

Walker Chandiok & Co LLP
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K. S. Rao & Co.,
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Independent Auditor's Report

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of GMR Hyderabad International Airport Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and the summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements 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 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As detailed in Note 39 to the accompanying standalone financial statements, the other current financial assets as at 31 March 2021 include a sum of Rs. 63 crores representing up-front processing fees paid to Yes Bank Limited ("the Bank") in respect of an undrawn loan facility of Rs. 4,200.00 crores in 2019. In view of certain developments, the Bank has expressed their inability to extend the said loan and accordingly the arrangement was terminated on 21 April 2020. Management of the Company has considered this amount as recoverable in full, on the basis of the Bank's acknowledgement of receipt of request from the Company for refund of the aforesaid up-front fees and an independent legal opinion obtained by the management. However, in the absence of clear and explicit evidence with respect to the recoverability of the said sum, we are of the opinion that management should have assessed and provided for necessary adjustments in the carrying value of the said sum in accordance with the relevant accounting principles as laid down under Ind-AS 109 "Financial Instruments". Accordingly, we are unable to comment on the extent of adjustment that may be necessitated and the consequential impact on the accompanying standalone financial statements.



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

Emphasis of Matters

5. **Impact on account of Covid-19 outbreak**

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

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

We draw attention to Note 47(I)(e) to the accompanying standalone financial statements, which describes the uncertainty relating to outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF(SC) Fund up to 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation.

Our opinion is not modified in respect of these matters.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
8. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>1. Utilisation of deferred tax asset comprising of minimum alternate tax (MAT) credit and unabsorbed business losses</p> <p><i>Refer to Note 4(r) for the accounting policy and note 32 and 51 for the financial disclosures in the accompanying standalone financial statements.</i></p> <p>The Company is under tax holiday period until financial year 2021-22 and has accumulated MAT credit asset of ₹457.28 crores (31 March 2020: ₹457.11 crores) and deferred tax on unabsorbed business loss of ₹74.05 crores (31 March 2020: ₹Nil). Recognition of these deferred tax asset requires significant judgement regarding the likelihood of its</p>	<p>Our audit procedures in relation to assessment of recognition of deferred tax asset comprising of MAT credit and unabsorbed business losses and its utilization as at reporting date, included, but were not limited to the following:</p> <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Company's controls over recognition of the deferred tax asset; Understood the process and tested the internal controls over preparation of the taxable profit forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future taxable profits; Understood and tested the controls surrounding management's evaluation of litigations and contingent liabilities;



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<p>realization within the specified period through estimation of future taxable profits of the Company and consequently there is a risk that the deferred tax asset comprising of minimum MAT and unabsorbed business losses may not be realized within the specified period, if these future projections are not met.</p> <p>In order to assess the utilization of MAT credit, the Company has prepared revenue and profit projections which involved judgements and estimations such as estimating aeronautical tariff [which is determined by Airport Economic Regulatory Authority ("AERA")], revenue growth, passenger growth, profit margins, tax adjustments under the Income-tax Act, 1961.</p> <p>Further, as explained in note 50, the Company had filed an appeal, challenging various aspects of the aeronautical tariff order passed by AERA in respect of first control period from 1 April 2011 to 31 March 2016. During the year ended 31 March 2020, Telecom Disputes Settlement Appellate Tribunal (TDSAT) has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from 1 April 2021.</p> <p>We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved and inherent subjectivity in determination of utilization of MAT credit and unabsorbed business losses through estimation of future taxable profits and projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations.</p>	<ul style="list-style-type: none"> Challenged the judgements exercised by the management and tested the key assumptions used including the impact of COVID-19 based on our knowledge of the industry, publicly available information and Company's strategic plans; Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process; Tested the appropriateness of the forecasted tax liability computation as per the provisions of the IT Act, including assessment of the eligibility of various tax exemptions availed and MAT liability computation as per Section 115JB of the IT Act; Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the future taxable profits; Obtained and reviewed the documents with respect to the litigations during the year with AERA and the related order issued by TDSAT; and Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.
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Key audit matter	How our audit addressed the key audit matter
<p>2. Valuation of derivative financial instruments</p> <p><i>Refer to Note 4(I) for the accounting policy and note 43(II) for the financial disclosures in the accompanying standalone financial statements.</i></p> <p>The Company has entered into derivative financial instruments, i.e. cross currency swap, coupon only swap and call spread options to hedge its foreign currency risks relation to the long-term debt issued in foreign currency.</p> <p>Management has designated these derivative financial instruments and the aforesaid debt at initial recognition as cash flow hedge</p>	<p>Our audit procedures to test the valuation of derivative financial instruments included, but were not limited to the following:</p> <ul style="list-style-type: none"> Assessed and tested the design and operating effectiveness of the Company's controls over derivative financial instruments and the related hedge accounting; Reviewed the management documentation for the designated hedge instrument which defines the nature of hedge relationship; Considered consistent application of the accounting policies and assessed the hedge accounting



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<p>relationship as per Ind AS 109, Financial Instruments.</p> <p>The valuation of hedging instrument is complex and necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. Since valuation of hedging instruments and consideration of hedge effectiveness involves both significant assumptions and judgements such as forward exchange spot, forward rates, currency yield curves, interest rate curves and forward rate curves and involvement of management's valuation specialist, and therefore, is subject to an inherent risk of error.</p> <p>We have identified valuation of hedging instruments as a key audit matter in view of the aforesaid significant judgements, estimates and complexity involved.</p>	<p>methodologies applied; and compared these to the Company's accounting policies and requirements under Ind AS 109, Financial Instruments.</p> <ul style="list-style-type: none"> • Evaluated the management's valuation specialist's professional competence, expertise and objectivity; • Tested the accuracy of input data provided by the management to the external valuation specialist and assessed the reasonability of the assumptions used, while valuing the hedging instruments; • Involved a specialist for testing the fair values of derivative financial instruments and compared the results to management's results; • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.
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Key audit matter	How our audit addressed the key audit matter
<p>3. Testing of capital-work-in-progress</p> <p><i>Refer to Note 4(c) and 4(i) for the accounting policy and notes 5 and 35 for the financial disclosures in the accompanying standalone financial statements.</i></p> <p>The Company is in the process of expansion of Rajiv Gandhi International Airport, Hyderabad.</p> <p>Determining whether expenditure meets the capitalization criteria in line with Ind AS 16, Property, Plant and Equipment and the Company's accounting policy, specifically with regard to whether they are operational or capital in nature, involves significant management judgement.</p> <p>Further, the tariff determination by AERA for different control periods with respect to the aeronautical services is linked to the Regulated Asset Base, which is based on the fixed asset balance and considering these additions are significant to the asset base of the Company, we have assessed inappropriate capitalization as a significant risk as part of our audit strategy.</p> <p>Such aforementioned capital expenditure has been funded from the specific borrowings raised for such purpose. Accordingly, the borrowing cost incurred on such borrowings have been included as a capital expenditure in</p>	<p>Our audit procedures to assess appropriate capitalisation of such expenditure included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalisation policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment. • Compared the additions with the budgets and the orders given to the vendors. • Ensured that the borrowing cost capitalized is as per Ind AS 23 Borrowing Costs. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.



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accordance with the accounting principles as laid down under Ind AS 23, Borrowing Costs.

Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.

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

9. 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 standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

10. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the standalone 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.
12. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



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

13. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
14. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
19. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
20. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report to the extent applicable that:
- a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) expect for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) expect for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
 - g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 April 2021 as per Annexure II expressed an modified opinion; and
 - h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 47(I) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. the Company has made provision as at 31 March 2021, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and



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- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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



Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 21207660AAAACR7099

Place: Hyderabad
Date: 28 April 2021



Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 21233734AAAHT6953

Place: Bengaluru
Date: 28 April 2021



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Annexure I to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited, on the standalone financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (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 under which PPE are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, physical verification was conducted by engaging the outside expert during the year, and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on 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, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



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- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Reversal of Cenvat credit including penalty	24.84	8.28	Various dates	Hon'ble High Court of Telangana
	Penalty equivalent to service tax on User Development Fee	7.43	Nil	April 2008 to December 2008	Hon'ble Supreme Court
	Non-payment of service tax for supply of water and electricity to concessionaires and irregular availment of CENVAT	3.20	0.15	October 2008 to June 2010	CESTAT, Hyderabad
Income Tax Act, 1961	Disallowance of certain expenses	3.38	Nil	Assessment year (AY) 2013-14	Hon'ble High Court of Karnataka
		3.76	Nil	AY 2014-15	Income Tax Appellate Tribunal, Bengaluru
		6.46	Nil	AY 2016-17	
		4.76	Nil	AY 2017-18	Commissioner of Income Tax (Appeals)
		6.34	Nil	AY 2018-19	

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.



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- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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



Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 21207660AAAACR7099

Place: Hyderabad
Date: 28 April 2021



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



Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 21233734AAAHT6953

Place: Bengaluru
Date: 28 April 2021



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Annexure II to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited, on the standalone financial statements for the year ended 31 March 2021

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

1. In conjunction with our audit of the standalone financial statements of GMR Hyderabad International Airport Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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



Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
Hyderabad 500 016, India

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

regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2021:

The Company's internal financial control system towards estimating the fair value of other financial assets in accordance with Ind AS 109 'Financial Instruments', as more fully explained in note 39 to the standalone financial statements, were not operating effectively due to uncertainties in the judgments and assumptions made by the company in such estimations, which could result in the Company not providing for adjustment, if any, that may be required to the carrying value of other financial assets and its consequential impact on the earnings, reserves and related disclosures in the accompanying standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 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 issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at March 31, 2021.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2021, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

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

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 21207660AAAACR7099
Place: Hyderabad
Date: 28 April 2021



Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 21233734AAAHT6953
Place: Bengaluru
Date: 28 April 2021



GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Balance Sheet as at March 31, 2021

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

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	5	2,232.30	2,268.32
Capital work-in-progress	35	2,255.00	1,208.31
Right of use asset	6	75.39	74.41
Other intangible assets	7	6.88	8.11
Investments in subsidiaries, associate and joint venture	8	670.18	669.36
Financial assets			
- Loans	9	55.24	98.86
- Other financial assets	10	622.18	865.02
Non current tax assets (net)		20.78	9.81
Deferred tax asset (net)	32	373.30	251.30
Other non-current assets	11	745.87	719.26
		7,057.12	6,172.76
Current assets			
Inventories	12	5.59	6.36
Financial assets			
- Investments	13	972.57	1,162.41
- Trade receivables	14	111.10	119.00
- Cash and cash equivalents	15	667.86	247.99
- Bank balances other than cash and cash equivalents	16	1,462.02	655.65
- Loans	9	257.89	249.06
- Other financial assets	10	132.01	141.23
Other current assets	11	57.69	21.84
		3,666.73	2,603.54
Total Assets		10,723.85	8,776.30
Equity and Liabilities			
Equity			
Equity share capital	17	378.00	378.00
Other equity	18		
- Capital reserve		107.00	107.00
- Cash flow hedge reserve		126.89	165.06
- Retained earnings		1,521.17	1,671.08
Total equity		2,133.06	2,321.14
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	7,169.16	5,168.24
- Lease liabilities	42	89.15	82.70
- Other financial liabilities	20	190.42	226.35
Government grants	21	30.32	35.59
Other non-current liabilities	22	10.71	16.99
		7,489.76	5,529.87



GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Balance Sheet as at March 31, 2021

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

	Notes	As at March 31, 2021	As at March 31, 2020
Current liabilities			
Financial liabilities			
- Borrowings	23	171.32	19.92
- Trade payables	24		
- Total outstanding dues of micro and small enterprises		12.36	10.78
- Total outstanding dues of creditors other than micro and small enterprises		73.60	95.19
- Other financial liabilities	20	718.84	699.57
Government grants	21	5.27	5.27
Other current liabilities	22	70.56	40.31
Short term provisions	25	17.77	18.38
Current tax liability (net)		31.31	35.87
		1,101.03	925.29
Total liabilities		8,590.79	6,455.16
Total equity and liabilities		10,723.85	8,776.30

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

As per our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

ICAI Firm registration
number: 001076N/N500013**Sanjay Kumar Jain**
Partner

Membership No.: 207660

**For K.S. Rao & Co.,**

Chartered Accountants

ICAI Firm registration
number: 003109S**Hitesh Kumar P**
Partner

Membership No.: 233734

**For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited****GBS Raju**
Managing Director
DIN: 00061686Place: Dubai
Date: April 28, 2021

Anand Kumar P
Chief Financial Officer
Place: Hyderabad
Date: April 28, 2021

C Prasanna
Director
DIN: 01630300

Pradeep Panicker
Chief Executive Officer

Anup Kumar Samal
Company SecretaryPlace: Hyderabad
Date: April 28, 2021Place: Hyderabad
Date: April 28, 2021Place: Bengaluru
Date: April 28, 2021

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Statement of Profit and Loss for the year ended March 31, 2021

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

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	26	441.23	1,525.76
Other income	27	143.41	114.30
Total income		584.64	1,640.06
Expenses			
Concession fee		22.54	64.95
Employee benefits expense	28	112.49	117.93
Finance costs	29	236.74	240.53
Depreciation and amortization expenses	30	189.83	170.71
Other expenses	31	253.08	351.81
Total expenses		814.68	945.93
Profit/(loss) before tax		(230.04)	694.13
Tax expense	32		
Current tax		(0.74)	118.18
Minimum alternate tax credit entitlement		-	(51.70)
Deferred tax income		(78.25)	(9.16)
Total tax expense		(78.99)	57.32
Profit/(loss) after tax		(151.05)	636.81
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans	33	1.14	(1.23)
Items that will be reclassified to profit or loss			
Cash flow hedge reserve (net of tax)	33	(81.75)	195.12
Deferred tax credit/(expense)	33	43.58	(61.78)
Total other comprehensive income/(loss) for the year		(37.03)	132.11
Total comprehensive income/(loss) for the year		(188.08)	768.92
Earnings per equity share:			
Basic and diluted (in Rs.)	34	(4.00)	16.85

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

As per our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

 ICAI Firm registration
number: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No.: 207660

For K.S. Rao & Co.,

Chartered Accountants

 ICAI Firm registration
number: 003109S

Hitesh Kumar P

Partner

Membership No.: 233734

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

GBS Raju

Managing Director

DIN: 00061686

C Prasanna

Director

DIN: 01630300

Place: Dubai

Date: April 28, 2021

Anand Kumar P

Chief Financial Officer

Place: Hyderabad

Date: April 28, 2021

Pradeep Panicker

Chief Executive Officer

Anup Kumar Samal

Company Secretary

Place: Hyderabad

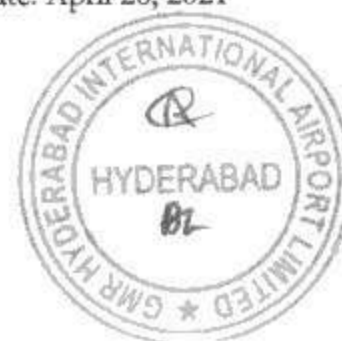
Date: April 28, 2021

Place: Hyderabad

Date: April 28, 2021

Place: Bengaluru

Date: April 28, 2021



GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Statement of Changes in Equity for the year ended March 31, 2021

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

Equity share capital:*Equity shares of Rs.10 each issued, subscribed and fully paid*

As at April 1, 2019

Issue of shares during the year

As at March 31, 2020

As at April 1, 2020

Issue of shares during the year

As at March 31, 2021

Number	Amount
378,000,000	378.00
-	-
378,000,000	378.00
378,000,000	378.00
-	-
378,000,000	378.00

Other equity**As at April 1, 2019**

Profit for the year

Remeasurement of post-employment benefits obligations

Cash flow hedge reserve (net of tax)

Interim dividend paid

Dividend distribution tax

As at March 31, 2020

Loss for the year

Remeasurement of post-employment benefits obligations

Cash flow hedge reserve (net of tax)

As at March 31, 2021

Reserves and surplus		Other comprehensive income	Total
Capital reserve*	Retained earnings	Cash flow hedge reserve	
107.00	1,149.09	31.72	1,287.81
-	636.81	-	636.81
-	(1.23)	-	(1.23)
-	-	133.34	133.34
-	(94.50)	-	(94.50)
-	(19.09)	-	(19.09)
107.00	1,671.08	165.06	1,943.14
-	(151.05)	-	(151.05)
-	1.14	-	1.14
-	-	(38.17)	(38.17)
107.00	1,521.17	126.89	1,755.06

*The Company has received a contribution of Rs.107.00 from its shareholder i.e., Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from share holder of the Company.

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

As per our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

ICAI Firm registration

number: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No.: 207660

For K.S.Rao & Co.,

Chartered Accountants

ICAI Firm registration

number: 0003109S

Hitesh Kumar P

Partner

Membership No.: 233734

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

Managing Director

DIN: 00061686

Place: Dubai

Date: April 28, 2021

Anand Kumar P

Chief Financial Officer

Place: Hyderabad

Date: April 28, 2021

C Prasanna

Director

DIN: 01630300

Pradeep Panicker

Chief Executive Officer

Anup Kumar Samal

Company Secretary

Place: Hyderabad

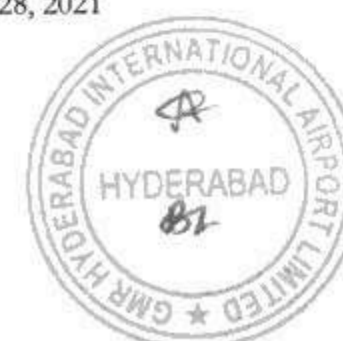
Date: April 28, 2021

Place: Hyderabad

Date: April 28, 2021

Place: Bengaluru

Date: April 28, 2021



GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Cash Flow Statement for the year ended March 31, 2021

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit/(loss) before tax	(230.04)	694.13
<i>Adjustment to reconcile profit/(loss) before tax to net cash flows</i>		
Depreciation and amortization expenses	189.83	170.71
Provision for bad debts/bad debts written off	0.20	0.56
Advances written off	0.08	-
Interest receivable from PSF (SC) fund written off	-	15.08
Property, plant and equipment written off	-	0.81
Loss on sale of non-current investment	-	2.68
(Gain)/loss on sale of property, plant and equipment	0.35	(0.42)
Dividend income	-	(1.08)
Interest income	(117.87)	(84.12)
Interest expense	236.74	240.69
Gain on sale of financial assets (mutual funds)	(7.25)	(15.48)
Provision no longer required, written back	(7.12)	(2.93)
Income from government grants	(5.27)	(5.28)
Amortisation of deferred income	(14.84)	(10.19)
Provision for impairment in value of investments	-	0.05
Interest income arising from fair valuation of financial guarantee	(0.96)	(0.82)
Operating profit before working capital changes	43.85	1,004.39
<i>Working capital adjustments:</i>		
Changes in trade payables	(12.91)	36.60
Changes in other liabilities	32.58	13.96
Changes in other financial liabilities	39.12	(12.37)
Changes in provisions	0.52	2.59
Changes in trade receivables	32.90	23.99
Changes in inventories	0.77	(0.41)
Changes in other assets	(149.53)	(96.05)
Changes in other financial assets	(16.25)	(92.03)
Changes in loans	3.90	(5.58)
Cash generated from/(used in) operations	(25.05)	875.09
Direct taxes paid (net)	(14.95)	(115.68)
Net cash generated from/(used in) operating activities (A)	(40.00)	759.41
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP and capital advances	(1,033.77)	(1,063.20)
Proceeds from sale of property, plant and equipment	27.50	0.42
Investment in subsidiary companies including share application money	-	(48.50)
Loans to subsidiary companies	-	(55.56)
Repayment of loans by subsidiary/joint venture company	32.00	17.32
Loans to group companies	(9.95)	(200.00)
Repayment of loans by group companies	9.95	-
Purchase of current investments	(5,079.81)	(11,636.85)
Proceeds from sale of current investments	5,276.89	10,410.32
Movement in other bank balances, net	(806.37)	(2.65)
Dividend income	-	1.65
Interest received	146.85	113.19
Net cash used in investing activities (B)	(1,436.71)	(2,463.86)



GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Cash Flow Statement for the year ended March 31, 2021

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from financing activities		
Proceeds from long-term borrowings	2,188.29	2,067.15
Repayment of long-term borrowings	-	(0.47)
Proceeds from short-term borrowings, net	151.39	9.98
Payment of lease rental	(5.45)	(1.60)
Dividend paid	-	(94.50)
Dividend distribution tax paid	-	(19.09)
Interest paid, including borrowing costs	(437.65)	(389.71)
Net cash generated from financing activities (C)	1,896.58	1,571.76
Net change in cash and cash equivalents (A + B + C)	419.87	(132.69)
Cash and cash equivalents at the beginning of the year	247.99	380.68
Cash and cash equivalents at the end of the year	667.86	247.99
Components of cash and cash equivalents		
With banks		
- on current accounts	61.54	57.82
- on deposit accounts	606.29	190.15
Cash on hand	0.03	0.02
Total cash and cash equivalents	667.86	247.99

