,000	42.75	20,85,000	20.85
Other investments, measured at FVTOCI				
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
		88.23		**60.19**
Aggreate book value of unquoted investments		88.23		60.19
Aggregate amount of impairment in the value of investments		-		-

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

8 Loans

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loan receivables in the nature of				
Loan to employees	0.12	0.14	0.03	0.57
Loans to related parties (refer details below)	-	200.00	200.00	40.00
	0.12	**200.14**	**200.03**	**40.57**

Break up of loans to related parties*:	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
GMR Goa International Airport Limited	-	-	-	40.00
GMR Power & Urban Infrastructure Limited	-	58.80	58.80	-
GMR Infrastructure Limited	-	141.20	141.20	-
	-	**200.00**	**200.00**	**40.00**

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

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

9 Other financial assets

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

*Represents margin money deposits held with banks.

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

10 Other assets

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

11 Inventories

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

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

12 Investments

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

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

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

13 Trade receivables

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

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

14 Cash and cash equivalents

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

15 Bank balances other than cash and cash equivalents

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

*Represents margin money deposits held with banks.

16 Equity

	March 31, 2023	March 31, 2022
Authorized share capital		
400,000,000 (March 31, 2022: 400,000,000) equity shares of Rs. 10 each	400.00	400.00
Issued, subscribed and fully paid-up shares		
378,000,000 (March 31, 2022: 378,000,000) equity shares of Rs.10 each fully paid up	378.00	378.00
	378.00	**378.00**

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

	March 31, 2023		March 31, 2022	
Equity Shares	Number	Amount	Number	Amount
At the beginning of the year	37,80,00,000	378.00	37,80,00,000	378.00
Outstanding at the end of the year	**37,80,00,000**	**378.00**	**37,80,00,000**	**378.00**

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

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

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

	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Equity shares of Rs.10 each fully paid				
GMR Airports Limited ("GAL"), Holding Company*	23,81,39,000	238.14	23,81,39,000	238.14
GMR Infrastructure Limited, GAL's Holding Company	1,000	0.00	1,000	0.00
	23,81,40,000	**238.14**	**23,81,40,000**	**238.14**

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

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

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

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

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

17 Other equity

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

Nature and purpose of reserves

Capital Reserve

The Company has received a contribution of Rs.107 crores from its shareholder i.e., Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from share holder of the Company.

Debenture Redemption Reserve

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

Retained earnings

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

Cash flow hedge reserve

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

18 Long-term borrowings

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

i) 5.375% Senior Secured Notes

5.375% senior secured notes were issued on April 10, 2019 for funding the airport expansion project works. The coupon rate of 5.375% p.a. plus applicable withholding tax is fixed through the tenor and payable semi-annually. 5.375% SSN are repayable after 5 years i.e. on April 10, 2024 (bullet repayment). During the current year, GHIAL has prepaid 5.375% SSN to the extent of USD 226.39 million.

ii) 4.75% SSN

4.75% SSN were issued on February 02, 2021 for funding the airport expansion project works. The coupon rate of 4.75% p.a. plus applicable withholding tax is fixed through the tenor and payable semi-annually. 4.75% SSN are repayable after 5 years i.e. on February 02, 2026 (bullet repayment). During the current year, GHIAL has prepaid 4.75% SSN to the extent of USD 12.685 million.

iii) 4.25% SSN

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

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

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

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

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

Senior Secured Notes mentioned in notes (i) (ii) and (iii) and NCD mentioned in (iv) and (v) above are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land (to an extent of 2,136.45 acres), freehold land of 8,824 acres and first pari-passu charge on all movable and immovable assets, all insurance contracts, contractors' guarantees and liquidated damages payable by the contractors; all the rights, titles, permits, approvals and interests of GHIAL in, to and in respect of the Project Agreements (i.e. Concession Agreement, State Support Agreement, Land Lease Agreement and the CNS-ATS Agreement) as detailed in the Indenture dated October 27, 2017, April 10, 2019 and February 02, 2021 and Debenture Trust Deed dated December 12, 2022 and March 10, 2023 respectively to the maximum extent permitted under the Project Agreements; floating charge on all the operating revenues/receivables of GHIAL; and floating charge on all the GHIAL's accounts and each of the other accounts required to be created by GHIAL pursuant to the Security Documents (excluding any Excluded Accounts) and, including in each case, all monies lying credited/deposited into such accounts.

vi) Loans from banks, secured

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

b) During FY 2021-22, GHRL has obtained Rupee Term Loan facility of Rs. 41.52 Crores from ICICI Bank Ltd on September 21, 2021. The loan is repayable in 32 structured quarterly installments starting from June 30, 2022. The loan is secured in favour of ICICI Bank/Security trustee by way of first pari-passu charge over hypothecation/charge/mortgage/security interest of immovable assets (including assignment of leasehold rights in the case of leasehold land), current assets, fixed assets, cash flows and a pledge of equity shares of the Company held by GHIAL. The entire security shall be shared on pari-passu basis with other lenders of GHRL. The loan with ICICI Bank carries the interest rate of MCLR + 0.25% spread which would be reset at the end of every one year from the date of disbursement.

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

vi) Loans from others (secured)

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

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

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

Term loan facility mentioned in (b) and (c) is secured by first ranking charge on leasehold rights, title, interest and benefit in respect of sub-lease land together with all buildings, structures etc on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. of GHASL.

