INDEPENDENT AUDITOR'S REPORT

To The Members of GMR Hospitality and Retail Limited

Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of **M/s. GMR Hospitality and Retail Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended March 31, 2021 give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the company as at March 31, 2021, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Emphasis of Matter:

4. We draw attention to Note 41 of the Financial Statements which describes the uncertainties due to outbreak of COVID-19 pandemic and management's evaluation of the impact on the Financial Statements of the Company as at March 31, 2021.

   Our Opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the 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 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 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 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.

Management's Responsibility for the Financial Statements:

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 judgements 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 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.

7. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

9. 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 SAs 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.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    (i) 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.

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

    (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

    (v) 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.

11. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

12. 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.

13. 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.

Other Matters:

14. The Financial statements of the company for the year ended March 31, 2020 were audited by the predecessor auditor i.e., M/s. Deloitte Haskins & Sells LLP who have expressed unmodified opinion vide their audit report dated June 05, 2020, whose reports have been furnished to us and which have been relied upon by us, for the purpose of our audit.

    Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix **- A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable.

16. As required by Section 143(3) of the Act, we report that:

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

    b) 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2021 from being appointed as directors in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Appendix-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – (Refer Note 43 to the financial statements),

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

Hitesh Kumar P Jain
Digitally signed by Hitesh Kumar P Jain

Hitesh Kumar P
Partner
Membership No. 233734
UDIN No: 21233734AAAAHR7377

Place: Bengaluru
Date: April 22, 2021

Appendix - A to the Independent Auditors' Report

The Appendix referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2021, we report that:

(i) In respect of the Company's Property, Plant and Equipment

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE').

(b) The Company has a regular program of physical verification of its PPE for every 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 the program, physical verification has been conducted during the year by engaging an outside expert, and no material discrepancies were noted on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2021 for a period of more than six months form date they become payable.

b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute except for the below:

Name of the Statute	Nature of Dues	Amount Involved (In lakhs)	Amount Unpaid (In lakhs)	Period for which the amount Relates	Forum where Dispute is pending
APVAT Act, 2005	Value Added Tax	22.66	10.60	FY 2010-11 to FY 2013-14	VAT Appellate Tribunal, Telangana
APVAT Act, 2005	Value Added Tax	19.94	19.94	April 2014 to June 2017	Deputy Commissioner (ST), Saroor Nagar Division
Customs Act, 1962	Customs Duty	1.00	1.00	FY 19-20	Deputy Commissioner of Customs, RGIA Airport
Income tax Act, 1961	Income tax	5.49#	5.49	FY 2015-16	Income Tax Appellate Tribunal, Hyderabad
Finance Act, 1994	Service Tax	376.99	376.99	October 2016 to June 2017	Commissioner of Customs & Central Tax (Appeals)

(viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank and government. The Company has not issued any debentures during the year and does not have any outstanding dues in respect of debenture holders.

(ix) According to the information and explanations given by the management, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer or debt instruments.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of the section 197 of the Act read with Schedule V to the Act are complied.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company and hence not commented upon.

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

Hitesh Kumar P Jain

Digitally signed by Hitesh Kumar P Jain

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No. 21233734AAAAHR7377

Place: Bengaluru
Date: April 22, 2021

Appendix - B to the Independent Auditors' Report

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of M/s. GMR Hospitality and Retail limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 issued by the Institute of Chartered Accountants of India ('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 its business, including adherence to 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 Companies Act, 2013.

Auditors' Responsibility

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements.

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 includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the Institute of Chartered Accountants of India.

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

Hitesh Kumar P Jain
Digitally signed by Hitesh Kumar P Jain

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No. 21233734AAAAHR7377

Place: Bengaluru
Date: April 22,2021

GMR Hospitality and Retail Limited
CIN : U52100TG2008PLC060866
Balance Sheet as at March 31, 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,985.54	14,119.20
Capital work-in-progress	3A	632.37	160.72
Right-of-use assets	4	2,513.80	4,533.13
Intangible assets	5	108.64	125.77
Intangible assets under development	5A	2.40	2.40
Financial Assets			
Other Financial Assets	6C	2.48	2.48
Deferred tax assets (net)	7	-	-
Non-current tax assets (net)	12	271.08	737.05
Other non current assets	11A	13.70	73.76
		16,530.01	19,754.51
Current assets			
Inventories	8	1,534.36	3,222.48
Financial assets			
Investments	6A	978.11	1,070.51
Trade receivables	6B	319.34	789.60
Cash and cash equivalents	9	1,425.16	553.27
Loans	10	2,000.00	-
Other Financial Assets	6D	352.94	824.32
Other current assets	11B	882.00	731.42
		7,491.91	7,191.60
TOTAL ASSETS		24,021.92	26,946.11
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	15,599.87	15,599.87
Other equity	14	(14,832.05)	(12,691.58)
Total Equity		767.82	2,908.29
Non-current liabilities			
Financial liabilities			
Borrowings	15A	14,408.73	15,113.23
Lease liabilities	15D	2,583.32	4,164.78
Other financial liabilities	15F	-	4.50
Provisions	16A	121.69	50.92
		17,113.74	19,333.43
Current liabilities			
Financial liabilities			
Borrowings	15B	2,100.00	-
Trade payables:	15C		
(i) total outstanding dues of micro enterprises and small enterprises		27.37	67.22
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,423.60	2,564.53
Lease liabilities	15E	581.47	758.91
Other financial liabilities	15G	826.71	1,014.03
Provisions	16B	17.65	74.64
Other current liabilities	17	163.56	225.06
		6,140.36	4,704.39
TOTAL EQUITY AND LIABILITIES		24,021.92	26,946.11
		-	
Corporate Information & Significant accounting policies	1&2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No. 003109S

Hitesh Kumar P
Partner
ICAI Membership No. 233734

Place: Bengaluru
Date: April 22, 2021

K.S. RAO & CO. Chartered Accountants BENGALURU

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited

SGK Kishore
Director
DIN: 02916539

Dr. Kavitha Gudapati
Director
DIN: 02506004

Venu Madhav Tenjarla
Chief Financial Officer

Place: Hyderabad
Date: April 22, 2021

GMR Hospitality and Retail Limited Hyderabad

GMR Hospitality and Retail Limited
CIN : U52100TG2008PLC060866
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Income**			
	Revenue from operations	18	6,020.01	24,873.26
	Other income	19	1,852.06	319.95
	Total Income		**7,872.07**	**25,193.21**
2	**Expenses**			
	Food and Beverages consumed	20	242.31	666.09
	Purchases of Stock In Trade		(37.91)	8,291.78
	Changes in Inventories-Stock In Trade	21	1,654.60	(1,562.77)
	Employee benefits expense	22	1,778.33	2,530.19
	Other expenses	23	3,041.09	10,869.86
	Depreciation and amortization expense	24	1,504.47	1,566.64
	Finance costs	25	1,849.89	2,015.70
	Total Expenses		**10,032.78**	**24,377.49**
3	**(Loss) / Profit before tax (1 - 2)**		**(2,160.71)**	**815.72**
4	**Tax expenses**	26		
	a) Current income tax		-	-
	b) Deferred tax / (credit)		-	4.36
	Total Tax expenses		**-**	**4.36**
5	**(Loss) / Profit for the period (3 - 4)**		**(2,160.71)**	**811.36**
6	**Other comprehensive income**	27		
	i. Items that will not be reclassified to profit or loss:			
	Re-measurement gains/(losses) on defined benefit plans		20.24	(17.33)
	Tax relating to items that will not be reclassified to profit or loss		-	(4.36)
	Total other comprehensive income/(loss)		**20.24**	**(12.97)**
7	**Total comprehensive income (5 + 6)**		**(2,140.47)**	**798.39**
	Earnings per equity share of par value of Rs.10 each			
	Basic and diluted (Rs. per share)	28	**(1.39)**	**0.52**
	Corporate Information & Significant accounting policies	1&2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No. 003109S