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

As per our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

ICAI Firm registration
number: 001076N/N500013

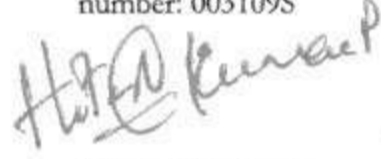
Sanjay Kumar Jain

Partner

Membership No.: 207660

For K.S. Rao & Co.,

Chartered Accountants

ICAI Firm registration
number: 003109S

Hitesh Kumar P

Partner

Membership No.: 233734

Place: Hyderabad
Date: April 28, 2021Place: Bengaluru
Date: April 28, 2021For and on behalf of the Board of Directors of
GMR Hyderabad International Airport Limited**GBS Raju**

Managing Director

DIN: 00061686

Place: Dubai

Date: April 28, 2021


Anand Kumar P

Chief Financial Officer

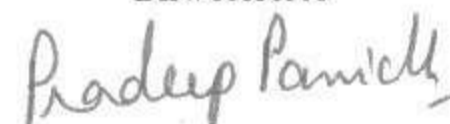
Place: Hyderabad

Date: April 28, 2021


C Prasanna

Director

DIN: 01630300


Pradeep Panicker

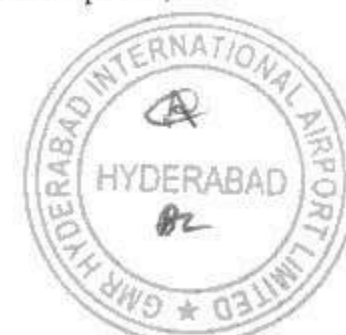
Chief Executive Officer


Anup Kumar Samal

Company Secretary

Place: Hyderabad

Date: April 28, 2021



GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Summary of significant accounting policies and other explanatory information

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

1. Corporate information

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

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

These standalone financial statements for the year ended 31 March 2021 are approved by the Company's Board of Directors in their meeting held on April 28, 2021.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

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

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

3. Uncertainties relating to COVID-19 Pandemic:

Post outbreak of COVID-19 last year in the month of March, 2020, the business of the Company got adversely impacted due to travel restrictions on international and domestic travel. As a quarantine measure, Government of India ("GOI") had also imposed the countrywide lockdown with effect from March 25, 2020, however, restrictions on operation of domestic flights were lifted from May 25, 2020. Accordingly, the airport was closed from March 25, 2020 to May 24, 2020 except for cargo and evacuation / rescue flights for passengers, which in turn has materially impacted the business of the Company. However, gradually the GOI eased restrictions on domestic travel but restriction on international travel continued except air bubble flights. There has been gradual improvement in air travel over last 12 months majorly in domestic travel and management believes that it will continue to improve further over the period of next one year. The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets as at the balance sheet date and has concluded that there are no material adjustments required in the financial statements. For this assessment, management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in these standalone financial statements. However, the impact of the COVID 19 pandemic on our business will depend on future developments that cannot be reliably predicted. The impact of the COVID 19 pandemic might be different from that estimated as at the date of approval of these standalone financial statements and the Company will closely monitor any material changes to future economic conditions.



GMR Hyderabad International Airport Limited

CIN: U62100TG2002PLC040118

Summary of significant accounting policies and other explanatory information

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

4. Significant accounting policies

a) Use of estimates

The preparation of these standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of these standalone financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 48. Accounting estimates could change from year to year and actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in these standalone financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to these standalone financial statements.

b) Current versus non-current classification

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

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

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

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress and the related advances are shown as capital advances.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the



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item of property, plant and equipment if the recognition criteria are satisfied. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset.

Spares parts that can only be used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

d) Depreciation on property, plant and equipment

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

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

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

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

#During the previous years, the Company has commissioned two interim terminals namely Interim International Departure Terminal (IIDT) and Interim Domestic Arrival Terminal (IDAT) to accommodate the growing traffic, until the expanded terminal becomes operational. Further, the area where these interim terminals are created, will eventually be used for expansion and boarding gates, therefore these interim terminals will need to be demolished after seven years. Based on the same, the management has considered the life of seven years period for these terminal buildings and related assets i.e. electrical installations and certain plant and machineries viz. Fire systems, HVAC systems. Accordingly, IIDT, IDAT building, electrical installations, Fire systems, HVAC systems are depreciated over a period of seven years.



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e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

f) Amortization of intangible assets

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

g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

h) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



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i) Borrowing cost

Borrowing costs net of income on surplus investments directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed on effective interest rate ("EIR") basis in the period in which they occur.

Borrowing costs consist of interest, call spread premium and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Revenue recognition

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

Revenue from contract with customer

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

Significant financing component

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

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

Contract balances

Contract assets

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Income from services

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

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



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Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.

Interest income

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

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

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

Dividend income

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

k) Financial instruments

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

1) Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (j) Revenue from contracts with customers.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

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



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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

- a) The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

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

In addition, the Company may elect to designate a Financial asset's which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Derecognition of financial assets

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

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

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

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



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Impairment of financial assets

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

Investments in subsidiaries, associates and joint ventures

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

II) Financial liabilities

Initial recognition and measurement

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

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



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Subsequent measurement

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

Financial guarantee contracts

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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in respective carrying amounts is recognised in standalone statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

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

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



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- b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- c) Hedges of a net investment in a foreign operation.

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

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

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Presentation of derivative contracts in the financial statement

Derivative assets and liabilities recognized on the balance sheet are presented as current and non-current based on the classification of the underlying hedged item.

m) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.



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Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes as mentioned below:

- a) Disclosures for valuation methods, significant estimates and assumptions
- b) Quantitative disclosures of fair value measurement hierarchy
- c) Financial instruments (including those carried at amortized cost)

n) Provisions, contingent assets, contingent liabilities and commitments

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

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

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when it cannot be measured reliably.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

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

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realization of income is virtually certain,



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then the related asset is not a contingent asset and its recognition is appropriate. Contingent assets are reviewed at each reporting date. A contingent asset is disclosed where an inflow of economic benefits is probable.

o) Retirement and other Employee Benefits

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

Accumulated leave balances, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. However, the Company presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

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

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii) Net interest expense or income

p) Government grants

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

- (i) the Company will comply / have complied with the conditions attached to them, and
- (ii) the grant / subsidy will be received.

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

q) Leases

The Company assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

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



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Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities: At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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

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

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfers from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

r) Taxes

Current income tax

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

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

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

1. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
2. In respect of deductible temporary differences associated with investments in subsidiary, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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

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

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

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



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

s) Foreign currency

Functional and presentation currency

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

Transactions and balances

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

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

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

t) Proposed dividend

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

u) Segment information

Based on the "management approach" as defined in Ind AS 108 Operating Segments, the Chief Operating Decision Maker ('CODM') has carried out evaluation of the Company's performance at an overall group level as one reportable operating segment i.e. 'Airport and allied services'.

v) Earnings per share

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

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

w) Cash and cash equivalents

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

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

x) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



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5 Property, Plant and Equipment

	Leasehold Improvements	Freehold land	Runways	Roads	Buildings on leasehold land	Buildings on freehold land	Electrical installations	Plant and equipments	Office equipments	Computer equipments	Furniture and fixtures	Vehicles	Total
Gross block, At cost													
As at April 1, 2019	91.55	16.13	501.10	125.15	1,127.53	62.31	178.00	554.23	9.22	52.42	48.91	5.31	2,771.86
Additions	0.32	-	371.04	0.20	19.54	-	40.64	27.54	3.60	24.34	3.45	3.29	493.96
Disposals	-	-	-	-	(3.70)	-	(0.03)	(3.23)	(0.08)	(0.67)	(2.51)	(0.24)	(10.46)
Adjustments*	-	-	(26.18)	(2.68)	(30.43)	-	(1.36)	(3.03)	(0.12)	(0.65)	(0.32)	-	(64.77)
As at March 31, 2020	91.87	16.13	845.96	122.67	1,112.94	62.31	217.25	575.51	12.62	75.44	49.53	8.36	3,190.59
Additions	7.93	-	66.44	20.08	42.52	-	15.67	15.60	1.00	5.33	2.49	1.81	178.87
Disposals	(0.19)	-	-	-	(33.92)	-	-	(3.18)	(0.02)	-	-	(0.10)	(37.41)
Adjustments*	-	-	-	-	(0.24)	-	-	(1.38)	-	-	-	(0.01)	(1.63)
As at March 31, 2021	99.61	16.13	912.40	142.75	1,121.30	62.31	232.92	586.55	13.60	80.77	52.02	10.06	3,330.42
Accumulated Depreciation													
Up to April 1, 2019	15.93	-	63.20	98.02	181.32	6.64	132.07	211.96	2.55	19.82	29.69	1.06	762.26
Charge for the year	3.99	-	24.27	3.46	51.02	1.33	8.43	53.85	2.12	12.74	4.93	0.70	166.84
Disposals	-	-	-	-	(0.78)	-	(0.03)	(2.53)	(0.08)	(0.67)	(2.50)	(0.24)	(6.83)
Up to March 31, 2020	19.92	-	87.47	101.48	231.56	7.97	140.47	263.28	4.59	31.89	32.12	1.52	922.27
Charge for the year	4.03	-	37.65	3.22	51.44	1.33	11.09	54.98	2.44	14.82	3.26	1.15	185.41
Disposals	(0.04)	-	-	-	(7.75)	-	-	(1.65)	(0.02)	-	-	(0.10)	(9.56)
Up to March 31, 2021	23.91	-	125.12	104.70	275.25	9.30	151.56	316.61	7.01	46.71	35.38	2.57	1,098.12
Net book value													
As at March 31, 2020	71.95	16.13	758.49	21.19	881.38	54.34	76.78	312.23	8.03	43.55	17.41	6.84	2,268.32
As at March 31, 2021	75.70	16.13	787.28	38.05	846.05	53.01	81.36	269.94	6.59	34.06	16.64	7.49	2,232.30

* Includes reversal of input credit of goods and service tax amounting to Rs.Nil (March 31, 2020: Rs.63.12) and reversal of project creditors amounting to Rs.1.63 (March 31, 2020: Rs.1.65) pertaining to construction works which were earlier capitalised.