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

vii) Loan from Government of Telangana (unsecured)

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

19 Other financial liabilities

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
At amortised cost				
Retention money	3.35	5.35	14.46	13.67
Deposit from concessionaires and others	54.50	38.38	77.36	43.52
Concession fee payable	104.27	127.39	100.31	70.75
Non trade payables	-	-	52.60	51.34
Capital creditors*	-	-	468.32	351.87
Interest accrued but not due on borrowings	-	-	154.51	200.17
	162.12	**171.12**	**867.56**	**731.32**

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

20 Government grants

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

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

21 Provisions

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

22 Other liabilities

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

23 Short-term borrowings

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

i. Loan from bank, secured

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

ii. Loan from others, secured

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

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

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

iii. Loans from bank, unsecured

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

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

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

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

24 Trade payables

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

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

Particulars	**March 31, 2023**	**March 31, 2022**
the principal amount remaining unpaid to any supplier as at the end of each accounting year;	50.86	29.11
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

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

25 Revenue from operations

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

Note:

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

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

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

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

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

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

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

26 Other income

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

(All amounts in Rupees Crores, except otherwise stated)

27 Changes in inventory of traded goods

	March 31, 2023	March 31, 2022
Opening stock of traded goods	10.43	14.82
Closing stock of traded goods	53.02	10.43
	(42.59)	**4.39**

28 Employee benefits expense

	March 31, 2023	March 31, 2022
Salaries, wages and bonus	233.25	206.65
Contribution to provident and other funds	14.67	12.90
Gratuity expense	3.29	3.09
Staff welfare expenses	14.44	13.07
	265.65	**235.71**

29 Finance costs

	March 31, 2023	March 31, 2022
Interest on borrowings	241.99	189.70
Premium on derivative instruments	98.97	83.88
Interest expenses on financial liability carried at amortised cost	22.27	20.86
Other borrowing costs	40.87	21.86
	404.10	**316.30**

30 Depreciation and amortization expense

	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment (refer note 4)	303.84	261.71
Amortisation of right of use assets (refer note 5)	3.34	3.30
Amortisation of other intangible assets (refer note 6)	5.70	6.51
	312.88	**271.52**

31 Other expenses

	March 31, 2023	March 31, 2022
Operating and maintenance expenses	57.79	28.99
Power and fuel	32.07	25.43
Manpower hire charges	79.22	78.00
Consumption of stores and spares	88.41	87.37
Foods and beverages consumed	7.94	4.99
Cargo handling charges	7.41	5.93
Repairs and maintenance		
Plant and machinery	63.64	48.58
Buildings	16.84	10.48
Others	21.48	13.77
Insurance	13.23	11.80
Security expenses	23.87	17.04
Rent	7.49	2.19
Rates and taxes	21.76	12.68
Advertising and business promotion	17.72	13.15
Collection charges	3.52	1.97
Travelling and conveyance	57.78	32.68
Provision for planned maintenance under SCA	5.99	8.70
Communication costs	3.67	3.32
Legal and professional expenses	65.72	28.56
Technical fees	7.62	7.31
Management fees	42.62	36.42
Contribution to political parties	-	20.00
Directors' sitting fees	0.25	0.19
Payment to auditors (refer note A below)	0.80	0.59
Donation	0.24	12.01
CSR expenditure	8.28	8.37
Loss on sale of fixed assets (net)	0.68	0.12
Inventories written off	1.66	1.12
Bad debts written off	63.00	-
Property, plant and equipment and CWIP written off	1.70	-
Construction and land development	5.15	12.45
Provision for bad and doubtful debts	0.50	0.15
Miscellaneous expenses	16.32	18.06
	744.37	**552.42**

31 Other expenses (continued)

A. Payment to Auditors

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

32 Income tax

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

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

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

Deferred tax

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

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

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

(All amounts in Rupees Crores, except otherwise stated)

32 Income tax (continued)

Reconciliations of net deferred tax assets/ (liabilities)

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

The Taxation Laws (Amendment) Ordinance, 2019 was issued by the Ministry of Finance, Government of India on 20 September 2019. Pursuant to the said Ordinance, the Group is entitled to avail revised tax rates from the financial year commencing 1 April 2019. However, on the basis of a detailed analysis of the provisions of the Ordinance, management has concluded that the Group shall avail revised tax rates after utilization of various tax credits that the Group is currently entitled for. Accordingly, these Consolidated Financial Statements for the year ended March 31, 2023 do not include any adjustments on account of changes in the corporate tax rates.

33 Components of other comprehensive income

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

For the period ended March 31, 2023

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

For the period ended March 31, 2022

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

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

34 Capital work-in-progress

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

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

	March 31, 2023	March 31, 2022
Capital expenditure incurred on property, plant and equipment	2,018.96	2,222.25
Legal and professional expense	132.39	157.57
Employee benefits expense	2.12	1.77
Finance costs	785.62	866.77
Other expenses	4.89	6.38
Total (i)	**2,943.98**	**3,254.74**
Less:-		
Interest income from bank deposit	(114.33)	(179.16)
Interest income on security deposit paid	(1.90)	(3.17)
Temporary lease rentals earned net of taxes	(0.57)	(0.57)
Total (ii)	**(116.80)**	**(182.90)**
Net capital work-in-progress (i-ii)	**2,827.18**	**3,071.84**

During the year ended March 31, 2023, the following expenses of revenue nature are capitalized to the capital work-in-progress (CWIP). Consequently, expenses disclosed under the other expenses are net of amounts capitalized by the Group.