Hitesh Kumar P
Partner
ICAI Membership No. 233734

Place: Bengaluru
Date: April 22, 2021

K.S. RAO & CO. Chartered Accountants BENGALURU

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited

SGK Kishore
Director
DIN: 02916539

Dr. Kavitha Gudapati
Director
DIN: 02506004

Venu Madhav Tenjarla
Chief Financial Officer

GMR Hospitality and Retail Limited Hyderabad

Place: Hyderabad
Date: April 22, 2021

GMR Hospitality and Retail Limited
CIN : U52100TG2008PLC060866
Statement of Cash Flows for the year ended March 31, 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from Operating Activities		
(Loss)/profit before tax	(2,160.73)	815.72
Non-cash adjustment to reconcile profit before tax		
Depreciation and amortisation expense	1,504.47	1,566.64
Finance cost	1,835.60	2,002.76
Finance costs (fair value change in financial instruments)	14.29	12.94
Profit on sale of current investments	(39.35)	(118.44)
Gain on fair valuation of current investments	(3.30)	(7.00)
Interest income	(20.82)	(5.71)
Provisions no longer required written back	(6.51)	(15.32)
(Profit) on sale/write off of fixed assets (net)	12.07	-
Unrealised foreign exchange loss/(gain)	5.99	15.53
Operating (Loss)/Profit before Working Capital Changes	1,141.71	4,267.12
Adjustments for changes in working capital :		
(Decrease)/Increase in Trade payables	(192.99)	846.63
(Decrease)/Increase in provisions	34.00	14.58
(Decrease)/Increase in Other financial liabilities and other liabilities	(154.27)	18.07
Decrease in Trade receivables	470.26	(37.54)
Decrease/(Increase) in Inventories	1,688.12	(1,568.44)
(Increase) in Other Assets	(153.22)	(359.34)
Decrease/(Increase) in Other financial assets	494.75	(654.17)
Cash generated from operations	3,328.36	2,526.91
Direct taxes paid (net)	465.97	(166.71)
Net cash flow from Operating Activities (A)	3,794.33	2,360.20
Cash flows from Investing Activities		
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	(518.13)	(288.87)
Interest received on loan	20.82	5.71
Loan Given	(2,000.00)	(1,000.00)
Loan Given received back	-	1,000.00
Purchase of investments	(5,237.40)	(16,585.00)
Proceeds from sale of investments	5,372.46	16,847.03
Net cash flow (used in) Investing Activities (B)	(2,362.25)	(21.13)
Cash flows from Financing Activities		
Repayment of long-term borrowings	(750.00)	(375.00)
Proceeds from short-term borrowings	2,300.00	-
Repayment of short-term borrowings	(200.00)	-
Finance cost paid (including interest towards lease liabilities)	(1,762.54)	(1,883.31)
Payment of lease liability	(137.05)	(105.97)
Net cash flow (used in) financing activities (C)	(549.59)	(2,364.28)
Net increase in cash and cash equivalents (A + B + C)	882.49	(25.21)
Cash and cash equivalents at the beginning of the period	553.27	572.47
Effect of exchange differences on cash and cash equivalents held in foreign currency	(10.60)	6.01
Cash and cash equivalents at the end of the period (See note below)	1,425.16	553.27
Components of cash and cash equivalents		
Cash on hand	77.62	53.07
Cash in transit	-	-
Balance with banks		
- On current accounts	325.35	366.06
- Exchange earner's foreign currency	1,022.19	134.14
Total	1,425.16	553.27

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

Particulars	As at March 31, 2020	Proceeds	Repayment	Fair Value Changes / Other Adjustments	As at March 31, 2021
Short Term and Long Term Borrowings	15,692.69	2,300.00	(950.00)	14.29	17,056.98
Lease liabilities	4,923.69	-	(63.99)	(1,694.91)	3,164.79
Total liabilities from financing activities	20,616.38	2,300.00	(1,013.99)	(1,680.62)	20,221.77

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Hospitality and Retail Limited Hyderabad

Reconciliation of liabilities from financing activities for the year ended March 31, 2020

Particulars	As at March 31, 2019	Proceeds/ Impact of Ind AS 116	Repayment	Fair Value Changes / Other Adjustments	As at March 31, 2020
Short Term and Long Term Borrowings	16,054.75	-	(375.00)	12.94	15,692.69
Lease liabilities	-	4,910.19	(105.97)	119.47	4,923.69
Total liabilities from financing activities	**16,054.75**	**4,910.19**	**(480.97)**	**132.41**	**20,616.38**

* Other adjustments includes reduction in lease rentals to Rs. 1,694.91 lakhs.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

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

Hitesh Kumar P
Partner
ICAI Membership No. 233734

Place: Bengaluru
Date: April 22, 2021

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited

SGK Kishore
Director
DIN: 02916539

Dr. Kavitha Gudapati
Director
DIN: 02506004

Venu Madhav Tenjarla
Chief Financial Officer

Place: Hyderabad
Date: April 22, 2021

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Hospitality and Retail Limited Hyderabad

GMR Hospitality and Retail Limited
CIN : U52100TG2008PLC060866
Statement of Changes in Equity for the year ended March 31, 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

A. Equity Share Capital

Equity Shares of Rs.10 Each, Fully paid up

	No.	Rs. Lakhs
As at April 01, 2019	155,998,710	15,599.87
Issued during the period	-	-
As at March 31, 2020	155,998,710	15,599.87
Issued during the period	-	-
As at March 31, 2021	155,998,710	15,599.87

B. Other Equity

	Equity component of parent company loan* (A)	Capital Reserve (B)	Retained Earnings (C)	Total D=(A+B+C)
As at April 01, 2019	810.86	548.10	(14,848.93)	(13,489.97)
Profit for the period	-	-	811.36	811.36
Remeasurement of net defined benefit plan	-	-	(12.97)	(12.97)
As at March 31, 2020	810.86	548.10	(14,050.54)	(12,691.58)
Loss for the period	-	-	(2,160.71)	(2,160.71)
Remeasurement of net defined benefit plan	-	-	20.24	20.24
As at March 31, 2021	810.86	548.10	(16,191.01)	(14,832.05)

*Equity component of interest free loan is shown net of deferred tax liability.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For K.S. Rao & Co.,
Chartered Accountants

Hitesh Kumar P
Partner
ICAI Membership No. 233734

Place: Bengaluru
Date: April 22, 2021

K.S. RAO & CO. Chartered Accountants BENGALURU

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited

SGK Kishore
Director
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Venu Madhav Tenjarla
Chief Financial Officer

Place: Hyderabad
Date: April 22, 2021

GMR Hospitality and Retail Limited Hyderabad

GMR Hospitality and Retail Limited
CIN: U52100TG2008PLC060866
Notes to the financial statements for the year ended March 31, 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

1. Corporate information

GMR Hospitality and Retail Limited ("GHRL or the Company") was incorporated on September 08, 2008 as a wholly owned subsidiary of GMR Hyderabad International Airport Limited. The main objective of the Company is to carry on the business of running hotels, resorts, restaurants, lodging house, swimming pools, night clubs, exhibition halls, entertainment centers, amusement parks, wine, beer shops and departmental stores, discotheques, clubs, skating halls, boating and padding pools, gymnasiums and race courses. To establish and run shops, business centres and shopping complexes including duty free shops and customs free trade zone, either directly or through agencies to cater to the requirements of National and International passengers and tourists.

2. Significant accounting policies

2.1 Basis of preparation and presentation:

(a) Statement of Compliance:

The Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), notified under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and other relevant provision of the Act.

(b) Basis of measurement:

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of reporting period. (as explained in accounting policy regarding financial instruments).

2.2 Summary of significant accounting policies

a) Use of estimates

The preparation of 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 period. 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 Company based its assumptions and estimates on parameters available when the 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.

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 it is:

- Expe cted to be realized or intended to be sold or consumed in normal operating cycle

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- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Foreign currencies

The Financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

d) 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:

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

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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 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 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 the Financial Statements are categorized 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 Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

(e) Revenue recognition

Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the Financial Statements.

Revenue is recognised to depict 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 recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

The specific recognition criteria described below must also be met before revenue is recognised:

- Sale of goods:
  Revenue from the sale of goods is recognised at the point in time when control is transferred to customers.

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

  The Company recognizes revenue on accrual basis as per the terms of the agreement and on the basis of services rendered.

- Space rentals:
  Space rentals have been recognised as per the terms of the contract with the customers.

- Dividend income:
  Revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

- Interest income:
  Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

(f) Taxes

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

Current income tax relating to items recognised outside profit and loss is recognised outside profit and 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 provision where appropriate.

Deferred tax:
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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

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deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

(g) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital Work in Progress are items of Property, Plant and Equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Years
Buildings on leasehold land	30
Leasehold improvements	15
Roads #	10
Plant and equipment	15
Electrical installations and equipment	10
Furniture and fittings	8-10
Office equipment	5
Computers and data processing units	3 – 6
Motor vehicles	8

The management has estimated, supported by technical evaluation and experience, the useful life of internal roads as 10 years.

The management has estimated, supported by independent assessment of professionals, the useful lives of the following class of assets.

The useful lives of certain plant and equipment are estimated as 8 years with respect to Kitchen equipments. This life is lower than those indicated in Schedule II of the Companies Act, 2013.

The Company, based on assessment made by technical expert and Management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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An item of property, plant and equipment and any significant part initially recognised is de-recognised 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 income statement when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold improvements are amortized over shorter of estimated useful lives or lease period.

Individual assets costing less than Rs.5,000 are fully depreciated in the year of purchase.

(h) Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortized on a straight – line basis over their useful life not exceeding six years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognized.

(i) Leases

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases". In respect of the transition to Ind AS 116 please refer Note 36.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>**Where the Company is lessee**</u>

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right- of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

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The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of Profit and Loss.

Where the company is lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company 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.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

(j) Borrowing costs

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 capitalized 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 cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Inventories

Inventories are valued at lower of cost and 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 necessary to make the sale.

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(l) 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 unit's (CGU) fair value less costs of disposal and its value in use. 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 groups 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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.

Impairment losses are recognised in the statement of profit and loss. 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 periods/ years. Such reversal is recognised in the statement of profit and loss.

(m) Provisions, 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 no reliable estimate is possible
• A possible obligation arising from past events, unless the probability of outflow of resources is remote

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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.

(n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company 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 Employees State Insurance are 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 (partly funded) in India, which requires contribution to be made to a separately administrated fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Re-measurements, 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. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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

Accumulated leave 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.

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The Company treats accumulated leave as short-term employee benefit. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(o) 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. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

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

Subsequent measurement of financial instrument:
For the purpose of subsequent measurement, financial instruments of the Company are classified into categories as explained below. The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements.