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6 Right of use asset

Gross block (at cost)

As at April 1, 2019

Additions

As at March 31, 2020

Additions

As at March 31, 2021

Accumulated Depreciation

Up to March 31, 2019

Charge for the year

Up to March 31, 2020

Charge for the year

Up to March 31, 2021

Net book value

As at March 31, 2020

As at March 31, 2021

Land and Building	Total
-	-
77.16	77.16
77.16	77.16
3.67	3.67
80.83	80.83
-	-
2.75	2.75
2.75	2.75
2.69	2.69
5.44	5.44
74.41	74.41
75.39	75.39

7 Other intangible assets

Gross block (at cost)

As at April 1, 2019

Additions

Disposals

Adjustments

As at March 31, 2020

Additions

As at March 31, 2021

Accumulated Depreciation

Up to March 31, 2019

Charge for the year

Disposals

Up to March 31, 2020

Charge for the year

Up to March 31, 2021

Net book value

As at March 31, 2020

As at March 31, 2021

Computer software	Total
4.70	4.70
6.48	6.48
(0.06)	(0.06)
(0.04)	(0.04)
11.08	11.08
0.50	0.50
11.58	11.58
1.89	1.89
1.12	1.12
(0.04)	(0.04)
2.97	2.97
1.73	1.73
4.70	4.70
8.11	8.11
6.88	6.88



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8 Investments in subsidiaries, associate and joint ventures

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Non-current investments: (At Cost)				
Investment in subsidiaries				
<i>Investment in equity shares (unquoted)</i>				
GMR Hyderabad Aerotropolis Limited	90,500,000	90.50	90,500,000	90.50
GMR Hyderabad Aviation SEZ Limited	51,600,000	51.60	51,600,000	51.60
GMR Hospitality and Retail Limited	155,998,710	156.00	155,998,710	156.00
GMR Hyderabad Airport Power Distribution Limited	-	-	50,000	0.05
Less:- Impairment in the value of investment	-	-	-	(0.05)
GMR Air Cargo and Aerospace Engineering Limited	455,812,130	320.66	455,812,130	320.66
		618.76		618.76
<i>Investment in preference shares (unquoted)</i>				
GMR Air Cargo and Aerospace Engineering Limited - Series A Preference Shares	18,000	6.76	18,000	6.76
GMR Air Cargo and Aerospace Engineering Limited - Series B Preference Shares	18,735	0.02	18,735	0.02
		6.78		6.78
Investment in Joint Venture				
<i>Investment in equity shares (unquoted)</i>				
Laqshya Hyderabad Airport Media Private Limited	9,800,000	9.80	9,800,000	9.80
		9.80		9.80
Investment in Associate				
<i>Investment in equity shares (unquoted)</i>				
Digi Yatra Foundation	148	0.00	148	0.00
		0.00		0.00
Other investments				
<i>On account of fair valuation of financial guarantees given to subsidiaries</i>				
GMR Hyderabad Aviation SEZ Limited		2.02		1.95
GMR Hospitality and Retail Limited		5.75		5.75
GMR Air Cargo and Aerospace Engineering Limited		8.14		8.01
GMR Hyderabad Aerotropolis Limited		1.48		0.86
		17.39		16.57
<i>On account of fair valuation of loans given to subsidiaries/joint venture below market rate</i>				
GMR Hospitality and Retail Limited		11.86		11.86
Laqshya Hyderabad Airport Media Private Limited		5.59		5.59
		17.45		17.45
Total investments carried at Cost		670.18		669.36
Aggregate book value of unquoted investments		670.18		669.41
Aggregate amount of impairment in the value of investments		-		(0.05)

Note: Face value of Company's investment in equity shares of the above subsidiaries, joint venture and associate is Rs.10 per equity share fully paid-up, face value of investment in preference shares - Series A and preference shares- Series B is Rs. 10,000 and Rs.10 per share fully paid-up, respectively. Further, the Company holds 100% stake in all its subsidiaries and 49% stake in the joint venture as at 31 March 2021 and 31 March 2020.

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

	March 31, 2021	March 31, 2020
GMR Hospitality and Retail Limited	32,897,675	32,897,675



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9 Loans

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Loan receivables in the nature of				
Security deposits	12.96	14.95	13.02	16.84
Less: Provision for doubtful deposit	(0.20)	(0.20)	-	-
	12.76	14.75	13.02	16.84
Loans to employees	0.15	1.78	4.87	0.22
Loans to related parties (refer details below)	42.33	82.33	240.00	232.00
	55.24	98.86	257.89	249.06

Break up of loans to related parties:

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
GMR Hospitality and Retail limited	42.33	42.33	-	-
GMR Hyderabad Aerotropolis Limited	-	40.00	40.00	32.00
GMR Infrastructure Limited	-	-	200.00	200.00
	42.33	82.33	240.00	232.00

10 Other financial assets

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Carried at amortised cost				
Non-trade receivables	-	-	39.16	32.47
Unbilled revenue	-	-	18.74	9.82
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on others	-	-	0.50	8.34
Interest accrued on fixed deposits	-	-	9.27	11.76
Interest accrued on investments	-	-	1.30	15.80
Other receivables (refer note 39)	-	-	63.00	63.00
Carried at fair value through other comprehensive income				
Derivative asset (refer note 43)	622.18	865.02	-	-
	622.18	865.02	132.01	141.23

11 Other assets

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Capital advances	355.90	448.62	-	-
(A) Advances other than capital advances	355.90	448.62	-	-
Passenger service fee (Security component) receivable	10.56	10.56	-	-
Others	5.06	5.11	2.63	3.71
	15.62	15.67	2.63	3.71
Less: Provision for doubtful advances	(0.04)	(0.04)	-	-
(B)	15.58	15.63	2.63	3.71
Prepaid expenses	1.67	3.80	7.89	5.72
Lease equalisation reserve	7.75	2.09	-	-
Balances with government authorities	364.97	249.12	47.17	12.41
(C)	374.39	255.01	55.06	18.13
Total (A+B+C)	745.87	719.26	57.69	21.84



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12 Inventories

	March 31, 2021	March 31, 2020
Stores, spare parts and consumables	5.76	6.53
Less: Provision for non-moving spares	(0.17)	(0.17)
	5.59	6.36

13 Investments

	As at March 31, 2021		As at March 31, 2020	
	No. of units	Amount	No. of units	Amount
Investment in mutual funds				
(unquoted, non-trade) at FVTPL				
Birla Sunlife Cash Plus Institutional Premium - Growth	-	-	1,895,485	60.24
ICICI Prudential Liquid Regular Plan - Growth	-	-	2,059,659	60.25
UTI Liquid Cash Plan Institutional - Growth Option	-	-	211,029	68.32
UTI Liquid Fund - Growth	-	-	83,076	27.02
UTI Overnight Fund-Direct Growth Plan	177,867	50.03	-	-
Sundaram Money Fund Regular Growth	-	-	1,156	0.00
Sundaram Money Fund Direct Growth	-	-	12,782,693	53.53
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	39,846	12.33
SBI Overnight Fund - Direct Growth	165,242	55.38	-	-
Axis Overnight Fund-Direct Growth Plan	620,549	67.51	-	-
Invesco India Overnight Fund - Direct Plan - Growth	105,494	10.98	-	-
ICICI Prudential Overnight Fund Direct Plan Growth	3,106,980	34.48	-	-
Tata Overnight Direct Plan Growth	422,642	45.90	-	-
Aditya Birla Sunlife Overnight Fund - Growth-Direct Plan	1,264,859	140.77	-	-
Kotak Overnight fund Direct-Growth	352,073	38.65	-	-
		443.70		281.69
Investment in commercial paper*				
(unquoted, non-trade) at Amortised cost				
SREI Infrastructure Finance Limited	-	-	2,000	114.83
SREI Equipment Finance Limited	-	-	6,000	268.04
Bharti Realty Limited	-	-	4,000	199.97
Edelweiss Financial Services Limited	-	-	500	24.46
Edelweiss Rural and Corporate Services Limited	5,440	249.82	-	-
Piramal Enterprises Limited	5,800	279.05	5,500	273.42
		528.87		880.72
		972.57		1,162.41

*Face value of all commercial paper investments is Rs.0.05 (March 31, 2020: Rs.0.05) per unit.

14 Trade receivables

	March 31, 2021	March 31, 2020
Secured receivables, considered good	26.70	53.57
Unsecured receivables, considered good	84.40	65.43
Unsecured receivables, with significant increase in credit risk	0.31	0.31
	111.41	119.31
Less: Allowance for trade receivables	(0.31)	(0.31)
	111.10	119.00
Breakup of trade receivables:		
Related parties	30.99	13.58
Others	80.11	105.42
	111.10	119.00

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



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15 Cash and cash equivalents

	March 31, 2021	March 31, 2020
Balances with Banks		
- In current accounts	61.54	57.82
- Deposits with original maturity of less than three months	606.29	190.15
Cash on hand	0.03	0.02
	667.86	247.99

16 Bank balances other than cash and cash equivalent

	March 31, 2021	March 31, 2020
Deposits with original maturity of more than 3 months but less than 12 months	1,401.60	605.00
Margin money deposits*	60.42	50.65
	1,462.02	655.65

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

17 Equity

	March 31, 2021	March 31, 2020
Authorized share capital		
400,000,000 (March 31, 2020: 400,000,000) equity shares of Rs. 10 each	400.00	400.00
Issued, subscribed and fully paid-up shares		
378,000,000 (March 31, 2020: 378,000,000) equity shares of Rs.10 each fully paid up	378.00	378.00

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

	March 31, 2021		March 31, 2020	
Equity Shares	Number	Amount	Number	Amount
At the beginning of the year	378,000,000	378.00	378,000,000	378.00
Outstanding at the end of the year	378,000,000	378.00	378,000,000	378.00

(b) Terms/ rights attached to equity shares

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

(c) Shares held by holding/intermediate holding company

	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Equity shares of Rs.10 each fully paid				
GMR Airports Limited (GAL), holding company	238,139,000	238.14	238,139,000	238.14
GMR Infrastructure Limited, GAL's holding company	1,000	0.00	1,000	0.00
	238,140,000	238.14	238,140,000	238.14

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

	March 31, 2021		March 31, 2020	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each fully paid				
GMR Airports Limited, holding company	238,139,000	63.00%	238,139,000	63.00%
Airports Authority of India	49,140,000	13.00%	49,140,000	13.00%
Government of Telangana	49,140,000	13.00%	49,140,000	13.00%
MAHB (Mauritius) Private Limited	41,573,540	11.00%	41,573,540	11.00%

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

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

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18 Other Equity

	March 31, 2021	March 31, 2020
Reserves and surplus		
Capital reserve	107.00	107.00
Retained earnings	1,521.17	1,671.08
	1,628.17	1,778.08
Other comprehensive income		
Cash flow hedge reserve		
Balance at the beginning of the year	165.06	31.72
Additions during the year	(81.75)	195.12
Deferred taxes on above	43.58	(61.78)
Balance at the end of the year	126.89	165.06
Total other equity	1,755.06	1,943.14

19 Long-term borrowings

	March 31, 2021	March 31, 2020
Bonds, secured		
1,750 units 4.25% Senior Secured Notes ('SSN') of USD 200,000 each	2,524.05	2,609.03
1,500 units 4.75% SSN of USD 200,000 each	2,156.80	-
1,500 units 5.375% SSN of USD 200,000 each	2,173.26	2,244.16
Term loan, unsecured		
<i>From Others</i>		
Government of Telangana	315.05	315.05
Net Amount	7,169.16	5,168.24

i) 4.25% SSN

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

ii) 4.75% SSN

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

iii) 5.375% SSN

5.375% senior secured notes were issued on April 10, 2019 for funding the airport expansion project works. The coupon rate of 5.375% p.a. plus applicable withholding tax is fixed through the tenor and payable semi-annually. 5.375% SSN are repayable after 5 years i.e. on April 10, 2024 (bullet repayment).