	March 31, 2023	March 31, 2022
Opening balance (A)	**849.59**	**518.03**
Expense:		
Legal and professional expense	45.26	45.84
Employee benefit expense	0.76	0.78
Finance cost	369.06	433.22
Other expenses	1.63	1.08
Total (B)	**416.72**	**480.92**
Less:		
Interest income from bank deposit	(1.90)	(53.79)
Interest income on security deposit paid		(4.13)
Total (C)	**(1.90)**	**(57.92)**
Less: Capitalised during the year (D)	(456.19)	(66.85)
Less: Adjustments (E)*	-	(24.59)
Closing balance (F=A+B-C-D-E)	**808.22**	**849.59**

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

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

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March 2023	1,434.87	932.02	226.32	233.97	**2,827.18**
As at 31 March 2022	1,676.88	818.62	369.64	206.70	**3,071.84**

No project is temporarily suspended.

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

35 Completion schedule in respect of CWIP which is overdue:

	To be completed in				
As at 31 March 2023	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Aero Towers 3 & 4	-	-	-	0.89	**0.89**
Aero Towers 2	1.80	-	-	-	**1.80**
Retail Project (Interchange)	-	-	5.44	-	**5.44**
Edoport	1.71	-	-	-	**1.71**
Land Development	-	5.81	-	-	**5.81**
GMR 147 School	23.23	-	-	-	**23.23**
Novotel Refurbishment	11.93	-	-	-	**11.93**
Convention centre - Banquet hall Kitchen Design	0.04	-	-	-	**0.04**
Transit Lounge	0.01	-	-	-	**0.01**
Duty Free	0.19	-	-	-	**0.19**
As at 31 March 2022					
Aero Towers 3 & 4	-	-	-	1.90	**1.90**
Aero Towers 2	2.98	-	-	-	**2.98**
Retail Project(Interchange)	-	-	4.76	-	**4.76**
Edoport	-	0.48	-	-	**0.48**
Land Development	-	6.02	-	-	**6.02**
GMR 147 School	2.61	-	-	-	**2.61**
Novotel refurbishment	0.05	-	-	-	**0.05**
Convention centre- Banquet hall kitchen	0.03	-	-	-	**0.03**
New arrival store	7.42	-	-	-	**7.42**

36 Intangible assets under development (IAUD)

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

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

Completion schedule in respect of IAUD which is overdue:

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

37 Trade receivables ageing

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

	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 2023							
- considered good	21.64	92.79	8.70	4.02	0.06	0.40	**127.61**
- significant increase in credit risk	0.50	-	-	0.16	-	0.69	**1.36**
Unbilled receivables as at 31 March 2023	84.50	-	-	-	-	-	**84.50**
Undisputed trade receivables as at 31 March 2022							
- considered good	28.68	59.84	9.25	6.46	0.30	1.07	**105.60**
- significant increase in credit risk	-	0.16	-	0.15	0.24	0.85	**1.40**
Disputed trade receivables as at 31 March 2022							
-significant increase in credit risk	-	-	-	-	-	0.09	**0.09**
Unbilled receivables as at 31 March 2022	53.09	-	-	-	-	-	**53.09**

38 Trade payables ageing

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

	Outstanding for the following periods from the due date of payments				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Trade payables as at 31 March 2023					
Outstanding dues to MSME	21.76	1.28	0.81	0.08	**23.94**
Others	172.77	30.98	11.57	21.48	**236.80**
Trade payables as at 31 March 2022					
Outstanding dues to MSME	14.84	1.18	0.81	0.16	**16.99**
Others	118.36	7.34	7.16	24.03	**156.89**

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

39 Promoter's Shareholding

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

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

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

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

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

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

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

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

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

48 Retirement and other employee benefits:

a) Defined contribution plan:

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

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

b) Defined benefit plans:

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life insurance Corporation of India and liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service subject to a maximum limit of Rs. 0.20 crores (March 31, 2022: 0.20 crores).

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

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

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

48 Retirement and other employee benefits: (continued)

Amount recognized in other comprehensive income:

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

Amounts recognised in the Balance sheet are as follows:

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

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

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

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

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

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

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

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

	March 31, 2023	March 31, 2022
Discount rate	7.1% to 7.3%	6.10% to 7.10%
Rate of compensation increase	6 to 8%	6% to 8%
Employee turnover	5% to 20%	5% to 20%

A quantitative sensitivity analysis for significant assumption is shown below:	March 31, 2023	March 31, 2022
Discount rate		
Effect due to 1% increase in discount rate	(1.75)	(1.59)
Effect due to 1% decrease in discount rate	2.00	1.82
Attrition rate		
Effect due to 1% increase in attrition rate	(0.16)	(0.08)
Effect due to 1% decrease in attrition rate	0.18	0.10
Salary escalation rate		
Effect due to 1% increase in salary increase rate	1.54	1.43
Effect due to 1% decrease in salary increase rate	(1.43)	(1.31)

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

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

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

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

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

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

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

50 **Segment reporting**

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

Major Customers: Revenue from one customer of the Group is approximately Rs. 432.45 out of revenue from operations of the Group for the year ended March 31, 2023 (March 31, 2022: Rs. 296.66).