For purposes of subsequent measurement, financial assets are classified in four categories:
a. Debt instruments at amortized cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
d. 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 Company. 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 and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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.

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In addition, the Company 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.

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 recognised by an acquirer in a business combination to which Ind AS103 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 Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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 profit and loss, even on sale of investment. However, the Company 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.

De-recognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flows from the asset, and
   i. The Company has transferred substantially all the risks and rewards of the asset, or
   ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 financial assets and credit risk exposure on any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

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Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and 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.

Subsequent measurement:
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and 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 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 and 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 amortized cost using the EIR method. Gains and losses are recognised in profit and 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.

De-recognition:
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Subsequent Measurement
For the purpose of subsequent measurement, financial instruments of the Company are classified into categories as explained below. The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

Reclassification of financial assets

The Company 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

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financial liabilities. If the Company 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 Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(p) Cash and cash equivalents

Cash and cash equivalents 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.

(q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial statements.

Contingent assets are disclosed when the economic benefits are probable.

(r) Earnings per share

Basic Earnings per Share is calculated by dividing the net profit and loss for the period 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 and loss for the year 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.

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3. Property, plant and equipment

Particulars	#Buildings on leasehold land	Leasehold improvements	Roads	Plant and equipment	Electrical Installations and Equipment	Furniture and fittings	Office Equipment	Computers and data processing units	Motor Vehicles	Total
Gross Block										
As at April 01, 2019	15,012.06	462.93	24.50	2,180.60	1,708.76	1,497.74	26.16	229.02	10.80	21,152.57
Additions	49.82	67.31	-	19.32	29.00	88.11	2.38	104.59	-	360.53
Disposals/Adjustments@	(401.78)	-	-	(0.38)	(7.15)	(12.32)	-	-	-	(421.63)
As at March 31, 2020	14,660.10	530.24	24.50	2,199.54	1,730.61	1,573.53	28.54	333.61	10.80	21,091.47
Additions	11.98	5.48	-	2.52	3.18	6.25	1.25	11.92	-	42.58
Disposals/Adjustments*	15.12	-	-	33.94	-	24.39	-	0.07	-	73.52
As at March 31, 2021	14,656.96	535.72	24.50	2,168.12	1,733.79	1,555.39	29.79	345.46	10.80	21,060.53
Depreciation										
As at April 01, 2019	2,174.21	136.65	22.85	988.86	1,170.36	1,169.95	11.20	117.84	10.80	5,802.72
Charge for the year	669.28	69.56	1.65	242.44	61.99	61.40	5.32	57.91	-	1,169.55
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	2,843.49	206.21	24.50	1,231.30	1,232.35	1,231.35	16.52	175.75	10.80	6,972.27
Charge for the period	668.90	66.01	-	233.76	60.58	59.29	5.08	54.78	-	1,148.40
Disposals/Adjustments	-	-	-	21.17	-	24.46	-	0.07	-	45.70
As at March 31, 2021	3,512.39	272.22	24.50	1,443.89	1,292.93	1,266.18	21.60	230.46	10.80	8,074.97
Net block										
As at March 31, 2020	11,816.61	324.03	-	968.24	498.26	342.18	12.02	157.86	-	14,119.20
As at March 31, 2021	11,144.57	263.50	-	724.23	440.86	289.21	8.19	115.00	-	12,985.56

Building is constructed on leasehold land taken from GHIAL (holding company) who obtained land under Concession agreement with Ministry of Civil Aviation.
@adjustment include an amount of Rs.421.63 lakhs towards decapitalisation of GST input credit claimed
*Adjustments amount to Rs.15.12lacs relating to building & leasehold is on account of reversal of excess provision

3A. Capital work-in-progress

	As at March 31, 2021	As at March 31, 2020
Capital expenditure incurred on Property, plant and equipment	632.37	160.72
	632.37	160.72

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4. Right-of-use assets

Particulars	Right-of-use assets			
	Land	Building	Equipment	Total
Gross Block				
As at April 01, 2019	-	-	-	-
Impact of adoption of Ind AS 116 (refer note 33)	4,059.33	821.13	29.73	4,910.19
Additions	-	-	-	-
Adjustments	-	-	-	-
As at March 31, 2020	**4,059.33**	**821.13**	**29.73**	**4,910.19**
Additions	-	-	-	-
Adjustments	1,694.90	-	-	1,694.90
As at March 31, 2021	**2,364.43**	**821.13**	**29.73**	**3,215.29**
Accumulated Depreciation				
As at April 01, 2019	-	-	-	-
Charge for the year	228.73	133.46	14.87	377.06
Disposals	-	-	-	-
As at March 31, 2020	**228.73**	**133.46**	**14.87**	**377.06**
Charge for the period	177.34	133.46	13.63	324.43
Disposals	-	-	-	-
As at March 31, 2021	**406.07**	**266.92**	**28.50**	**701.49**
Net block				
As at March 31, 2020	3,830.60	687.67	14.86	4,533.13
As at March 31, 2021	1,958.36	554.21	1.23	2,513.80

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5. Intangible Assets

	Acquired Software
Gross Block	
As at April 01, 2019	**79.45**
Additions	103.86
Disposals	-
As at March 31, 2020	**183.31**
Additions	14.52
Disposals	-
As at March 31, 2021	**197.83**
Amortisation	
As at April 01, 2019	**37.51**
Charge for the year	20.03
Disposals	-
As at March 31, 2020	**57.54**
Charge for the period	31.65
Disposals	-
As at March 31, 2021	**89.19**
Net block	
As at March 31, 2020	**125.77**
As at March 31, 2021	**108.64**

5A. Intangible assets under development

	As at March 31, 2021	As at March 31, 2020
Capital expenditure incurred on intangible assets	2.40	2.40
	2.40	**2.40**

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(All amounts are in Rs. lakhs, unless otherwise stated)

6 **Financial Assets**

	As at March 31, 2021	As at March 31, 2020
A. Current investments		
Unquoted Mutual Fund :		
Nil (March 31, 2020 : 16,630.436) units of face value of Rs.1,000 each of Axis Mutual Fund- Liquid growth plan	-	364.90
36760.247 (March 31, 2020 : Nil) units of face value of Rs.1,000 each of Axis Mutual Fund- Overnight Fund	399.92	-
Nil (March 31, 2020 : 116,424.552) units of face value of Rs.100 each of Aditya Birla Sunlife Liquid Fund - Growth regular plan (formerly known as Birla Sunlife Cash Plus - growth regular plan)	-	369.94
Nil (March 31, 2020 : 64,246.164) units of face value of Rs.100 each of Aditya Birla Sunlife Liquid Fund - Growth direct plan (formerly known as Birla Sunlife Cash Plus - growth direct plan)	-	205.30
51952.335 (March 31, 2020 : 12,068.357) units of face value of Rs.1,000 each of Aditya Birla Sunlife Overnight Fund - Growth Direct plan	578.19	130.37
	978.11	1,070.51
Aggregate fair value of unquoted investments	978.11	1,070.51

B. Trade Receivables

	As at March 31, 2021	As at March 31, 2020
Trade receivables:		
- Considered good - Secured	-	
- Considered good - Unsecured (refer note 31)	319.34	789.60
- Which have significant increase in Credit Risk	-	-
- Credit impaired	-	-
Total	319.34	789.60
Less: Allowances for doubtful receivables	-	-
Total Trade Receivables	319.34	789.60

Other Financial Assets

	As at March 31, 2021	As at March 31, 2020
C. Non Current (unsecured, considered good unless stated otherwise)		
Security deposit	2.48	2.48
	2.48	2.48
D. Current (unsecured, considered good unless stated otherwise)		
Other receivables	324.18	816.38
Security deposit	7.94	7.94
Interest accrued on Loans	20.82	-
	352.94	824.32

7 **Deferred tax asset (net)**

	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortization charged for the period/year	(712.76)	(868.16)
Gain on fair valuation of mutual fund	(0.83)	(1.76)
Gross Deferred Tax Liabilities (A)	(713.59)	(869.92)
Deferred tax asset		
On unabsorbed depreciation and carried forward losses	632.59	770.11
On provisions for gratuity and leave benefits	35.36	31.59
On lease rentals	45.64	68.22
Gross Deferred Tax Assets (B)	713.59	869.92
Deferred Tax Assets/(Liabilities) (A+B)	-	-

Deferred tax assets/ (liability):
For the year ended March 31, 2021:

	Opening balance	Recognised in Other Comprehensive Income	Recognised in Statement of Profit and Loss	Closing balance
Deferred tax liability:				
Impact of difference between tax depreciation and depreciation/ amortization charged for the year	(868.16)	-	155.40	(712.76)
Gain on fair valuation of mutual fund	(1.76)	-	0.93	(0.83)
Deferred tax asset:				
On unabsorbed depreciation and carried forward losses	770.11	-	(137.52)	632.59
On provision for Gratuity and Leave Encashment	31.59	-	3.77	35.36
On Lease rentals	68.22	-	(22.58)	45.64
	-	-	(0.00)	(0.00)

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Deferred tax assets/ (liability):
For the year ended March 31, 2020:

	Opening balance	Recognised in Other Comprehensive Income	Recognised in Statement of Profit and Loss	Closing balance
Impact of difference between tax depreciation and depreciation/ amortization charged for the year	(843.56)	-	(24.60)	(868.16)
Gain on fair valuation of mutual fund	(0.54)		(1.22)	(1.76)
Deferred tax asset:				
On unabsorbed depreciation and carried forward losses	819.76	-	(49.65)	770.11
On provision for Gratuity and Leave Encashment	24.34	4.36	2.89	31.59
On Lease rentals	-	-	68.22	68.22
	0.00	4.36	(4.36)	(0.00)

The company has recognised deferred tax asset on unabsorbed depreciation and carry forward losses to the extent the Company has sufficient taxable temparory differences.