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

iv. Interest free unsecured loan received from the Government of Telangana is repayable in five equal instalments commencing from 16th anniversary of the commercial operations date (i.e. March 23, 2008).



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20 Other financial liabilities

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
At amortised cost				
Retention money	0.02	0.01	2.71	3.40
Deposit from concessionaires and others	36.94	49.78	44.06	23.21
Concession fee payable	149.11	171.96	144.45	92.11
Non-trade payables	-	-	71.76	30.36
Capital creditors*	-	-	259.77	380.93
Interest accrued but not due on borrowings	-	-	195.14	168.72
Financial guarantee contracts	4.35	4.60	0.95	0.84
	190.42	226.35	718.84	699.57

*Includes amounts payable to parties registered under the Micro, Small and Medium Enterprises Development Act, 2006 of Rs. 10.53 (March 31, 2020: Rs. 16.07)

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

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
GMR Hospitality and Retail Limited	1.23	1.38	0.15	0.15
GMR Hyderabad Aviation SEZ Limited	0.72	0.77	0.10	0.09
GMR Hyderabad Aerotropolis Limited	1.11	0.65	0.12	0.08
GMR Air Cargo and Aerospace Engineering Limited	1.29	1.80	0.58	0.52
	4.35	4.60	0.95	0.84

21 Government grants

	March 31, 2021	March 31, 2020
Opening Balance	40.86	46.14
Grant received during the year	-	-
Less: recognised in the statement of profit and loss	(5.27)	(5.28)
	35.59	40.86
Non-current	30.32	35.59
Current	5.27	5.27

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

22 Other liabilities

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advanced received from customers	1.70	4.17	36.70	8.77
Marketing fund liability	-	-	0.58	-
Deferred income	9.01	12.82	5.55	6.62
Statutory liabilities	-	-	27.73	24.92
	10.71	16.99	70.56	40.31



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23 Short-term borrowings**Loans repayable on demand****Secured**

From bank
From others

March 31, 2021	March 31, 2020
50.00	-
100.00	-
150.00	-
Unsecured	
From bank	
21.32	19.92
171.32	19.92

i) Loan from bank, secured

The working capital demand loan of Rs.50 is repayable within 12 months of drawdown and carry a interest rate linked to bank's six month lending rate plus spread of 0.80% p.a.

ii) Loan from others, secured

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

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

iii) Unsecured, working capital loan from banks

Unsecured working capital loans represents commercial credit card and vendor financing facility availed from banks and carry an interest rate range of 15.05% p.a. (March 31, 2020: 15.05% p.a.) and are repayable within a period of 25-90 days from the date of disbursement.

24 Trade payables

Total outstanding dues of micro and small enterprises
Total outstanding dues of creditors other than micro and small enterprises

March 31, 2021	March 31, 2020
12.36	10.78
73.60	95.19
85.96	105.97

* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as at March 31, 2021 and March 31, 2020 (along with micro and small enterprises under capital creditors under the head other financial liabilities):

Particulars

the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;

March 31, 2021	March 31, 2020
22.89	26.85

the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED
the amount of interest accrued and remaining unpaid at the end of each accounting year; and

-	-
-	-

the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.

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The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

25 Provisions**Provision for employee benefits**

Provision for compensated absences
Provision for superannuation fund
Provision for gratuity (refer note 36)

March 31, 2021	March 31, 2020
13.44	14.04
0.17	0.20
4.16	4.14
17.77	18.38



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26 Revenue from contracts with customers

	March 31, 2021	March 31, 2020
Aeronautical		
Landing and parking charges	70.36	139.91
User development fee (UDF) and Passenger service fee (PSF)	80.89	709.51
Common infrastructure charges	0.27	61.90
Information communication and technology charges (ICT Charges)	25.99	-
Fuel farm	44.25	139.29
Ground handling	10.25	34.81
Cargo	14.48	17.74
Others	31.63	28.20
Revenue from Aeronautical services (A)	278.12	1,131.36
Non-Aeronautical		
Duty free	8.18	53.38
Retail	14.82	52.26
Advertisement	13.16	38.13
Food and beverages	14.47	50.08
Parking	24.03	80.76
Land and space — Rentals	44.99	53.13
Others	21.74	58.19
Revenue from Non-Aeronautical services (B)	141.39	385.93
Revenue from commercial property development (C)	21.72	8.47
Revenue from operations (A+B+C)	441.23	1,525.76

Note:

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

	At a point in time		Over time	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Aeronautical services	214.02	1,047.27	64.10	84.09
Non-Aeronautical services	-	-	141.39	385.93
Others	-	-	21.72	8.47
Total revenue from operations	214.02	1,047.27	227.21	478.49

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

	March 31, 2021	March 31, 2020
Revenue as per contracted price	440.13	1,524.66
<i>Adjustments:</i>		
Significant financing component	1.10	1.10
Revenue from operations	441.23	1,525.76

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

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

27 Other income

	March 31, 2021	March 31, 2020
Interest on:		
Bank deposits	8.44	24.98
Loan to subsidiaries/ joint venture	9.29	7.82
Others	99.89	51.09
Unwinding of financial assets	0.25	0.23
Dividend from investment in subsidiary	-	1.08
Gain on investments carried at fair value through profit and loss	7.25	15.48
Income from government grant	5.27	5.28
Provisions no longer required, written back	7.12	2.93
Other miscellaneous income	5.90	4.99
Profit on sale of assets	-	0.42
	143.41	114.30



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Summary of significant accounting policies and other explanatory information

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28 Employee benefits expense

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

March 31, 2021	March 31, 2020
98.14	103.65
7.29	7.70
1.66	1.25
5.40	5.33
112.49	117.93

29 Finance costs

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

March 31, 2021	March 31, 2020
120.15	100.95
82.45	82.55
27.08	20.54
7.06	36.49
236.74	240.53

30 Depreciation and amortisation expenses

Depreciation of property, plant and equipment (refer note 5)
Amortisation of other intangible assets (refer note 7)
Amortisation of right of use assets (refer note 6)

March 31, 2021	March 31, 2020
185.41	166.84
1.73	1.12
2.69	2.75
189.83	170.71

31 Other expenses

Operating and maintenance expenses
Power and fuel
Manpower hire charges
Consumption of stores & spares
Repairs and maintenance
Buildings
Plant and machinery
IT systems
Other
Insurance expense
Security expenses
Rent
Rates and taxes
Advertising and business promotion
Collection charges
Travelling and conveyance
Communication costs
Legal and professional fees
Management fees
Director's sitting fees
Payment to auditors (refer note A below)
Donation
CSR expenditure (refer note B below)
Loss on account of foreign exchange fluctuations (net)
Provision for bad and doubtful debts
Bad debts written off
Loss on sale of property, plant and equipment (net)
Property, plant and equipment written off
Provision for impairment of value of investments in shares of subsidiary company
Loss on sale of investment in subsidiaries
Interest receivable from PSF (SC) fund written off
Miscellaneous expenses

March 31, 2021	March 31, 2020
15.66	23.57
11.10	18.70
49.58	61.22
3.84	7.16
5.51	8.50
25.29	25.09
19.38	17.22
2.86	5.46
4.83	2.78
17.49	23.39
2.34	2.27
5.46	6.63
3.26	7.49
1.08	6.65
18.30	27.69
2.93	4.45
13.46	32.57
25.03	32.05
0.21	0.23
0.66	0.73
2.53	-
13.47	10.59
-	0.33
-	0.15
0.20	0.41
0.35	-
-	0.81
-	0.05
-	2.68
-	15.08
8.26	7.86
253.08	351.81



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A. Payment to Auditors

	March 31, 2021	March 31, 2020
As Auditor		
Audit fee	0.41	0.42
Tax Audit fee	0.11	0.13
Other services		
Other services (Including certification fee)*	0.97	1.10
Reimbursement of expenses	0.04	0.07
	1.53	1.72
Less: SSN issuance cost considered as an adjustment to borrowings	(0.87)	(0.99)
	0.66	0.73

*includes Rs.0.87 (March 31, 2020: Rs.0.99) towards assurance related services for issuance of SSN which are adjusted against borrowings.

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

	March 31, 2021	March 31, 2020
a) Gross amount required to be spent by the Company	13.47	10.59
b) Amount spent on:		
i) Construction / acquisition of any asset	-	3.64
ii) on purposes other than (i) above	13.47	6.95

32 Income tax
Statement of profit and loss:

	March 31, 2021	March 31, 2020
Current income tax	(0.74)	118.18
Minimum alternate tax credit entitlement	-	(51.70)
Deferred tax	(78.25)	(9.16)
	(78.99)	57.32
Less: Adjustments relating to previous year	0.74	1.08
Income tax expense / (credit) reported in the statement of profit or loss	(78.25)	58.40

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

	March 31, 2021	March 31, 2020
Profit / (loss) before tax	(230.04)	694.13
Tax at the applicable tax rate of 34.94% (March 31, 2020: 34.94%)	(80.39)	242.56
Adjustments		
Exempt income not included in calculation of tax	-	(200.08)
Expenses disallowed in calculation of tax	5.59	3.75
Reversal of deferred tax during tax holiday period u/s 80IA	2.25	8.43
Others	(5.70)	3.74
Total tax expense reported in the statement of profit and loss	(78.25)	58.40

Deferred tax

	Statement of profit or loss/OCI		Balance sheet	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deferred tax asset				
Unabsorbed business losses	(74.05)	-	74.05	-
MAT Credit asset	(0.17)	(51.70)	457.28	457.11
Capital work-in progress	(11.13)	(27.31)	42.36	31.23
Others	(3.17)	-	3.17	-
	(88.52)	(79.01)	576.86	488.34
Deferred tax liability				
Property, plant and equipment	10.10	18.15	(168.32)	(158.22)
Cash flow hedge reserve	(43.58)	61.78	(35.24)	(78.82)
	(33.48)	79.93	(203.56)	(237.04)
Net deferred tax assets	(122.00)	0.92	373.30	251.30

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



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Reconciliations of net deferred tax assets / (liabilities)

	March 31, 2021	March 31, 2020
Opening balance as at beginning of the year	251.30	252.22
Recognised in profit or loss	78.42	60.86
Recognised in OCI	43.58	(61.78)
	373.30	251.30

The Taxation Laws (Amendment) Ordinance, 2019 was issued by the Ministry of Finance, Government of India on 20 September 2019. Pursuant to the said Ordinance, the Company is entitled to avail revised tax rates from the financial year commencing 1 April 2019. However, on the basis of a detailed analysis of the provisions of the Ordinance, management has concluded that the Company shall avail revised tax rates after utilization of various tax credits that the Company is currently entitled for. Accordingly, these standalone financial statements for the year ended March 31, 2021 do not include any adjustments on account of changes in the corporate tax rates.