51 During the financial year ended 2019, GHIAL had entered into a term loan facility arrangement with Yes Bank Limited ("YBL" or "Bank"), to avail term loan of Rs. 4,200 crore, and had incurred an up-front processing fee of Rs. 63 crore. However, in view of certain developments, the Bank expressed its inability to extend the loan, and accordingly on April 21, 2020, the arrangement was terminated. Further YBL vide their letter dated June 9, 2020 acknowledged the receipt of request from GHIAL for refund of the aforesaid up-front fees and to present GHIAL's request to the appropriate committees for approvals. Further, management had obtained legal opinion from an independent lawyer regarding GHIAL's right to receive the refund of upfront fee and accordingly had considered the amount recoverable in full as of March 31, 2022.

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

52 **Disclosure on changes in financing liabilities**

	Current borrowings	Non-current borrowings	Assets held to hedge
Balance as on 1 April 2021	**228.66**	**7,711.92**	**622.18**
Cash flows, net	85.69	43.28	-
Amortization of borrowing cost	-	17.59	-
Effect of changes in foreign exchange rates	-	254.85	-
Finance cost	-	-	294.66
Change in fair values	-	-	(246.22)
Balance as on 31 March 2022	**314.35**	**8,027.64**	**670.62**
Cash flows, net	(103.74)	76.60	-
Amortization of borrowing cost	-	18.66	-
Effect of changes in foreign exchange rates	-	505.93	-
Finance cost	-	-	279.99
Other adjustments	63.01	(63.01)	-
Change in fair values	-	-	(137.13)
Balance as on 31 March 2023	**273.62**	**8,565.82**	**813.48**

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

53 Related party transactions

a) Names of related parties and nature of relationship

Nature of relationship	Name of the related party
Holding company	GMR Airports Limited (GAL)
GAL's holding company	GMR Airport Infrastructure Limited (GIL) *(Formerly GMR Infrastructure Limited)*
Ultimate holding company	GMR Enterprises Private Limited (GEPL)
Group Company	GMR Power and Urban Infra Limited (GPUIL)
Fellow subsidiary companies	GMR Aviation Private Limited Delhi International Airport Limited GMR Energy Trading Limited GMR Highways Limited GMR Corporate Affairs Private Limited GMR Airport Developers Limited Kakinada SEZ Limited GMR 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. Pradeep Panicker – Chief Executive Officer Mr. Anand Kumar Polamada - Chief Financial Officer Mr. Anup Kumar Samal - Company Secretary (till April 06,2022) Mr. Kiran Kumar Manikwar - Company Secretary (wef April 28, 2022) Mr. Srinivas Bommidala – Director Mr. HJ Dora – Director Mr. Grandhi Kiran Kumar– Director Mr. C Prasanna – Director Mr. K Ramakrishna Rao IAS – Director Mr. Jayesh Ranjan IAS – Director Mr. Joyanta Chakraborty -Director Mrs. Siva Kameswari Vissa - Independent Director (upto August 2022) Mrs. Bijal Tushar Ajinkya - Independent Director (wef September 15, 2022) Mr. Madhu Ramachandra Rao – Independent Director Mr. Antoine Crombrez - Director Mr. Camilo Perez Perez - Director Mr. Iskandar Mizal Bin Mahmood - Director Mr. Dharmendra Bhojwani - Director Mr. A. Subba Rao - Independent Director Dr. M. Ramachandran - Independent Director
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
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

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

53 Related party disclosures (continued)

b) Transactions with related parties

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

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

b) Transactions with related parties (continued)

	March 31, 2023	March 31, 2022
Depreciation and Interest cost as per Ind AS 116		
GMR Family Fund Trust	0.48	0.48
Government of Telangana	9.17	8.83
Sri Varalakshmi Jute Twine Mills Private Limited	0.34	0.35
Delhi International Airport Limited	0.56	0.55
Income on amortization of deposit received		
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
ESR GMR Logistics Parks Private Limited	0.76	0.76
GMR Airports Limited	0.01	-
Interest income on amortization of deposit paid:		
Raxa Security Services Limited	0.06	0.17
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.01
GMR Family Fund Trust	-	0.02
Interest expense on amortization of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
ESR GMR Logistics Parks Private Limited	0.03	0.03
GMR Airports Limited	0.01	-
Delhi International Airport Limited	0.03	-
Amortisation of expense on deposit paid		
Raxa Security Services Limited	0.06	0.17
Reimbursement of expenses claimed by the Group during the year from its related parties		
Laqshya Hyderabad Airport Media Private Limited	0.99	0.75
Delhi International Airport Limited	-	0.01
GMR Airports Limited	0.03	0.02
Airports Authority of India	-	3.23
GMR Airport Developers Limited	1.95	1.85
Raxa Security Services Limited	0.01	0.01
GMR Varalakshmi Foundation	0.06	0.05
Geokno India Private Limited	0.02	0.01
GMR Business Process and Services Private Limited	0.57	0.42
GMR Pochanpalli Expressways Limited	-	0.01
GMR Goa International Airport Limited		
Reimbursement of expenses claimed from the Group during the year by its related parties		
Delhi International Airport Limited	-	0.14
GMR Airport Developers Limited	-	0.47
Dividend Income from Joint Venture		
Laqshya Hyderabad Airport Media Private Limited	4.90	-
Interest on Lease liability		
Delhi International Airport Limited	0.03	-
Rent		
Ramadevi Bommidala	0.21	0.21
Remuneration paid to Key managerial personnel		
Short term employee benefits	11.06	12.34
Sitting fees	0.25	0.17