7.1 Unrecognised deductible temparory differences, unused tax losses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Unrecognised deductible temparory differences, unused tax losses for which no deferred tax assets have been		
-Unused tax loss	10,972.15	12,861.67
	10,972.15	12,861.67

8 Inventories

	As at March 31, 2021	As at March 31, 2020
Inventories (valued at lower of cost and net realisable value)		
Retail merchandise*	1,480.62	3,134.72
Packing materials	1.74	2.24
Food & Beverages	24.88	46.52
Stores, spares & consumables	27.12	39.00
Total	1,534.36	3,222.48

*includes goods in transit of Rs. 197.97 lakhs (March 31, 2020: Rs. 139.74 lakh)

9 Cash & cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Cash on hand	77.62	53.07
Balances with banks:		-
- On current accounts	325.35	366.06
- Exchange earner's foreign currency	1,022.19	134.14
Total	1,425.16	553.27

10 Loans

	As at March 31, 2021	As at March 31, 2020
A. Current		
Loans		
- Considered good - Unsecured (Refer Note below)	2,000.00	-
Total	2,000.00	-

11 Other Assets

	As at March 31, 2021	As at March 31, 2020
A Non Current (unsecured, considered good unless otherwise stated)		
Capital Advances	3.65	66.35
Balance with statutory/government authorities	6.12	7.24
Prepaid expenses	3.93	0.17
Total	13.70	73.76
B Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	24.02	31.05
Balance with statutory/government authorities	551.28	572.06
Prepaid expenses	145.46	128.31
Capital Advances	161.24	-
Total	882.00	731.42

12 Non-current tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Advance tax/ TDS receivables (net)	271.08	737.05
	271.08	737.05

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13 Equity Share capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
160,000,000 (as at March 31, 2020: 160,000,000) equity shares of Rs.10/- each	16,000.00	16,000.00
Total	16,000.00	16,000
Issued, subscribed and fully paid-up share capital		
155,998,710 (as at March 31, 2020: 155,998,710 equity shares of Rs.10/- each fully paid up)	15,599.87	15,599.87
Total	15,599.87	15,599.87

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares

	As at March 31, 2021		As at March 31, 2020	
	No's	Rs. Lakhs	No's	Rs. Lakhs
At the beginning of the period	155,998,710	15,599.87	155,998,710	15,599.87
Additions during the period	-	-	-	-
Outstanding at the end of the period	155,998,710	15,599.87	155,998,710	15,599.87

b) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to 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.

(c) Shares held by holding company:
Out of equity shares issued by the Company, shares held by its

	As at March 31, 2021	As at March 31, 2020
GMR Hyderabad International Airport Limited and its nominees		
155,998,710 (March 31, 2020 : 155,998,710) equity shares of Rs.10/- each fully paid up	155,998,710	155,998,710

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

	As at March 31, 2021		As at March 31, 2020	
	No's	% holding	No's	% holding
Equity shares of Rs.10 each fully paid				
GMR Hyderabad International Airport Limited and its nominees	155,998,710	100%	155,998,710	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

14 Other equity

		As at March 31, 2021	As at March 31, 2020
a)	**Capital Reserve**		
	Opening Balance	548.10	548.10
	Closing Balance	548.10	548.10
b)	**Equity component of other financial instruments**		
	Opening Balance	810.86	810.86
	Changes during the period	-	-
	Closing Balance	810.86	810.86
c)	**Retained earnings**		
	Opening Balance	(14,050.54)	(14,848.93)
	(Loss)/Profit for the period/year	(2,160.71)	811.36
	Remeasurement of net defined benefit plans	20.24	(12.97)
	Closing Balance	(16,191.01)	(14,050.54)
	Grand Total	(14,832.05)	(12,691.58)

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 27

15 Financial Liabilities

	As at March 31, 2021	As at March 31, 2020
A. Non Current borrowings		
Term Loans		
Indian rupee term loan from Banks (secured) (Refer note (a) below)	10,175.73	10,880.23
Loan from related party (unsecured) (Refer note (b) below)	4,233.00	4,233.00
	14,408.73	15,113.23
Current Maturities of Non Current borrowings		
Term Loans		
Indian rupee term loan from Bank (secured) (Refer note (a) below)	548.25	579.46
	548.25	579.46
Less: Amount disclosed under the head "other current financial liabilities" (Refer Note 14G)	(548.25)	(579.46)
Total	-	-
B. Current borrowings		
Loan from related party (unsecured) (Refer note (b) below)	2,100.00	-
	2,100.00	-

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Notes:

a) The Term loan from NBFC (Namely Aditya Birla Finance Limited and India Infradebt Limited) (secured) which carried interest at base rate plus agreed spread has been refinanced to Axis Bank Limited for Rs. 12,093.75 Lakh for outstading balance as on 15th November, 2018 . The loan is repayable in 46 quarterly instalments commencing from January 2019 to April 2030. The refinanced Rupee term loan is secured by exclusive charge on immovable assets (including assignment of leasehold rights in the case of leasehold land) , current assets, fixed assets, cash flows of the hotel division and a pledge of 32,897,675 equity shares of the Company held by GHIAL.

Also the above loan is secured by an irrevocable and unconditional corporate guarantee given by the Holding Company (GMR Hyderabad International Airport Limited).

The loan with Axis Bank carries the interest rate of 7.7% p.a to 8.6%p.a. (year ended March 31, 2021: 7.70% p.a.) during the current year.

b) Long Term Borrowings: Loan from a related party represents loan taken from the holding company. During the previous year, the holding company extended the loan repayment by another 5 years from March 31, 2019 till March 31, 2024 or till the repayment of loan by the company whichever is earlier. Loan amount of Rs. 4,233 lakhs from related party is chargeable at 10% p.a. (year ended March 31, 2021: 10.00% p.a.)
Current Borrowings: During the year, the company had taken loan of Rs. 2100 lakhs from related parties and is chargeable at 10.50% p.a. (year ended March 31, 2020: Nil)

C Trade payables

	As at March 31, 2021	As at March 31, 2020
- Outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 31)	2,423.60	2,564.53
	2,423.60	2,564.53
- Outstanding dues of micro enterprises and small enterprises	27.37	67.22
	2,450.97	2,631.75

Lease Liablities

	As at March 31, 2021	As at March 31, 2020
D Non Current Liabilities		
Lease liabilities (Note 36)	2,583.32	4,164.78
	2,583.32	4,164.78
E Current Liabilities		
Lease liabilities (Note 36)	581.47	758.91
	581.47	758.91

Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
F Non Current Liabilities		
Security deposit received from customers	-	4.50
	-	4.50
G Current Liabilities		
Current maturities of long-term borrowings (Note 15A)	548.25	579.46
Retention Money	45.20	33.24
Interest accrued but not due on borrowings (Note 15A)	-	84.45
Security deposit received from customers	18.30	22.12
Payable for purchase of Property, plant and equipment	214.96	294.76
Total	826.71	1,014.03

16 Provisions

	As at March 31, 2021	As at March 31, 2020
A. Long Term Provisions		
Provision for gratuity (Refer note 29)	53.05	50.92
Provision for Leave Encashment (Refer note 29)	68.64	-
Total	121.69	50.92
B. Short Term Provisions		
Provision for leave benefits (Refer note 29)	17.65	74.61
Provision for superannuation fund (Refer note 29)	-	0.03
Total	17.65	74.64

17 Other Current Liabilities

	As at March 31, 2021	As at March 31, 2020
Statutory dues	83.55	141.64
Advance received from customers and others	80.01	83.43
Total	163.56	225.07

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18 Revenue from operations

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Sale of products		
Sale of imported products	3,561.97	16,769.42
Sale of indigenous products	32.89	756.74
Sale of food and beverages	737.30	2,360.29
Sale of services - room rent	1,346.48	4,353.68
Total	**5,678.64**	**24,240.13**
Other operating income		
Rental income	25.84	44.10
Other operating income/services	315.53	589.03
Total	**341.37**	**633.13**
	6,020.01	**24,873.26**

19 Other income

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Interest income on Loan	20.82	5.71
Profit on sale of investments in mutual funds	39.35	118.44
Gain on fair valuation of mutual fund	3.30	7.00
Sale of scrap	2.55	0.25
Interest income on Income tax refund	54.27	-
Provisions no longer required written back	6.51	15.32
Other non-operating income	1,725.26	173.23
	1,852.06	**319.95**

20 Food and Beverages consumed

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Opening stock	46.52	43.09
Add: Purchases	286.88	772.47
Less : Closing stock	(24.88)	(46.52)
Total	308.52	769.04
Less : Staff welfare Consumption	(66.21)	(102.95)
	242.31	**666.09**

21 Change In Inventory-Stock In Trade

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Opening stock	3,136.96	1,574.19
Less : Closing stock	(1,482.36)	(3,136.96)
	1,654.60	**(1,562.77)**