33 Components of other comprehensive income

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

For the year ended March 31, 2021

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve (net)	(242.73)	-	(242.73)
Effect of changes in foreign exchange rates	160.98	-	160.98
Deferred tax	43.58	-	43.58
Remeasurement gain on defined benefit plans	-	1.14	1.14
Closing balance	(38.17)	1.14	(37.03)

For the year ended March 31, 2020

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve	625.77	-	625.77
Effect of changes in foreign exchange rates	(430.65)	-	(430.65)
Deferred tax	(61.78)	-	(61.78)
Remeasurement gain on defined benefit plans	-	(1.23)	(1.23)
Closing balance	133.34	(1.23)	132.11

34 Earnings per equity share (EPES)

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

	March 31, 2021	March 31, 2020
Profit/ (loss) attributable to equity holders of the company	(151.05)	636.81
Weighted average number of equity shares used for computing Earning Per Share (Basic & Diluted)	378,000,000	378,000,000
Earnings per share (Basic and Diluted) (Rs.)	(4.00)	16.85
Face value per share (Rs.)	10.00	10.00



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35 Capital work-in-progress

	March 31, 2021	March 31, 2020
Capital expenditure incurred on property, plant and equipment	1,753.67	983.35
Legal and professional expense	154.69	105.16
Employee benefits expense	1.38	0.75
Travelling and conveyance	1.81	1.24
Finance costs	471.17	214.80
Total (i)	2,382.72	1,305.30
Less:-		
Interest income from bank deposit	(125.37)	(95.75)
Interest income on security deposit paid	(2.35)	(1.24)
Total (ii)	(127.72)	(96.99)
Net capital work-in-progress (i-ii)	2,255.00	1,208.31

During the year ended March 31, 2021, the following expenses of revenue nature are capitalized to the capital work-in-progress (CWIP). Consequently, expenses disclosed under the other expenses are net of amounts capitalized by the Company.

	March 31, 2021	March 31, 2020
Opening balance (A)	224.95	83.02
Expense:		
Legal and professional expense	53.31	83.75
Employee benefit expense	0.63	0.40
Travelling and conveyance	0.57	0.78
Finance cost	256.37	231.53
Total (B)	310.88	316.46
Less:		
Interest income from bank deposit	(29.62)	(95.75)
Interest income on security deposit paid	(1.11)	(1.24)
Total (C)	(30.73)	(96.99)
Less: Capitalised during the year (D)	(3.77)	(77.54)
Closing balance (E=A+B-C-D)	501.33	224.95

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

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

	March 31, 2021	March 31, 2020
Contribution to provident fund	4.88	5.02
Contribution to ESI and Labour welfare fund	0.18	0.19
Contribution to superannuation fund	2.23	2.49
	7.29	7.70

b) Defined benefit plans:

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life insurance Corporation of India and liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service subject to a maximum limit of Rs. 0.20 (March 31, 2020: 0.20).

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

Net employee benefit expense (recognized in employee benefits expense):

	March 31, 2021	March 31, 2020
Current service cost	1.38	1.13
Interest cost on net Defined Benefit Obligation (DBO)	0.28	0.12
Net benefit expense	1.66	1.25



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

	March 31, 2021	March 31, 2020
Actuarial (gain)/loss due to DBO experience	(0.79)	(0.56)
Actuarial (gain)/loss due to DBO assumption changes	-	0.65
Return on plan assets (greater)/less than discount rate	(0.35)	1.14
Actuarial (gains)/ losses recognized in OCI	(1.14)	1.23

Amounts recognised in the Balance sheet are as follows:

	March 31, 2021	March 31, 2020
Fair value of plan assets	7.12	7.25
Defined benefit obligation	(11.28)	(11.39)
Plan (liability)/ asset	(4.16)	(4.14)

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

	March 31, 2021	March 31, 2020
Opening defined benefit obligation	11.39	9.72
Interest cost	0.74	0.70
Current service cost	1.38	1.13
Benefits paid	(1.00)	(0.95)
Actuarial losses /(gains) on obligation	(0.44)	(0.56)
Acquisition cost	(0.79)	0.70
Actuarial losses/ (gain) on financial assumption	-	0.65
Closing defined benefit obligation	11.28	11.39

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

	March 31, 2021	March 31, 2020
Opening fair value of plan assets	7.25	7.50
Expected return on plan assets	0.46	0.58
Contributions by employer	0.06	0.56
Return on plan assets greater/(lesser) than discount rate	0.35	(1.14)
Acquisition adjustment	-	0.70
Benefits paid	(1.00)	(0.95)
Closing fair value of plan assets	7.12	7.25

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

	March 31, 2021	March 31, 2020
Investments with insurer	100%	100%

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

	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Rate of compensation increase	6.00%	6.00%
Employee turnover	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption is shown below:

	March 31, 2021	March 31, 2020
Discount rate		
Effect due to 1% increase in discount rate	(0.80)	(0.80)
Effect due to 1% decrease in discount rate	0.93	0.92
Attrition rate		
Effect due to 1% increase in attrition rate	0.04	0.05
Effect due to 1% decrease in attrition rate	(0.05)	(0.06)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	0.80	0.77
Effect due to 1% decrease in salary increase rate	(0.73)	(0.70)

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



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36 Retirement and other employee benefits: (continued)

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

	March 31, 2021	March 31, 2020
with-in one year	0.98	1.43
between one to two years	1.18	0.88
between two to three years	0.87	1.26
between three to five years	3.26	2.66
between five to ten years	8.00	8.59

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2020: 10 years).

37 Reimbursement of expenses claimed by the Company from the concessionaries and other vendors based on the contractual arrangements have been reduced from the respective expense head as mentioned in the table below:

Expense head	March 31, 2021	March 31, 2020
Electricity and water charges	62.10	58.43
Salaries, wages and bonus	7.42	6.91
Staff welfare expenses	1.57	3.28
Insurance	-	0.05
Rates and taxes	0.21	0.25
Miscellaneous expenses	7.66	0.44
Rent	0.53	0.48
Travelling and conveyance	0.45	1.30
Repairs and maintenance	7.75	3.45
Office maintenance expense	-	0.19
	87.69	74.78

38 Segment reporting

Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). As per the evaluation carried out by CODM, the Company has only one reportable business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in these standalone financial statements relate to the Company's single business segment.

Major Customers: Revenue from one customer of the Company is approximately Rs. 105.70 out of revenue from operations of the Company for the year ended March 31, 2021 (March 31, 2020: Rs. 323.44).

39 During the financial year ended 2019, the Company had entered into a term loan facility arrangement with Yes Bank Limited ("YBL" or "Bank"), to avail term loan of Rs. 4,200, and had incurred an up-front processing fee of Rs. 63. However, in view of certain developments, the Bank expressed its inability to extend the loan, and accordingly on April 21, 2020, the arrangement was terminated. Further YBL vide their letter dated June 9, 2020 acknowledged the receipt of request from the Company for refund of the aforesaid up-front fees and to present the Company's request to the appropriate committees for approvals. Further, management has obtained legal opinion from an independent lawyer regarding the Company's right to receive the refund of upfront fee. In view of the above and on the basis of on-going discussions with the Bank officials, management is confident of the recovery of the said amount in full, and accordingly, no adjustment were considered necessary in the accompanying standalone financial statements for the year ended March 31, 2021.**40 Disclosure on changes in financing liabilities**

	Current borrowings	Non-current borrowings	Assets held to hedge
Balance as on 1 April 2019	9.94	2,704.95	239.24
Cash flows, net	9.98	2,054.18	165.95
Amortization of borrowing cost	-	(21.54)	-
Effect of changes in foreign exchange rates	-	430.65	-
Finance cost	-	-	191.13
Change in fair values	-	-	268.70
Balance as on 31 March 2020	19.92	5,168.24	865.02
Cash flows, net	151.40	2,188.29	(192.31)
Amortization of borrowing cost	-	(26.39)	-
Effect of changes in foreign exchange rates	-	(160.98)	-
Finance cost	-	-	209.26
Change in fair values	-	-	(259.79)
Balance as on 31 March 2021	171.32	7,169.16	622.18



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41 Related party transactions**a) Names of related parties and nature of relationship**

Nature of relationship	Name of the related party
Holding company	GMR Airports Limited (GAL)
GAL's holding company	GMR Infrastructure Limited (GIL)
Ultimate holding company	GMR Enterprises Private Limited (GEPL)
Subsidiary companies	GMR Hyderabad Aerotropolis Limited (GHAL) GMR Hyderabad Aviation SEZ Limited GMR Hospitality and Retail Limited GMR Air Cargo and Aerospace Engineering Limited GMR Aero Technic Limited Hyderabad Airport Security Services Limited (HASSL)** GMR Hyderabad Airport Assets Limited (incorporated w.e.f November 25, 2020) GMR Hyderabad Airport Power Distribution Limited @
Fellow subsidiary companies	GMR Aviation Private Limited Delhi International Airport Limited GMR Highways Limited GMR Corporate Affairs Private Limited GMR Airport Developers Limited Kakinada SEZ Limited GMR Aerostructure Services Limited GMR Hyderabad Vijayawada Expressways Private Limited GMR Business Process and Services Private Limited GMR Energy Trading Limited GMR Goa International Airport Limited GMR Pochanpalli Expressways Limited Raxa Security Services Limited
Shareholders having significant influence	Government of Telangana Airports Authority of India Malaysia Airports Holdings Berhad MAHB (Mauritius) Private Limited.
Key Management Personnel (KMP)	Mr. G M Rao, Executive Chairman Mr. GBS Raju – Managing Director Mr. SGK Kishore – Chief Executive Officer (till June 14, 2020) Mr. Pradeep Panicker – Chief Executive Officer (w.e.f June 15, 2020) Mr. Rajesh Arora – Chief Financial Officer (till May 31, 2019) Mr. Anand Kumar Polamada - Chief Financial Officer (w.e.f June 1, 2019) Mr. Anup Kumar Samal - Company Secretary Mr. Srinivas Bommidala – Director Mr. HJ Dora – Director Mr. Grandhi Kiran Kumar– Director Mr. C Prasanna – Director Mr. Venkatramana Hegde – Director (till July 30, 2020) Mr. IN Murthy – Director Mr. K Ramakrishna Rao IAS – Director Mr. Jayesh Ranjan IAS – Director Mr. Raja Azmi bin Raja Nazuddin – Director (till February 10, 2020) Mr. Mohd Shukrie bin Mohd Salleh- Additional Director w.e.f June 15, 2020 Mr. RSSLN Bhaskarudu- Independent Director Mr. Joyanta Chakraborty -Director (w.e.f March 16, 2021) Mr. NC Sarabeswaran- Independent Director Mrs. Siva Kameswari Vissa -Independent Director Mr. Madhu Ramachandra Rao – Independent Director
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
Joint Venture of GHAL	GMR Logistics Park Private Limited #
Joint Venture of GIL	GMR Vemagiri Power Generation Limited
Associate of GIL	GMR Rajahmundry Energy Limited
Enterprises where KMP and their relatives exercise significant influence	GMR Varalakshmi Foundation
Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India Private Limited



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41 Related party disclosures (continued)

** Hyderabad Airport Security Services Limited ("HASSL") got voluntary liquidated under section 59 and other applicable provisions of the Insolvency and Bankruptcy Code of India, 2016 and the Companies Act, 2013, as per the order from National Company Law Tribunal (NCLT) vide its order dated September 13, 2019.