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

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

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

c) Outstanding balances at the end of the year

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

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

54 Leases

(a) **Group as a lessee**

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

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

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

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

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

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

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

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

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

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

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

(b) **Group as a lessor**

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

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

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

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

V. Assumption used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumption were used to estimate the fair values:

(a) Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at March 31, 2023, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

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

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

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

56 Fair Value Hierarchy

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

	Fair value measurement using		
	Market prices in active markets	**Significant observable inputs**	**Significant unobservable inputs**
	(Level 1)	**(Level 2)**	**(Level 3)**
Assets measured at fair value as at March 31, 2023			
Investment in mutual funds	530.74	-	-
Derivatives designed as Cash flow hedge	-	813.48	-
	530.74	**813.48**	**-**
Assets measured at fair value as at March 31, 2022			
Investment in mutual funds	430.36	-	-
Derivatives designed as Cash flow hedge	-	670.62	-
	430.36	**670.62**	**-**

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

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

57 Financial risk management objectives and policies

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

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

Market risk

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

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

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

Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to convert variable rate loan to fixed rate loan if the perceived uncertainty of such variable market rates is for a long term. As at March 31, 2023, approximately 97% (March 31, 2022: 95%) of the Group's borrowings are at fixed rate of interest after taking into account the effect of interest rate swaps.

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

	March 31, 2023	March 31, 2022
Borrowings:		
Floating interest rate	221.16	436.06
Fixed interest rate	8,688.78	7,984.09

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings as 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, 2023		March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts designated as hedging instruments				
Cross currency swap	571.97	-	457.18	-
Coupon only swap	10.99	-	-	3.09
Call spread option	230.52	-	216.53	-

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

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

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

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

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

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

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by Group subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

Financial instruments (security deposits) and cash deposits

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

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts of trade receivables and bank guarantees provided to subsidiary companies.

Liquidity risk

Group monitors its risk of a shortage of funds using a rolling cash flow forecasts. Group's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities, long-term loans and finance leases. Group's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. Approximately, 3.05% of Group's debt will mature in less than one year at March 31, 2023 (March 31, 2022: 3.71%) based on the outstanding amount of borrowings reflected in these Consolidated financial statements.Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

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

	On Demand	Up to 1 year	1 to 5 years	> 5 years	Total
Year ended March 31, 2023					
Borrowings	-	271.76	6,390.00	2,248.17	8,909.93
Lease liabilities	-	6.92	30.53	709.98	747.43
Trade payables	-	260.74	-	-	260.74
Other financial liabilities	-	867.56	157.60	5.78	1,030.94
Guarantees	714.88	-	-	-	714.88
Total	**714.88**	**1,406.98**	**6,578.13**	**2,963.93**	**11,663.92**
Year ended March 31, 2022					
Borrowings	-	312.17	5,098.96	3,009.01	8,420.14
Lease liabilities	-	11.02	28.14	717.92	757.08
Trade payables	-	173.88	-	-	173.88
Other financial liabilities	-	756.03	147.15	33.25	936.43
Guarantees	656.88	-	-	-	656.88
Total	**656.88**	**1,253.10**	**5,274.25**	**3,760.18**	**10,944.41**

Excessive risk concentration

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

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

58 Capital management

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

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

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

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

59 Commitments and Contingencies

I Claim against the Group not acknowledged as debt:

GHIAL	March 31, 2023	March 31, 2022
In respect of income tax matters [refer (a) below]	24.65	21.32
In respect of service tax matters [refer (b) below]	35.66	35.66
Claim against the GHIAL not acknowledged as debt [refer (d), (e) and (f) below]	149.85	149.75
In respect of other matters [refer (c) below]	25.20	25.20

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

Disputed tax amount

	March 31, 2023	March 31, 2022
Pending with the Hon'ble Supreme Court of India		
A.Y.2013-14 [Disallowed under 115JB]	3.26	-
Pending with Income Tax Appellate Tribunal, Bangalore ("ITAT")		
A.Y.2014-15 [Disallowed under 115JB]	-	3.76
A.Y.2016-17 [Disallowed under 115JB]	-	6.46
Pending with Commissioner of Income Tax (Appeals) ("CIT(A)")		
A.Y.2014-15 [Disallowed under 115JB]	3.76	-
A.Y.2016-17 [Disallowed under 115JB]	6.46	-
A.Y.2016-17 [Disallowed under 115JB]	0.07	-
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, 2023	March 31, 2022
Pending with the Hon'ble Supreme Court of India	Note	Note
A.Y 2011-12 to A.Y 2013-14	35.60	-
Pending with the Assessing Officer		
A.Y 2010-11 to 2014-15	-	5.25
Pending with CIT(A)		
A.Y 2009-10	4.01	4.01
A.Y 2010-11 to A.Y 2013-14	23.15	-
A.Y 2017-18 to A.Y 2018-19	50.51	13.27
A.Y 2014-15 to A.Y 2016-17	67.54	72.10
A.Y 2016-17 **	0.80	0.80
A.Y 2021-22	7.15	-
A.Y 2022-23	0.48	-

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

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

(b) **Disputed service tax matters**

	March 31, 2023	March 31, 2022
Irregular availment of the cenvat credit, pending with Hon'ble High Court of Telangana*	24.84	24.84
Penalty equivalent to service tax levy on delay in payment of service tax on the user development fee, pending with Hon'ble Supreme Court	7.43	7.43
Non-payment of service tax on Corporate guarantee, notice pay. OIO passed, appeal to be filed with Commissioner of Central Tax (Appeals)	0.19	0.19
Irregular availment of cenvat credit and non-payment of service tax on recovery of electricity and water charges from its concessionaires, pending with CESTAT Hyderabad*	3.20	3.20

*including penalty amount.