22 Employee benefits expense

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Salaries, wages and bonus	1,464.96	1,919.71
Contribution to provident and other fund (Refer Note 29)	99.01	124.85
Gratuity expense (Refer Note 29)	31.60	22.19
Staff welfare expenses	182.76	463.44
	1,778.33	**2,530.19**

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23 **Other expenses**

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Rent	24.09	29.47
Operating Fees	60.61	372.38
Operating & maintainance expenses	158.60	451.98
Concession fee	967.07	6,298.76
License Fee	2.52	2.40
Manpower outsourcing charges	58.33	208.14
Electricity & water charges	469.11	706.34
Rates and taxes	189.05	222.97
Insurance	44.70	39.91
Repairs and maintenance	267.46	515.34
Advertising, selling and distribution expense	62.75	334.42
Travelling and conveyance	43.94	203.45
Communication costs	71.15	97.11
Printing and stationery	12.46	35.30
Security charges	36.33	31.80
Legal and professional fees	71.67	148.52
Management fee	413.62	372.88
Payment to auditors (net of Reimbursement)	26.79	40.99
Loss on account of foreign exchange fluctuations (net)	22.28	35.40
Loss on sale/writte off of Property,plant and equipment (net)	12.07	-
Donations	14.20	710.00
Miscellaneous expenses	12.32	12.30
	3,041.12	**10,869.86**

@ Company has made Donation to GMR Varalakshmi Foundation of Rs.14.20 lacs (March 31, 2020: Rs.10 Lakhs) during the year ended March 31, 2021. Also, a contribution to Prudent Electoral Trust (formely known as Satya Electoral Trust) amounting to Rs.700 Lakhs was made during the year ended March 31, 2020.

Payment to auditors*

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
As auditor^		
Statutory Audit fees	5.84	16.34
Limited review/Certifications	19.76	22.69
Reimbursement of expenses	1.19	1.96
	26.79	**40.99**

* net of reimbursements aggregating to Rs. 28.72 lakhs (March 31, 2020: Rs. 7.76 lakhs)
^ includes indirect tax for duty free division

24 **Depreciation and amortization expense**

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Depreciation of Property, plant and equipment (note 3)	1,148.40	1,169.55
Amortization of intangible assets (note 5)	31.64	20.03
Depreciation of Right of use assets (note 4)	324.42	377.06
	1,504.46	**1,566.64**

25 **Finance costs**

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Interest on borrowings	1,412.40	1,467.07
Bank charges and other borrowing cost	22.89	32.52
Interest expense on lease liabilities	414.60	516.11
	1,849.89	**2,015.70**

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26 Income tax expenses in the statement of profit and loss consist of the following:

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Tax Expenses		
(a) Current Tax	-	-
(b) Deferred tax expense	-	4.36
Total Tax Expense	-	4.36

Reconciliation of tax expenses to accounting profits is as follows:

	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Accounting Profit before Tax	(2,160.71)	815.72
Applicable Tax Rate in India (%)	25.17%	25.17%
Expected Income tax expense	(543.81)	205.30
Adjustments:		
For brought forward losses	543.81	(205.30)
Tax expense reported in statement of profit and loss	-	-

27 Components of Other Comprehensive Income (OCI)

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

Particulars	For the the year ended March 31, 2021	For the the year ended March 31, 2020
Remeasurement gain/ (loss) on net defined benefit plan	20.24	(17.33)
Deferred tax effect on remeasurement costs	-	(4.36)
Total	**20.24**	**(21.69)**

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28. Earnings per share (EPS)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit for calculation of basic/diluted EPS	(2,160.71)	811.36
Weighted average number of equity shares in calculating basic/diluted EPS	155,998,710	155,998,710
Earnings per share (Basic and diluted) (Rs.)	(1.39)	0.52

29. Retirement and other employee benefits

a. Defined contribution plan

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident fund	98.72	124.53
Contribution to employee state insurance	15.87	29.21
Contribution to superannuation fund	0.29	0.32

b. Defined benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet.

Hotels Segment - Funded Plan

During the year, the hotel division has also invested in gratuity scheme of LIC.

i. Net employee benefit expenses (recognized in the employee benefits expenses)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	18.42	12.55
Interest cost on benefit obligation	3.19	2.83
Net employee benefit expenses	**21.61**	**15.38**

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ii. Net liability to be recognized in the balance sheet:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	65.42	58.17
Fair Value of Plan Assets	10.82	10.00
Net liability to be recognized in the balance sheet	**54.60**	**48.17**

iii. Changes in the present value of the defined benefit obligation:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	58.17	39.20
Current service cost	18.42	12.55
Interest cost on benefit obligation	3.87	2.83
Benefit Payments	(2.50)	(3.82)
Net Actuarial loss/(gain) on obligation	(12.54)	7.41
Closing defined benefit obligation	**65.42**	**58.17**

iv. Changes in the fair value of plan assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening fair value of plan assets	-	-
Contribution by employer	10.00	10.00
Interest income on plan assets	0.68	-
Return on plan assets greater/(lesser) than discount rate	0.14	-
Benefits paid	-	-
Closing fair value of plan assets	**10.82**	**10.00**

Major Categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Investment with Life Insurance Corporation of India	100%	100%

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v. Amount recognised in statement of other comprehensive income (OCI):

Particulars	As at March 31, 2021	As at March 31, 2020
Opening amount recognized in OCI	(7.58)	(14.99)
Remeasurement for the year - Obligation (gain)/loss	(12.69)	7.41
Closing amount recognised in OCI	**(20.27)**	**(7.58)**

a. Principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Attrition rate	5.00%	5.00%
Expected rate of salary increases	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year ending:

Year ending	March 31, 2021
March 31, 2022	2.72
March 31, 2023	3.54
March 31, 2024	4.92
March 31, 2025	6.92
March 31, 2026	8.58
April 01, 2027 to April 01, 2031	59.86

c. Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2021	March 31, 2020
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(7.14)	(6.48)
- 1% decrease	8.58	7.81
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	8.57	7.80
- 1% decrease	(7.26)	(6.59)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(0.02)	(0.05)
- 1% decrease	(0.11)	(0.03)

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- **Duty Free Segment-Funded plan :**

i. Net employee benefit expenses (recognised in the employee benefits expenses)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	10.04	7.45
Interest cost on benefit obligation	(0.04)	(0.64)
Net employee benefit expenses	**10.00**	**6.81**

ii. Net asset to be recognized in the balance sheet:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	40.44	43.52
Fair Value of Plan Assets	41.98	40.77
Net asset/(liability) to be recognized in the balance sheet	**1.54**	**(2.75)**

iii. Changes in the present value of the defined benefit obligation:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	43.52	25.21
Current service cost	10.04	7.45
Interest cost on benefit obligation	2.70	1.83
Benefit Payments	(7.72)	(2.25)
Net Actuarial loss/(gain) on obligation – Experience	(8.10)	7.32
Net Actuarial loss/(gain) on obligation – Financial Assumptions	-	3.96
Acquisitions (Credit)/cost	-	-
Closing defined benefit obligation	**40.44**	**43.52**

iv. Changes in the fair value of plan assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening fair value of plan assets	40.77	28.14
Return on plan assets greater/ (lesser) than discount rate	(0.54)	1.36
Acquisition Adjustment	-	-
Contribution by employer	6.74	11.05
Interest income on plan assets	2.74	2.47
Benefits Paid	(7.72)	(2.25)
Closing fair value of plan assets	**41.99**	**40.77**

Major Categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2021	March 31, 2020
Investment with Life Insurance Corporation of India	100%	100%

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v. Amount recognised in statement of other comprehensive income (OCI):

Particulars	March 31, 2021	March 31, 2020
Opening amount recognized in OCI	14.28	4.36
Remeasurement for the year- Obligation (gain)/loss	(7.55)	9.92
Closing amount recognised in OCI	**6.73**	**14.28**

a. Principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Attrition rate	5.00%	5.00%
Expected rate of salary increases	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:
Expected benefit payments for the year ending:

Year ending	March 31, 2021
March 31, 2022	1.93
March 31, 2023	2.56
March 31, 2024	3.28
March 31, 2025	3.99
March 31, 2026	4.54
April 01, 2027 to April 01, 2031	32.32

c. Sensitivity Analysis:
A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2021	March 31, 2020
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(4.54)	(4.87)
- 1% decrease	5.50	5.90
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	5.49	5.90
- 1% decrease	(4.62)	(4.95)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.22	0.17
- 1% decrease	(0.28)	(0.23)

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c. Liability towards compensated absence is provided based on actuarial valuation amounts to Rs.86.65 lakhs (March 31, 2020: Rs. 74.61 lakhs).