@ An application (Form STK-2) was made on February 25, 2020 with the Registrar of Companies (ROC), Telangana seeking its approval for removal of name of GMR Hyderabad Airport Power Distribution Limited (GHAPDL) from the Register of Companies. On March 13, 2021 the Company got the confirmation from ROC regarding strike off of the name in records of the ROC and from that date GHAPDL stands dissolved.

GMR Hyderabad Aerotropolis Limited (GHAL) has formed a joint venture with ESR Hyderabad 1 Pte Limited (ESR), and as part of this agreement, ESR & GHAL have entered into definitive agreements with an equity interest of 70% and 30% respectively in the SPV viz., GMR Logistics Park Private Limited (GLPPL). Consequently, GLPPL ceased to be a subsidiary effective April 16, 2020.

b) Transactions with related parties

	March 31, 2021	March 31, 2020
Services received		
Raxa Security Services Limited	21.89	24.88
GMR Hospitality and Retail Limited	0.11	0.38
Airports Authority of India	0.01	0.03
GMR Aviation Private Limited	-	5.84
GMR Airport Developers Limited	22.62	26.41
GMR Infrastructure Limited	10.21	10.35
GMR Airports Limited	15.08	22.57
Laqshya Hyderabad Airport Media Private Limited	0.13	0.23
GMR Corporate Affairs Private Limited	-	0.39
Delhi International Airport Limited	0.00	-
Investment made during the year		
GMR Air Cargo and Aerospace Engineering Limited	-	25.50
GMR Hyderabad Aerotropolis Limited	-	33.00
Security deposit (paid) /received		
GMR Air Cargo and Aerospace Engineering Limited	(0.30)	(0.10)
GMR Airport Developers Limited	10.00	-
Income from operations		
GMR Air Cargo and Aerospace Engineering Limited	18.09	24.52
GMR Hospitality and Retail Limited	12.39	57.82
Airports Authority of India	0.19	0.43
GMR Aviation Private Limited	0.00	0.02
GMR Infrastructure Limited	0.02	0.01
GMR Hyderabad Aviation SEZ Limited	2.24	2.67
Laqshya Hyderabad Airport Media Private Limited	10.99	34.01
Kakinada SEZ Limited	0.23	0.23
GMR Airport Developers Limited	0.22	0.17
GMR Hyderabad Aerotropolis Limited	16.22	0.95
GMR Airports Limited	-	0.27
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.04	0.10
GMR Highways Limited	0.06	0.25
GMR Varalakshmi Foundation	0.40	0.38
GMR Business Process and Services Private Limited	3.18	3.16
Delhi International Airport Limited	0.01	0.01
Dividend income received from subsidiary		
GMR Air Cargo and Aerospace Engineering Limited	-	1.08
Unsecured loan adjusted against the investment on liquidation		
Hyderabad Airport Security Services Limited	-	12.50
Unsecured loan repaid during the year		
Hyderabad Airport Security Services Limited	-	0.47
Unsecured loan given		
GMR Hyderabad Aerotropolis Limited	-	55.56
GMR Infrastructure Limited	9.95	200.00



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b) Transactions with related parties (continued)

	March 31, 2021	March 31, 2020
Unsecured loan received back		
Laqshya Hyderabad Airport Media Private Limited	-	0.32
GMR Hyderabad Aerotropolis Limited	32.00	17.00
GMR Infrastructure Limited	9.95	-
Interest on unsecured loan given		
GMR Hospitality and Retail Limited	4.23	4.24
GMR Hyderabad Aerotropolis Limited	5.01	3.59
GMR Infrastructure Limited	22.27	7.90
Interest on delayed payments from customers		
GMR Energy Trading Limited	-	0.01
Laqshya Hyderabad Airport Media Private Limited	-	0.15
GMR Aviation Private Limited	0.00	0.00
Purchase of capital asset / services for Capital work-in-progress:		
GMR Hospitality and Retail Limited	0.00	0.11
GMR Airport Developers Limited	42.47	52.41
Airports Authority of India	-	0.02
Sale of property, plant and equipment		
GMR Air Cargo and Aerospace Engineering Limited	26.79	-
Corporate guarantee given on behalf of the subsidiaries		
GMR Hyderabad Aviation SEZ Limited	5.92	15.00
GMR Hyderabad Aerotropolis Limited	50.00	25.00
GMR Air Cargo and Aerospace Engineering Limited	30.00	-
CSR expenditure		
GMR Varalakshmi Foundation	10.97	10.59
Straight lining of lease rental income		
GMR Hospitality and Retail Limited	0.19	1.54
GMR Air Cargo and Aerospace Engineering Limited	5.18	0.01
Laqshya Hyderabad Airport Media Private Limited	(0.00)	0.02
GMR Business Process & Services Private limited	0.04	0.04
GMR Highways Limited	(0.00)	0.00
GMR Airport Developers Limited	0.00	0.01
GMR Varalakshmi Foundation	0.02	0.04
Raxa Security Services Limited	(0.00)	0.00
Interest cost as per Ind AS 116		
GMR Family Fund Trust	0.41	0.35
Government of Telangana	8.52	8.52
Sri Varalakshmi Jute Twine Mills Private Limited	0.30	0.24
Corporate guarantee commission income:		
GMR Hospitality and Retail Limited	0.15	0.15
GMR Air Cargo and Aerospace Engineering Limited	0.59	0.54
GMR Hyderabad Aerotropolis Limited	0.11	0.06
GMR Hyderabad Aviation SEZ Limited	0.11	0.07
Advance received from customer		
GMR Air Cargo and Aerospace Engineering Limited	25.42	-
Laqshya Hyderabad Airport Media Private Limited	7.00	-
Income on amortization of deposit received		
GMR Air Cargo and Aerospace Engineering Limited	0.20	0.05
GMR Infrastructure Limited	0.00	0.00
GMR Hospitality and Retail Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.06	0.05
GMR Varalakshmi Foundation	0.01	0.02
Interest income on amortization of deposit paid:		
Raxa Security Services Limited	0.16	0.15
Sri Varalakshmi Jute Twine Mills Private Limited	0.01	0.01
GMR Family Fund Trust	0.03	0.03



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b) Transactions with related parties (continued)**Interest expense on amortization of deposit received:**

GMR Air Cargo and Aerospace Engineering Limited

GMR Infrastructure Limited

GMR Hospitality and Retail Limited

Laqshya Hyderabad Airport Media Private Limited

GMR Varalakshmi Foundation

Amortisation of expense on deposit paid

Raxa Security Services Limited

Reimbursement of expenses claimed by the Company during the year from its related parties

GMR Infrastructure Limited

Laqshya Hyderabad Airport Media Private Limited

Kakinada SEZ Limited

Delhi International Airport Limited

GMR Hyderabad Aviation SEZ Limited

GMR Airports Limited

GMR Hospitality and Retail Limited

GMR Air Cargo and Aerospace Engineering Limited

Airports Authority of India

GMR Hyderabad Aerotropolis Limited

GMR Airport Developers Limited

GMR Highways Limited

Raxa Security Services Limited

GMR Varalakshmi Foundation

Geokno India Private Limited

GMR Business Process and Services Private Limited

GMR Pochanpalli Expressways Limited

GMR Goa International Airport Limited

Reimbursement of expenses claimed from the Company during the year by its related parties

GMR Hospitality and Retail Limited

GMR Airports Limited

Delhi International Airport Limited

GMR Air Cargo and Aerospace Engineering Limited

Dividend paid

GMR Airport Limited

GMR Infrastructure Limited

MAHB (Mauritius) Private Limited

Malaysia Airports Holdings Berhad

Government of Telangana

Airports Authority of India

Remuneration paid to Key managerial personnel

Short term employee benefits

Sitting fees

March 31, 2021 **March 31, 2020**

0.02 0.04

0.00 -

0.00 0.00

0.04 0.04

0.01 0.01

0.16 0.14

0.00 0.01

0.50 1.10

0.06 0.06

0.01 1.63

16.20 15.31

0.02 0.14

5.45 7.88

4.83 4.92

3.11 3.43

7.87 7.37

1.70 1.30

0.08 0.05

0.01 0.00

0.04 0.07

0.00 0.00

0.27 0.59

0.02 -

- 0.02

0.04 0.03

- 0.21

0.12 0.11

- 0.01

- 59.53

- 0.00

- 10.39

- 0.00

- 12.29

- 12.29

7.46 14.20

0.21 0.23



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c) Outstanding balances at the end of the year