(c) GHIAL had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 crores (March 31, 2022: Rs. 25.20 crores). GHIAL had received the stay order from Hon'ble High Court of Telangana against the said order in the earlier years.

(d) GHIAL had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. GHIAL had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2023 amounts to Rs. 5.80 crores (March 31, 2022: Rs. 5.70 crores).

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

(i) The Ministry of Civil Aviation (MoCA) had issued orders in 2014, requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) Fund towards (a) procurement and maintenance of security systems/equipment; (b) construction of other long lived assets (refer note (ii) below) along with interest till date of reversal. GHIAL had utilised approximately Rs. 142 crores towards the aforesaid expenses till March 31, 2018, excluding related maintenance expense, other costs and interest thereon which is presently unascertainable. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that the funds utilized by GHIAL is contrary to the directions issued by MoCA. Management is of the opinion that the utilisation of funds from PSF(SC) escrow account is consistent with the Standard Operating Procedures, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

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

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

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

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

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

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

(h) Pursuant to the income tax assessment for the years mentioned below, GACAEL had received various demands from the income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities, including favourable judgements received by GACAEL from lower appellate authorities and the necessary 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, 2023	March 31, 2022
Pending with the Hon'ble High Court of Telangana		
A.Y.2009-10 to A.Y.2012-13 [Disallowed under 80IA]	9.84	9.84
A.Y.2013-14 and A.Y.2014-15 [Disallowed under 80IA]	7.29	7.29
A.Y.2017-18 [Un explained Cash Credits]	23.97	23.97
Pending with CIT(A)		
A.Y.2015-16 [Disallowed under 80IA]	4.17	4.17
A.Y.2016-17 [Disallowed under 80IA]	0.16	0.16
A.Y.2018-19 [Disallowed under 80IA]	0.72	0.72

(i) **Disputed service tax matters**

	March 31, 2023	March 31, 2022
Rejection of service tax refund claim, pending with CESTAT, Hyderabad	1.03	1.03
Service tax on export cargo handling services from March 2008 to June 2010, pending with CESTAT, Hyderabad*	5.92	5.92
Irregular availment of the cenvat credit, pending with CESTAT, Hyderabad*	1.28	1.28
Irregular availment of the cenvat credit on capital goods, pending with Hon'ble High Court of Telangana	1.17	0.24
Non reversal of CENVAT credit and disallowance of export of service from DGGI	2.11	2.11

*including penalty amount.

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

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

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

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

(m) During the current year, the GACAEL has received an order from Sub Registrar, Shamshabad regarding the payment of fine of Rs. 0.69 crores equal to five times of Registration fee of Rs.0.14 crores. The company has filed writ petition before the High Court of Telangana and received Stay Interim Order dated September 27, 2021. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(n) During the current year, the Customs has issued a penalty of Rs. 0.02 crores on M/s GMR Air cargo and Aerospace Engineering Limited for their role in irregular import of aircraft vide Order dated 26th October, 2021. The Company is in the process of filing Appeal with Customs, Excise and Service Tax Appellate Tribunal. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(o) As per the terms of issuance of Compulsory Convertible Cumulative Preference Shares (Series A and Series B), the Company shall pay preference dividends at a coupon rate of 11.97% on the paid up value of compulsorily convertible cumulative preference shares (Series A and Series B). the Company has not declared preference dividend on Compulsorily Convertible Cumulative Preference Shares ("CCCPS") which is amounting to Rs.8.09 crores and tax thereon as on March 31, 2023. (March 31, 2022: Rs. 5.93 crores).

In respect of other subsidiaries:

(p) GHRL had received an order from Income Tax Officer for the AY 2018-19 disallowing unpaid GST of Rs. 0.001 crores. GHRL had filed an appeal against the said order with the Commissioner of Income Tax - Appeals.

(q) GHRL had filed appeals with VAT Appellate Tribunal against the orders of Deputy Commissioner and Appellate Joint Commissioner confirming the demand towards levying of Value Added Tax of Rs.0.43 crores on usage of Audio Video Equipment's by the Hotel customers for the periods from Oct-10 to Nov-12 and Dec-12 to June -17 respectively. Further, the Company had filed reply to the SCN on May 16, 2019, on same issue and the order awaited.

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

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

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

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

(u) One of the customer has filed the complaint against GHRL for an amount of Rs. 0.05 crores during the previous years under Consumer Protection Act, 2019. The company has filed a reply with commission.

(v) GHAL has preferred an appeal with CESTAT against Order-in-Appeal 17/2017-18 dated February 28, 2018, passed by The Commissioner of Central Tax (Appeals) confirming the demand of Rs.1.47 crores (March 31, 2022: Rs.1.47 crores) in the matter of short payment of service tax under RCM on purchase of designs and drawings under Architecture service. The company has filed an appeal with CESTAT against the order.

(w) GHASL had received Show Cause Notice dated July 17, 2015 from the Office of the Assistant Commissioner of Customs, Central Excise and Service Tax wherein service tax refund of Rs. 0.01 crores (March 31, 2022: Rs. 0.01 crores) has been denied.