	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial assumptions for long-term compensated absences		
Discount rate	6.80%	6.80%
Salary escalation	6.00%	6.00%
Attrition	5.00%	5.00%

30. Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company has identified two reportable segments under Ind AS 108 as follows:

a) Hotels Segment and ;
b) Duty Free Segment

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The Chief Operating Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

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For the year ended March 31, 2021:

PARTICULARS	Hotels	Duty Free outlet	Inter segment eliminations	Total
REVENUE				
External Sales	2,083.78	3,594.86	-	5,678.64
Other Operating Revenue	341.37	-	-	341.37
Total Revenue	**2,425.15**	**3,594.86**		**6,020.01**
RESULTS				
Operating Profit	(1,130.38)	(1,006.25)	-	(2,136.63)
Profit / (Loss) on Sale of Property, Plant and Equipment	(12.07)	-	-	(12.07)
Segment Results	**(1,142.45)**	**(1,006.25)**	**-**	**(2,148.70)**
Un-allocated Income/(Expenses)				
Other Income				1,852.06
Other expenses				(14.20)
Finance Costs	-	-		(1,849.89)
Tax Expense	-	-		-
Net Profit/(Loss)	**(1,142.45)**	**(1,006.25)**	**-**	**(2,160.73)**
Unallocated Assets				1,249.19
Unallocated Long Term Borrowings				17,056.98
Segment Assets	16,324.59	9,708.12	(3,260.00)	22,772.71
Segment Liabilities	6,639.63	2,817.50	(3,260.00)	6,197.13
Other Information				
Capital Expenditure	267.14	261.60		528.74
Depreciation and amortization expense	1,226.53	277.94		1,504.47

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For the year ended March 31, 2020:

PARTICULARS	Hotels	Duty Free outlet	Inter segment eliminations	Total
REVENUE				
External Sales	6,713.97	17,526.16	-	24,240.13
Other Operating Revenue	633.13	-	-	633.13
Total Revenue	**7,347.10**	**17,526.16**		**24,873.26**
RESULTS				
Operating Profit	1,346.21	1,875.26	-	3,221.47
Profit / (Loss) on Sale of Property, Plant and Equipment	-	-	-	-
Segment Results	**1,346.21**	**1,875.26**	-	**3,221.47**
Un-allocated Income/(Expenses)				
Other Income				319.95
Other expenses				(710.00)
Finance Costs	-	-		(2,015.70)
Tax Expense	-	-		(4.36)
Net Profit	**1,346.21**	**1,875.26**	-	**811.36**
Unallocated Assets				1,807.56
Unallocated Long Term Borrowings				15,692.69
Segment Assets	19,498.49	8,900.10	(3,260.00)	25,138.59
Segment Liabilities	8,705.36	2,899.77	(3,260.00)	8,345.13
Other Information				
Capital Expenditure	277.24	233.62		510.86
Depreciation and amortization expense	1,293.34	273.30		1,566.64

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

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31. Details of transactions with related parties

A. Names of related parties and related party relationship

(i)	Holding company	GMR Hyderabad International Airport Limited (GHIAL)
(ii)	GHIAL's holding company	GMR Airports Limited (GAL)
(iii)	GAL's holding company	GMR Infrastructure Limited (GIL)
(iv)	Ultimate holding company	GMR Enterprises Private Limited
(v)	Fellow subsidiary companies (Where transactions have taken place during the reporting years)	GMR Air Cargo & Aerospace Engineering Limited GMR Hyderabad Aerotropolis Limited Delhi International Airport Limited GMR Kannur Duty Free Services Limited GMR Goa International Airport Limited Laqshya Hyderabad Airport Media Private Limited Raxa Security Services Limited GMR Airport Developers Limited GMR Hyderabad Aviation SEZ Limited Kakinada SEZ Limited GMR Aviation Private Limited GMR Energy Trading Limited GMR Business Process and Services Private Limited GMR School of Business
(vi)	Employee benefit Plan	Hyderabad Duty Free Retail Limited – Employee Gratuity Fund Trust GMR Hospitality and Retail Limited – Hotel Division – Employee Group Gratuity Trust
(vii)	Key Managerial Personnel (KMP)	SGK Kishore, Director Rajesh Kumar Arora, Director Aman Kapoor, Director Kavitha Gudapati, Independent Director Venu Madhav Tenjarla, Chief Financial Officer Mohammed Ismail, Independent Director Bharathi Chellappa, Company Secretary (Upto March 5, 2021) Manish Narisetti, Manager
(viii)	Relative of Key Managerial Person of Holding Company	Ramadevi Bommidala

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B. Related party transactions

Sl. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	**Repairs and maintenance – others @**		
	- GMR Hyderabad International Airport Limited	90.20	59.81
	- GMR Hyderabad Aerotropolis Limited	9.66	
(ii)	**Communication costs @**		
	- GMR Hyderabad International Airport Limited	17.54	18.63
	- GMR Airport Developers Limited	30.45	40.96
(iii)	**Concession fee and license fee@**		
	- GMR Hyderabad International Airport Limited	967.19	6,301.16
(iv)	**Employee benefits expense @**		
	- GMR Hyderabad International Airport Limited	161.54	246.26
(v)	**Cost of goods sold @**		
	- GMR Hyderabad International Airport Limited	0.88	2.90
	- Raxa Security Services Limited	-	29.02
	-GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)	0.37	8.57
(vi)	**Management fee and legal and professional fees @**		
	- GMR Airports Limited	413.62	372.88
(vii)	**Consultancy charges @**		
	- GMR Hyderabad International Airport Limited	1.40	2.81
(viii)	**Security charges @**		
	- Raxa Security Services Limited	36.24	25.06
(ix)	**Electricity charges and other expenses paid by the Company during the year to its related parties@**		
	-GMR Hyderabad International Airport Limited	417.16	41.55
	-Raxa Security Services Limited	-	6.37
(x)	**Property, Plant and Equipment – Additions**		
	- GMR Airport Developers Limited	15.22	12.62
(xi)	**Rates & taxes**		
	- GMR Hyderabad International Airport Limited	29.78	28.35
(xii)	**Advertisement Expenses:**		
	- Laqshya Hyderabad Airport Media Private Limited	19.09	49.49
(xiii)	**Amortization of Right of Use :**		
	- GMR Hyderabad International Airport Limited	238.22	254.73
	-GMR Hyderabad Aerotropolis Limited	72.59	107.47
(xiv)	**Interest of Lease Liability :**		
	- GMR Hyderabad International Airport Limited	266.46	298.74
	-GMR Hyderabad Aerotropolis Limited	147.51	215.18
(xv)	**Loans given :**		
	- GMR Infra Developers Limited	-	1,000.00
	- GMR Goa International Airport Limited	2.000.00	
(xvi)	**Loans given received back:**		
	- GMR Infra Developers Limited	-	1,000.00

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Sl. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(xvii)	**Hotel services rendered:**		
	GMR Hyderabad International Airport Limited	11.57	49.47
	GMR Airports Limited	0.05	6.44
	GMR Infrastructure Limited	0.11	0.14
	GMR Hyderabad Aviation SEZ Limited	1.23	1.33
	GMR Hyderabad Aerotropolis Limited	1.36	13.28
	GMR Aviation Private Limited	0.36	6.03
	Kakinada SEZ Limited	0.14	1.82
	GMR Airport Developers Limited	2.00	-
	Delhi International Airport Limited	0.17	1.92
	GMR Varalakshmi foundation	-	0.45
	GMR Institute of Technology	-	0.17
	GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)	47.36	31.94
	GMR School of Business	-	0.55
	Laqshya Hyderabad Airport Media Private Limited	-	0.22
	GMR Energy Trading Limited	-	0.04
(xviii)	**Other income**		
	GMR Hyderabad International Airport Limited	109.80	4.04
	GMR Infra Developers Limited	-	5.71
	GMR Goa International Airport Limited	20.82	-
	GMR Kannur Duty Free Services Limited	97.15	-
(xix)	**Reimbursement of expenses and other expenses paid by the company during the year to its related parties**		
	GMR Hyderabad International Airport Limited	-	548.61
	Laqshya Hyderabad Airport Media Private Limited	-	18.86
(xx)	**Reimbursement of expenses received by the company during the year from its related parties**		
	GMR Airports Limited	-	7.76
	GMR Infrastructure Limited	8.72	-
(xxi)	**Interest on unsecured loan taken from the company**		
	GMR Hyderabad International Airport Limited	423.30	424.46
	GMR Hyderabad Aviation SEZ Limited	24.16	-
	GMR Hyderabad Aerotropolis Limited	35.54	-
(xxii)	**Sale of Fixed Assets**		
	- GMR Hyderabad International Airport Limited	0.26	-

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Sl. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(xxiii)	**Key Management Personnel-**		
	Remuneration paid# -		
	1) Bharathi Chellappa, Company Secretary	9.13	9.30
	2) Manish Narisetti, Manager*	48.42	49.99
	3) Venu Madhav Tenjarla, Chief Financial Officer*	19.16	29.74
	Sitting Fees –		
	1) Kavitha Gudapati, Independent Director	0.45	0.30
	2) Mohammed Ismail, Independent Director	0.75	0.60
(xxiv)	**Relative of Key Managerial Person of Holding Company**		
	Rent@		
	-Ramadevi Bommidala	22.27	21.77

@ figures are including Goods and service tax.

*reimbursed to GMR Hyderabad International Airport Limited

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

C. Balances outstanding in related party accounts are as follows:

Related party transactions	As at March 31, 2021	As at March 31, 2020
Trade receivables:		
GMR Hyderabad International Airport Limited	3.39	21.53
Delhi International Airport Limited	0.76	1.04
GMR Aviation Private Limited	-	2.45
GMR Airports Limited	5.23	5.68
Kakinada SEZ Limited	-	0.21
GMR Infrastructure Limited	5.06	0.39
GMR Air Cargo and Aerospace Engineering Ltd (Formerly known as GMR Aerospace Engineering Limited)	16.89	16.50
GMR Hyderabad Aviation SEZ Limited	-	0.80
GMR Hyderabad Aerotropolis Limited	0.81	3.97
GMR Energy Trading Limited	-	0.04
GMR Business Process and Services Private Limited	-	0.11
GMR School of Business	-	0.12
Trade payables:		
GMR Hyderabad International Airport Limited	1494.03	409.41

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(All amounts are in Rs. lakhs, unless otherwise stated)

GMR Airport Developers Limited	28.43	3.55
GMR Airports Limited	103.32	85.32
Raxa Security Services Limited	5.67	24.76
Laqshya Hyderabad Airport Media Private Limited	5.26	9.01
GMR Hyderabad Aerotropolis Limited	14.48	18.75
Payables for purchase of Property, Plant and Equipment:		
GMR Airport Developers Limited	23.00	48.52
Other receivables:		
GMR Hyderabad International Airport Limited	1.04	0.69
GMR Airports Limited	15.78	17.24
GMR Kannur Duty Free Services Limited	97.15	-
GMR Goa International Airport Limited	20.82	-
GMR Airport Limited	4.72	-
Advance Recoverable in cash or kind		
GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)	1.11	0.48
GMR Goa International Airport Limited	2000.00	-
Unsecured Loan		
GMR Hyderabad International Airport Limited	4,233.00	4,233.00
GMR Hyderabad Aerotropolis Limited	1,200.00	-
GMR Hyderabad Aviation SEZ Limited	900.00	-
Security deposit receivable		
GMR Hyderabad International Airport Limited	1.32	1.32
Ramadevi Bommidala	2.60	2.60
Right of Use (Lease Assets)		
GMR Hyderabad International Airport Limited	1,871.37	2,583.83
GMR Hyderabad Aerotropolis Limited	641.18	1,934.43
Right of Use (Lease Liability)		
GMR Hyderabad International Airport Limited	2,372.43	2,796.90
GMR Hyderabad Aerotropolis Limited	790.98	2,111.14
Pledge of equity shares with bank against the loan taken by the Company		
GMR Hyderabad International Airport Limited *	3,289.77	3,289.77

* During the FY 2018-19, the Company had refinanced its long term loans taken from Aditya Birla Finance limited and India Infra Debt limited with Axis bank without change in balance repayment schedule and security terms. Accordingly, the holding Company had released the pledge of equity shares with Aditya Birla Finance Limited and India Infra Debt limited on December 18, 2018 and pledged with Axis Bank on January 8, 2019.

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D. Outstanding guarantees at the end of the year:

Related party transactions	As at March 31, 2021	As at March 31, 2020
Corporate guarantee availed from the Holding Company against loan taken from lenders:# GMR Hyderabad International Airport Limited	10,812.50	11,562.50

Corporate guarantee originally has been taken over at Rs.12,093.75 lakhs and reduced by Rs.1,281.25 lakhs due to repayment of loan (as on March 31, 2020 corporate guarantee has been taken over at Rs.12,093.75 lakhs and reduced by Rs.531.25 Lakhs due to repayment of loan).

Note: The Company has received certain corporate group support services from its holding company, which are free of charge.

32. Significant accounting judgments, estimates and assumptions

The preparation of the Company's 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.

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 the 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.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement 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.

(ii) Defined employee benefit plans (Gratuity)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Further details about gratuity obligations are given in Note 29.

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

(iv) 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 including the DCF model. 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. See note 33 and 34 for further disclosures.

(v) 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 the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

33. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Financial assets				
Valued at fair value though profit or loss				
Investment in mutual fund	978.11	1,070.51	978.11	1,070.51
Valued at amortised cost				
Trade receivable	319.34	789.60	319.34	789.60
Loans Given	2000.00	0.00	2000.00	0.00
Other financial assets	355.42	826.80	355.42	826.80
Cash and cash equivalent	1425.16	553.27	1425.16	553.27
Total	**5,078.03**	**3,240.18**	**5,078.03**	**3,240.18**
Financial liabilities				
Valued at amortised cost				
Borrowings (including current maturities of long term borrowings)	17,056.98	15,692.69	17,056.98	15,692.69
Trade payables	2,450.97	2,631.75	2,450.97	2,631.75
Lease Liabilities	3,164.79	4,923.69	3,164.79	4,923.69
Other financial liabilities	278.46	439.07	278.46	439.07
Total	**22,951.20**	**23,687.20**	**22,951.20**	**23,687.20**

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The management assessed that cash and cash equivalents, short-term borrowings, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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.

34. Fair Value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)#	(Level 2)	(Level 3)
Financial assets at fair value Investment in Mutual funds	March 31, 2021	978.11	978.11	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)#	(Level 2)	(Level 3)
Financial assets at fair value Investment in Mutual funds	March 31, 2020	1,070.51	1,070.51	-	-

The mutual funds are valued using closing NAV

There have been no transfers between Level 1 and Level 2 during the year

35. Financial risk management objectives and policies

Financial Risk Management Framework
The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

a) 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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit

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has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk:
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 319.34 lakhs and Rs. 789.60 lakhs as of March 31, 2021, and March 31, 2020 respectively, being the total of the carrying amount of balances with trade receivables.

Trade receivables:
Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

b) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Also parent company will provide support in order to meet financial obligations of the Company.

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

Year ended	Less than 1 Year	1 to 5 years	> 5 Years	Total
March 31, 2021				
Long term borrowing - Term loan interest thereon#	1,373.47	6,716.79	7,033.39	**15,123.64**
Loan from holding company & fellow subsidiaries and interest thereon	2,687.37	5,079.60	-	**7,766.97**
Lease Liabilities at undiscounted value	578.80	1,642.83	4,472.28	**6,693.91**
Trade payable and other financial liabilities	2,729.43	-	-	**2,729.43**
	7,369.07	**13,439.22**	**11,505.67**	**32,313.95**

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(All amounts are in Rs. lakhs, unless otherwise stated)

Year ended	Less than 1 Year	1 to 5 years	> 5 Years	Total
March 31, 2020				
Long term borrowing - Term loan interest thereon#	1,641.73	6,840.75	8,943.04	**17,452.52**
Loan from holding company interest thereon	423.30	5,502.90	-	**5,926.20**
Lease Liabilities at undiscounted value	758.23	2,621.15	7,380.24	**10,759.62**
Trade and other financial liabilities	2,981.87	4.50	-	**2,986.37**
	5,805.13	**14,969.30**	**16,323.28**	**37,097.71**

Included in long term borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end bench mark interest rates, the actual interest rates may differ based on the changes in the bench mark interest rates.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

d) 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 change in market interest rates. The company performs a comprehensive corporate interest rate management policy. The company is not exposed to significant interest rate risk as at the respective reporting dates.

- **Interest rate sensitivity**

  The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase in basis points and Effect on Profit before tax	Decrease in basis points and Effect on Profit before tax
<u>March 31, 2021</u>		
	+50	-50
Long term Borrowing Term loan	(53.98)	53.98
Loan from holding company	(21.22)	21.22
Loan from other related parties	(2.84)	2.84
<u>March 31, 2020</u>	+50	-50
Long term Borrowing Term loan	(60.63)	60.63
Loan from holding company	(21.22)	21.22
Loan from other related parties	-	-

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e) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The duty free business of the company is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in duty free outlet and purchases from overseas suppliers in various foreign currencies.

- **Foreign currency sensitivity**

  The following tables demonstrate the sensitivity to a reasonably possible change in top five foreign currencies exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The company's exposure to foreign currency changes for all other currencies is not material.

March 31, 2021

	USD	CHF	GBP	SAR	AED
Effect on Profit before tax (1%)	9.91	0.07	0.08	0.06	0.11
Effect on Profit before tax (-1%)	(9.91)	(0.07)	(0.08)	(0.06)	(0.11)

March 31, 2020

	USD	CHF	GBP	SAR	AED
Effect on Profit before tax (1%)	3.85	0.17	0.09	0.04	0.04
Effect on Profit before tax (-1%)	(3.85)	(0.17)	(0.01)	(0.01)	(0.04)

- **Details of un hedged foreign currency is shown below-**

Particulars	March 31, 2021		March 31, 2020	
	Amount in foreign currency	Amount in Rs. lakhs	Amount in foreign currency	Amount in Rs. Lakhs
Trade payables	USD 4,14,843	303.28	USD 1,687,716	1,273.39
	CHF 36,138	28.03	CHF 49,152	38.48
	EURO 10,874	9.33	EURO 11,005	9.11
	GBP Nil	-	GBP 10,475	9.79
	SGD Nil	-	SGD 19,146	10.15
Bank balances	USD 13,98,159	1022.19	USD 177,285	134.14
Other Receivables	USD 3,08,736	225.72	USD 956,698	723.88
	CHF 26,815	20.80	CHF 27,799	21.76
	EURO 10,891	9.33	EURO 7,840	6.49
	GBP 4,616	4.65		
Foreign currency on hand	AED 54,926	10.93	AED 19,526	4.02
	AUD 1,231	0.69	AUD 3,206	1.48
	CAD 710	0.41	CAD 280	0.15
	CHF 7	0.01	CHF 107	0.08