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

II	Financial guarantees	March 31, 2023	March 31, 2022
	Corporate guarantee given on behalf of its subsidiaries to banks against the loan taken*		
	(a) sanctioned	831.61	745.69
	(b) outstanding	669.52	655.35
	(c) sanctioned during the year	172.00	354.75
III	**Guarantees other than financial guarantees***		
	Bank guarantee given		
	(a) sanctioned	46.50	57.84
	(b) outstanding	46.50	57.84

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

IV Commitments

a) *Capital commitments:*

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounting to Rs. 700.72 (March 31, 2022: Rs. 1,122.63).

b) *Other commitments :*

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

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

iii) GHIAL had entered into "Cross Currency Swap" with various banks in order to hedge principal portion and to protect interest component of 4.25% senior secured notes (2027 SSN) of USD 350 million which is repayable in October 2027, with interest payable on semi-annually basis. Further GHIAL had also entered into "Call Spread (CS)" arrangements in order to hedge principal portion of 5.375% senior secured notes (2024 SSN) for USD 300 million and 4.75% senior secured noted (2026 SSN) for USD 300 million which are repayable in April 2024 and February 2026 respectively and "Coupon Only Swap" (COS) to hedge the payment of interest liability on semi-annually basis on 2024 SSN for USD 300 million and 2026 SSN for USD 300 million. During the current period, GHIAL has cancelled/matured CS arrangements and COS arrangements of USD 126.44 million on partial repayment of 2024 SSN and USD 12.68 million on partial repayment of 2026 SSN.

60 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

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

Discounting rate

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

Non applicability of Service Concession Agreement (SCA)

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

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

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

Applicability of Service Concession Agreement (SCA) to GACAEL

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

Concession fee:

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

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

b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Group based its assumptions and estimates on parameters available when these consolidated financial statements were prepared, existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

60 Significant accounting judgments, estimates and assumptions (continued)

Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Contingencies

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial asset

The impairment provisions for financial assets are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets on unused tax losses and minimum alternate tax credit entitlement are recognised to the extent that it is probable that taxable profit will be available against which these amounts can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

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

62 Determination of aeronautical tariff

GHIAL had filed an appeal, challenging the disallowance of pre-control period losses and foreign exchange loss on external commercial borrowings, classification of revenues from ground handling, cargo and fuel farm as aeronautical revenues and other issues for determination of aeronautical tariff for the First Control Period ("FCP") commencing from April 1, 2011 to March 31, 2016 by Airport Economic Regulatory Authority ('AERA'). In relation to determination of tariff for the Second Control Period ("SCP"), commencing from April 1, 2016 to March 31, 2021, AERA had issued a consultation paper on November 19, 2017. However, as the aforesaid consultation paper does not address the issues arising out of the FCP, including true up for shortfall of receipt vis-a-vis entitlement for the FCP, GHIAL had filed a writ petition and obtained a stay order from the Hon'ble High Court at Hyderabad in the month of February 2018 in respect of further proceedings in determination of tariff order for the SCP. The Adjudicating Authority, Telecom Disputes Settlement Appellate Tribunal (TDSAT), in its disposal order dated March 06, 2020 has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing ("TCP") from April 01, 2021.

During the month of August 2021, AERA has issued Tariff Order ("the Order") effective from October 01, 2021 for the Third Control Period commencing from April 1, 2021 to March 31, 2026. GHIAL, in the month of September 2021, has filed an appeal against the Order with TDSAT, as the management is of the view that AERA has not considered the outstanding issues of FCP and SCP in determination of aeronautical tariff for the TCP as directed by TDSAT vide its ordered dated March 06, 2020, while continuing to charge the aeronautical tariff as determined by AERA.

63 GHIAL has recognized, deferred tax asset comprising of Minimum Alternate Tax (MAT) credit entitlement and unabsorbed business losses aggregating to Rs. 546.36 crore (March 31, 2022: Rs. 560.92 crore) as at March 31, 2023. GHIAL, based on the future taxable income expects to adjust these amounts against the projected taxable profits. The ultimate realisation of the deferred tax asset is dependent upon the generation of future taxable income projected by considering the applicable tariff order for the Third Control Period and the anticipated tariff orders for the subsequent control periods, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income including projected aeronautical tariff revenue which involved determination of applicable tariff orders by AERA and being a subject matter of litigations as detailed in note 62, any changes in such future taxable income could impact its recoverability. However, basis the sensitivity analysis performed, management believes that any reasonable possible change in the key assumptions would not effect GHIAL's ability to recover the deferred tax asset within the specified period as per the provisions of Income Tax Act, 1961.

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

65 As detailed in note 60(a), to these consolidated financial statements, certain incomes/credits recognised on adoption of Ind-AS are not considered for computation of concession fee payable to MoCA basis a legal opinion obtained. Accordingly, the following sources of income have not been considered for accrual of the concession fee:

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

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

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

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

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

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

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

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

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

67 GMR Air Cargo and Aerospace Engineering Limited

Pursuant to the agreement entered by the GMR Group dated February 20, 2020, the GMR Group has executed a definitive agreement with Aeroports De Paris ("ADP") for acquisition of 49% stake by ADP in GMR Airports Limited (the holding company of GHIAL, which is the holding company of the 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 crores) is impaired, management has reckoned the values attributed to MRO CGU which are higher than its carrying value, on the basis of an independent valuation of the Airport business carried out as part of entering the aforesaid agreement. The Management has reviewed such assessment as at March 31, 2022, the updated business plans and the projections considering the COVID-19 impact and believes that there would not be any change in the original conclusion as of 31 March 2023.