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Particulars	March 31, 2021		March 31, 2020	
	Amount in foreign currency	Amount in Rs. lakhs	Amount in foreign currency	Amount in Rs. Lakhs
	EURO 813	0.70	EURO 1943	1.61
	GBP 2,775	2.80	GBP 685	0.64
	HKD 28	-*	HKD 28	-*
	JPY 42	-*	JPY 42	-*
	KWD 1,319	3.19	KWD 84	0.21
	MYR 2	-*	MYR 165	0.03
	NZD 8	-*	NZD 608	0.27
	OMR 1,475	2.80	OMR 135	0.27
	QAR 4,095	0.82	QAR 2,700	1.04
	SAR 28,970	5.65	SAR 17,493	3.52
	SGD 590	0.32	SGD 135	0.07
	THB 87	-*	THB 33,387	0.77
	USD 60,658	44.35	USD 40,858	30.92
	BAH 83	0.16	BAH 67	0.13
	LKR	-	LKR 4,650	0.02
Loans and advances	USD 2,847 GBP 644	2.08 0.65	USD 3,816	2.89
Cash in Transit	-	-	-	-
Trade Receivables (includes credit card collection)	-	-	-	-

*less than thousand

36. Leases

The Company has adopted Ind AS 116 " Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach. Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

Accordingly, on transition to Ind AS 116, the Company recognised the right-of-use assets and lease liabilities of Rs. 4,910.19 lakhs. During the year, there is a revision in lease rentals agreements of hotel division. Accordingly, ROU assets and lease liability have been reduced by Rs.1694.90 lakhs.

The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability. The Company has applied the below practical expedients:

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i. The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".

ii. The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

iii. The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

iv. The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

Impact of Ind AS 116 on the Statement of profit and loss account:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liability (Refer Note 25)	414.60	516.11
Amortisation on right of use assets (Refer Note 24)	324.42	377.06
Less: Lease rental expenses	525.37	622.81
Impact on the statement of profit and loss account	**213.65**	**270.36**

37. Capital Management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating. The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, equity includes issued equity capital and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (including current maturities of long term borrowings (Note 15A & G))	17,056.98	15,692.69
Cash and cash equivalents	(1425.16)	(553.27)
Net debt	**15,631.82**	**15,139.42**
Equity	**767.82**	**2,908.29**
Net debt to equity ratio	**20.36**	**5.21**

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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 interest-bearing 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 interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.

38. Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

Sl .No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	27.37	67.22
(ii)	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi)	Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

39. The Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its deferred tax assets/ (liabilities) (net) based on the rate prescribed in the said Ordinance. The full impact of this change has been recognised in the statement of profit and loss and other comprehensive income, for the year ended March 31, 2020.

40. Assessment of impairment in Hotel Division/CGU

In respect of the Hotel Division/Cash Generating Unit ("Hotel CGU"), which has past accumulated losses as at March 31, 2021, the Management has assessed impairment of its carrying value. Management has undertaken several initiatives to improve its income from operations and establish profitable operations.

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Pursuant to the agreement entered by the GMR Group ("Group") dated February 20, 2020, the 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 GMR Hyderabad International Airport Limited, which is the holding company of the company) ("GAL") on fully diluted basis. In accordance with which the first tranche has been received. As per revised terms the second tranche of consideration has been received by the Group subsequently.

The Hotel CGU is part of the Airports business. To assess whether the Hotel CGU is impaired, the Management of the Company has reckoned the values attributed to Hotel CGU is higher than its carrying value, on the basis of an independent valuation of the Airport business carried out as part of entering the aforesaid binding agreement.

The Management has also assessed impairment as at March 31, 2021 of the carrying value of the Hotel CGU consequent to COVID19 pandemic. The Management has reviewed such assessment as at March 31, 2021, the updated business plans and the projections considering the continuing COIVD19 impact.

The Management has also performed sensitivity analysis considering different scenarios to build in the uncertainties attached. Based on such valuation assessment done by the Management and other management initiatives as mentioned above, the Management is of the view that there is no impairment required in the value of Hotel CGU as at March 31, 2021 in the Financial Statements.

41. Assessment of impact of COVID-19 pandemic

With the recent and rapid development of the COVID-19 outbreak, many countries have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. As a quarantine measure, nationwide lockdown was announced in India from March 25, 2020 which lockdown was released from May 25, 2020, although international travel continues to be severely disrupted with international flights being permitted only on a case-to-case basis since May 09, 2020. This has resulted in a shutdown of the duty free and hotel operations, which has in turn, impacted the business of the Company during the lockdown and thereafter.

The Company has made detailed assessment of its liquidity position, including making alternate arrangements for funding from its Group/bankers for the next one year, and of the recoverability and carrying values of its assets as at the balance sheet date (including in respect of impairment of carrying value of Hotel CGU (also refer Note 40 above)) and has concluded that there are no material adjustments required in the Financial Statements, and that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2021. For this assessment, Management believes that it has taken into account all the possible impact of known events arising from the continuing COVID19 pandemic. However, the impact of the COVID19 pandemic on our business will depend on future developments that cannot be reliably predicted. The impact of the COVID19 pandemic might be different from that estimated as at the date of approval of these Financial Statements and the Company will closely monitor any material changes to future economic conditions.

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42. During the year ended March 31, 2021, the Company has received Goods and Services Tax (GST) refund for the period July 2017 to May 2019 amounting to Rs.1736.85 lakhs.

43. Commitments and Contingencies

A. Contingent Liabilities:

Below is the summary of contingent liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
-In Respect of Income Tax Matters (refer note 'a' below)	5.56	5.49
-In Respect of Indirect Tax Matters (refer note 'b' below)	420.59	420.59
-In Respect of Other Matters (refer note 'c' below)	5.00	-

a) In respect of Income Tax Matters:

i. The Company during the previous years has received an order from Income Tax Officer for the AY 2016-17 demanding income tax of Rs. 5.49 lakhs on account of disallowance. The Company has filed an appeal with CIT (Appeals). The CIT (Appeals) had passed an order dated February 20, 2020 dismissing the appeal of the Company. During the year the Company had filed an appeal against the said order with Income Tax Appellate Tribunal. Management is confident that no liability in this regards would be payable and as such no provision has been made in these financial statements.

ii. During the previous year the Company had received an order for AY 2018-19 disallowing unpaid GST of Rs. 7,689. The Company had filed an appeal against the said order with the Commissioner of Income Tax - Appels. Management is confident that no liability in this regards would be payable and as such no provision has been made in these financial statements.

b) In respect of Indirect Tax Matters:

i. Value Added Tax dispute of Rs.42.60 Lakhs (March 31, 2020: Rs.42.60 Lakhs)
The Company 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 on usage of Audio Video Equipment's by the Hotel customers for the periods from Oct-10 to Nov-12 and Dec-12 to Mar-14 respectively. Further, the Company had filed reply to the SCN for Rs. 19.94 Lakhs on May 16, 2019 for the period from Apr-14 to Jun-17 on same issue. Order awaited. Based on the internal assessment, the management is confident that no provision is required to be made in the financial statements.

ii. Customs Duty dispute of Rs.1 Lakh (March 31, 2020: Rs. 1 Lakh)
During the previous year, the Company has received order from Deputy Commissioner of Customs, RGI Airport in respect of alleged stock variance. The Company filed with

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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. 1 Lakh. The Company is in the process of filing an appeal with CESTAT. Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

iii. Service Tax dispute of Rs.376.99 Lakhs (March 31, 2020: Rs. 376.99 Lakhs)
During the previous year, the Assistant Commissioner of Central tax, Hyderabad has filed appeals before the Commissioner (appeals) against the service tax refund orders issued to the Company pertaining to October 2016 to June 2017. The Company had filed its cross-objections against the appeals and personal hearing is awaited. The Company has submitted reply to show cause notices asking to show cause as to why the amount refunded erroneously should not be recovered u/s 73A of the Finance Act, 1994. Based on an internal assessment, management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

c) <u>In respect of other matters:</u>

i. 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, the Company would be in a position to determine the liability if any only on receipt of further clarifications on the said judgement. The Company 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, the Company has made a provision on a prospective basis.

ii. One of the customer has filed the complaint against the Company for an amount of Rs.5 Lakhs (March 31, 2020: Rs. Nil) under Consumer Protection Act, 2019.

B. Commitments:

a. Capital and other commitments as at March 31, 2021: Rs.1505.32 lakhs (March 31, 2020: Rs.102.68 lakhs).

b. As per the terms of concession agreement with GMR Hyderabad International Airport Limited (GHIAL), the Company is required to pay concession fees in the range of 23.5%-35% on its net revenue (as defined in the concession agreement) or the minimum guaranteed amount for an initial term of 15 years starting from May 17, 2010.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Hospitality and Retail Limited Hyderabad

GMR Hospitality and Retail Limited
CIN: U52100TG2008PLC060866
Notes to the financial statements for the year ended March 31, 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

c. For commitments relating to lease arrangements, please refer note 36.

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

Hitesh Kumar P
Partner
ICAI Membership No. 233734

K.S. RAO & CO. Chartered Accountants BENGALURU

For and on behalf of the Board of Directors of
GMR Hospitality and Retail Limited

SGK Kishore
Director
DIN: 02916539

Dr. Kavitha Gudapati
Director
DIN: 02506004

Venu Madhav Tenjarla
Chief Financial Officer

Place: Hyderabad
Date: April 22, 2021

GMR Hospitality and Retail Limited Hyderabad