Management has also performed sensitivity analysis considering different scenarios to build in the uncertainties attached. Based on such assessment, management is of the view that no impairment is required in the carrying value of MRO CGU as at March 31, 2023.

68 Interest in Joint Ventures

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

Summarised Balance Sheet:

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

Summarized Statement of Profit and Loss account:

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

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

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

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

69 Interest in Joint Ventures (continued)

Summarized Statement of Profit and Loss account:	**March 31, 2023**	**March 31, 2022**
Revenue from operations	6.98	-
Other income	0.88	0.08
Total Income	**7.86**	**0.08**
Employee benefit expenses	0.17	0.10
Depreciation	6.75	0.00
Finance cost	7.36	0.06
Other expenses	0.87	0.39
Total expenses	**15.15**	**0.55**
Loss before tax	**(7.30)**	**(0.47)**
Tax expenses	(2.64)	0.22
Loss after tax	**(4.66)**	**(0.69)**
Total comprehensive income	**(4.66)**	**(0.69)**
Group's share of total comprehensive income for the year	(1.40)	(0.21)

Group's share of contingent liabilities of the jointly controlled entity is Rs. Nil (March 31, 2022: Rs.Nil)

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

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

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

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

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

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

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

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

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

C) Share in other comprehensive loss for the year:

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

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

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

71 The Hon'ble Orissa High Court vide Judgement in W.P. No.20463/2018, in the case of Safari Retreats Private Limited, observed that the GST provisions under Section 17(5)(c) and 17(5)(d) w.r.t input tax credit eligibility are not in line with the objective of the Act to allow seamless credit where such input services are used to provide taxable output services and accordingly, it was held that if an assessee is required to discharge GST on the rental income, it is eligible to avail the Input Tax Credit (ITC) of GST paid on the goods or services or both by a taxable person for construction of an immovable property when they are used in the course or furtherance of business. GHIAL is engaged in the operation of Airport, it renders taxable Output Services in the nature of landing and parking charges, hanger services, charges for use of terminal facilities, refuelling facilities, licensing of space for various aeronautical and non-aeronautical charges being its output supplies which are subject to output GST. Hence, GHIAL, in view of the favourable judgment of Orissa High Court in the case of Safari Retreats Private Limited has availed the Input Tax Credit accumulated in respect of the Input goods and Services supplied for the construction of Airport facilities as part of the ongoing expansion project and regular operations. Further, department has filed Special leave to appeal before Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court, where leave has been allowed without stay of operation of the judgment. Thus relying upon the favourable ruling of Orissa High Court which is a binding law and enforceable across all jurisdictions, the management decided to avail the Input Tax Credit in the GST Returns and books for the respective periods. However, the credit availed was not utilized by GHIAL owing to pending outcome of the judgement of Hon'ble Supreme Court of India. Further, GHIAL has filed a writ petition (10367/2020) with Hon'ble High Court of Telangana requesting to strike down the relevant provisions of GST which denies ITC in respect of works contract services or goods and services received for construction of 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.

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

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

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

Details of utilization of funds raised are as under:

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

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

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

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

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

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

Sd/-
Danish Ahmed
Partner
Membership No.: 522144

Place: New Delhi
Date: May 04, 2023

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

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

Place: Bengaluru
Date: May 04, 2023

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

Sd/-
GBS Raju
Managing Director
DIN.: 00061686

Place: New Delhi
Date: May 04, 2023

Sd/-
C Prasanna
Director
DIN: 01630300

Place: Hyderabad
Date: May 04, 2023

Sd/-
Pradeep Panicker
Chief Executive Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Anand Kumar P
Chief Financial Officer

Place: Hyderabad
Date: May 04, 2023

Sd/-
Kiran Kumar M
Company Secretary

Place: Hyderabad
Date: May 04, 2023

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, 2023	April 01, 2021 - March 31, 2023	April 01, 2021 - March 31, 2023	April 01, 2021 - March 31, 2023	April 01, 2021 - March 31, 2023	April 01, 2021 - March 31, 2023
Reporting currency	INR	INR	INR	INR	INR	INR
Share Capital	455.85	111.88	51.60	0.10	40.72	238.33
Reserves and Surplus	(431.76)	(37.12)	13.66	(0.03)	21.25	(107.70)
Total Assets	552.51	235.00	312.30	0.42	127.52	323.41
Total Liabilities	528.42	160.23	247.04	0.35	65.55	192.78
Investments*	55.17	9.28	59.88	-	7.09	34.12
Turnover	382.40	15.60	57.41	-	19.60	304.98
Profit before taxation	10.22	(10.32)	14.75	(0.04)	9.23	50.72
Provision for taxation	-	-	0.57	0.00	0.79	-
Profit after taxation	10.22	(10.32)	14.18	(0.04)	8.44	50.72
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-2023	31-Mar-2023
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	15.48	24.41
Amount of Investment in Optionally Convertible Debentures (unquoted) of Associates or Joint Venture	42.75	-
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	15.912	26.63
7. Profit or Loss for the year		
i. Considered in Consolidation	(1.40)	7.55
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
GMR Hyderabad International Airport Limited

Sd/-	Sd/-
G B S Raju	**C Prasanna**
Managing Director	Director
DIN: 00061686	DIN :01630300
Date : May 04, 2023	Date : May 04, 2023
Place : New Delhi	Place : Hyderabad