	March 31, 2021		March 31, 2020	
	Non-Current	Current	Non-Current	Current
Balance recoverable/(payable)				
GMR Air Cargo and Aerospace Engineering Limited	-	(19.12)	-	2.91
GMR Aerostructure Services Limited	-	0.03	-	0.03
Raxa Security Services Limited	-	(4.37)	-	(4.79)
Airports Authority of India	-	3.46	-	5.02
GMR Infrastructure Limited	-	(1.00)	-	(2.32)
Delhi International Airport Limited	-	(0.11)	-	1.66
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Airports Limited	-	(4.59)	-	(5.90)
GMR Hospitality and Retail Limited	-	15.98	-	3.85
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	0.00	-	0.01
GMR Hyderabad Aviation SEZ Limited	-	15.35	-	15.29
GMR Airport Developers Limited	-	(5.99)	-	(10.83)
Laqshya Hyderabad Airport Media Private Limited	-	(5.55)	-	0.86
Kakinada SEZ Limited	-	0.01	-	0.69
GMR Hyderabad Aerotropolis Limited	-	15.22	-	1.75
GMR Varalakshmi Foundation	-	0.59	-	(0.03)
GMR Vemagiri Power Generation Limited	-	0.00	-	0.00
GMR Highways Limited	-	0.25	-	0.26
Geokno India Private Limited	-	0.84	-	0.81
GMR Business Process and Services Private Limited	-	1.05	-	1.66
GMR Pochanpalli Expressways Limited	-	0.001	-	-
GMR Goa International Airport Limited	-	-	-	0.02
Security deposit receivable/(payable)				
GMR Air Cargo and Aerospace Engineering Limited	-	-	(0.17)	(0.13)
GMR Infrastructure Limited	-	(0.04)	-	(0.04)
GMR Hospitality and Retail Limited	(0.00)	(0.01)	(0.00)	(0.01)
Laqshya Hyderabad Airport Media Private Limited	(0.39)	-	(0.34)	(0.02)
GMR Varalakshmi Foundation	(0.11)	-	(0.10)	-
Raxa Security Services Limited	-	1.69	-	1.70
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.10	0.09	-
GMR Family Fund Trust	-	0.36	0.33	-
GMR Airport Developers Limited	-	4.65	4.64	8.92
Loans given				
GMR Hospitality and Retail Limited	42.33	-	42.33	-
GMR Hyderabad Aerotropolis Limited	-	40.00	40.00	32.00
GMR Infrastructure Limited	-	200.00	-	200.00
Lease Liabilities				
GMR Family Fund Trust	(2.46)	-	(0.47)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(1.77)	-	(0.34)	-
Government of Telangana	(76.98)	-	(74.26)	-
Borrowings				
Government of Telangana	(315.05)	-	(315.05)	-

d) Outstanding guarantees/pledge of equity shares at the end of the year

	March 31, 2021	March 31, 2020
Pledge of equity shares (face value) with banks against the loan taken by the subsidiary		
GMR Hospitality and Retail Limited	32.90	32.90
Corporate guarantee given on behalf of its subsidiaries to banks against the loan taken		
GMR Hospitality and Retail Limited	108.09	115.63
GMR Air Cargo and Aerospace Engineering Limited	304.10	275.00
GMR Hyderabad Aviation SEZ Limited	82.12	73.43
GMR Hyderabad Aerotropolis Limited	110.12	64.01
Bank guarantee given on behalf of its subsidiary		
GMR Hyderabad Aerotropolis Limited	1.53	1.53



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42 Leases**(a) Company as a lessee**

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

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

Recognition on account of adoption of Ind AS 116 effective April 1, 2019

Additions

Depreciation

Balance as at March 31, 2020

Additions on account of modification in the terms of contract

Depreciation

Balance as at March 31, 2021

Category of ROU asset		Total
Land	Building	
67.43	9.73	77.16
-	-	-
(1.38)	(1.37)	(2.75)
66.05	8.36	74.41
-	3.67	3.67
(1.38)	(1.31)	(2.69)
64.67	10.72	75.39

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

Current lease liabilities

Non-current lease liabilities

March 31, 2021	March 31, 2020
-	-
89.15	82.70
89.15	82.70

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

Balance as at the beginning of the year

Movement:

Additions on account of modification in the terms of contract

Finance cost accrued during the year

Payment of lease liabilities

Balance at the end of the year

March 31, 2021	March 31, 2020
82.70	76.54
3.67	-
8.23	7.76
(5.45)	(1.60)
89.15	82.70

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

Depreciation/amortisation on right to use asset

Interest on lease liability

Expenses related to short term lease (included under other expenses)

Total amount recognized in the statement of profit and loss

March 31, 2021	March 31, 2020
2.69	2.75
8.23	7.76
2.34	2.27
13.26	12.78

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

Within one year

After one year but not more than five years

More than five years

March 31, 2021	March 31, 2020
9.88	9.41
26.80	23.55
725.47	727.57

(b) Company as a lessor

The Company has sub-leased land to various parties under operating leases having a term of 9 to 30 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiable.

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

Within one year

After one year but not more than five years

More than five years

March 31, 2021	March 31, 2020
50.44	37.11
148.23	106.45
157.72	109.20



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43 Fair values

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

	Carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
I. At fair value through Profit or loss				
Investments in mutual funds	443.70	281.69	443.70	281.69
II. At fair value through Other comprehensive income				
<i>Cash flow hedges (refer note V(a))</i>				
Cross currency swap	466.25	702.08	466.25	702.08
Coupon only swap	0.00	31.92	0.00	31.92
Call spread option	155.93	131.02	155.93	131.02
III. At amortized cost				
Investments in commercial paper	528.87	880.72	528.87	880.72
Loans	313.13	347.92	313.13	347.92
Trade receivables	111.10	119.00	111.10	119.00
Cash and cash equivalents	667.86	247.99	667.86	247.99
Bank balances other than cash and cash equivalents	1,462.02	655.65	1,462.02	655.65
Other financial assets	132.01	141.23	132.01	141.23
	4,280.87	3,539.22	4,280.87	3,539.22
Financial liabilities				
IV. At amortized cost				
Borrowings	7,340.48	5,188.16	7,381.25	4,119.03
Other financial liabilities	909.26	925.92	909.01	925.62
Lease liabilities	89.15	82.70	89.15	82.70
Trade payables	85.96	105.98	85.96	105.98
	8,424.85	6,302.76	8,465.37	5,233.33

V. Assumption used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumption were used to estimate the fair values:

- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at March 31, 2021, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.
- The fair values of quoted mutual funds are based on price quotations at the reporting date.
- The fair value of borrowings is based on the traded price of the bond and the prevailing exchange rate.
- Management has assessed that cash and cash equivalent, trade receivables, trade payables, other bank balances and other current liabilities balances approximate their carrying amounts largely due to the short-term maturities of these instruments, hence the carrying value is considered to be the same as its fair value.

44 Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities as at the reporting date.

	Fair value measurement using		
	Market prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value as at March 31, 2021			
Investment in mutual funds	443.70	-	-
Derivatives designed as Cash flow hedge	-	622.18	-
	443.70	622.18	-
Assets measured at fair value as at March 31, 2020			
Investment in mutual funds	281.69	-	-
Derivatives designed as Cash flow hedge	-	865.02	-
	281.69	865.02	-

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



Summary of significant accounting policies and other explanatory information

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45 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents are derived from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management team that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, investments, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

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

The assumptions made in calculating the sensitivity analyses are:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2021 and March 31, 2020.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates as the Company's long-term debt obligations are in the form of Senior Secured Notes ("SSN") with fixed interest rate of 4.25% p.a., 5.375% p.a. and 4.75% p.a. on total amount of USD 350 million, USD 300 million and USD 300 million respectively. 4.25% SSN has been swapped for 8.65% p.a. (weighted average of all Cross Currency Swap (CCS) contracts) on INR notional of Rs. 2,229.95; the interest obligation on 5.375% SSN has been swapped for 6.05% p.a. (weighted average of all Coupon Only Swap (COS) contracts) on INR notional of Rs. 2,094.48; and interest obligation on 4.75% SSN has been swapped for 5.41% p.a. (weighted average of all COS contracts) on INR notional of Rs. 2,188.29.

The exposure of the Company's short-term borrowings to interest rate changes as at the end of the reporting period for actual outstanding balances is not significant and therefore, any change in interest rate will not materially impact the reported profit / loss for the period.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings as enumerated above. However, the Company has hedged its borrowings through cross currency swaps, call option spread and coupon only swap and designated the same as cash flow hedge.

Cash flow hedges

Foreign exchange derivative instruments measured at fair value through OCI are designated as hedging instruments in cash flow hedges to hedge the USD INR conversion rate volatility with reference to the cash outflows on settlement of its borrowings and related interest payments designated in USD. The fair value of derivative instruments varies with the changes in foreign exchange rates.

	March 31, 2021		March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts designated as hedging instruments				
Cross currency swap	466.25	-	702.08	-
Coupon only swap	0.00	-	31.92	-
Call spread option	155.93	-	131.02	-



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Foreign currency sensitivity

The Company's exposure to unhedged foreign currency risk at the end of the reporting period expressed in foreign currency is as follows:

Foreign Currency	March 31, 2021		March 31, 2020	
	Foreign Currency	Rs. (in Crore)	Foreign Currency	Rs. (in Crore)
EUR	(455,432)	(3.91)	(434,624)	(3.60)
CHF	-	-	(11,160)	(0.09)
GBP	(25,000)	(0.25)	-	-
USD	(2,927,871)	(21.41)	(635,933)	(4.81)

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is as under.

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2021	March 31, 2020
EUR	Change in fair valuation of financial	5%	0.20	0.18
USD	liabilities	5%	1.07	0.24

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any services to major customers are generally covered by bank guarantee or other forms of credit assurance.

Financial instruments (security deposits) and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's senior management on regular basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Exposure to credit risk also includes bank guarantees provided to subsidiary companies.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts of trade receivables and bank guarantees provided to subsidiary companies.

Liquidity risk

The Company monitors its risk of a shortage of funds using a rolling cash flow forecasts. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities, long-term loans and finance leases. The Company's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. Approximately, 2.31% of the Company's debt will mature in less than one year at March 31, 2021 (March 31, 2020: 0.37%) based on the outstanding amount of borrowings reflected in these standalone financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

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

	On Demand	Up to 1 year	1 to 5 years	> 5 years	Total
Year ended March 31, 2021					
Borrowings	-	171.32	4,575.63	2,684.87	7,431.82
Lease liabilities	-	9.88	26.80	725.47	762.15
Trade payables	-	85.96	-	-	85.96
Other financial liabilities	-	727.91	155.30	61.84	945.05
Guarantees	605.96	-	-	-	605.96
Total	605.96	995.07	4,757.73	3,472.18	9,830.94
Year ended March 31, 2020					
Borrowings	-	19.92	2,585.00	2,648.28	5,253.20
Lease liabilities	-	9.41	23.55	727.57	760.53
Trade payables	-	105.97	-	-	105.97
Other financial liabilities	-	707.66	182.22	90.11	979.99
Guarantees	529.60	-	-	-	529.60
Total	529.60	842.96	2,790.77	3,465.96	7,629.29



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46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt (excluding lease liabilities) divided by total equity plus debt. The Company's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

	March 31, 2021	March 31, 2020
Borrowings (A)	7,340.48	5,188.16
Share Capital	378.00	378.00
Other equity	1,755.06	1,943.14
Total equity (B)	2,133.06	2,321.14
Total equity and total debt (C=A+B)	9,473.54	7,509.30
Gearing ratio (A/C)	77%	69%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

47 Commitments and Contingencies**I Contingent liabilities not provided for:**

	March 31, 2021	March 31, 2020
In respect of income tax matters [refer (a) below]	24.70	13.60
In respect of service tax matters [refer (b) below]	35.47	35.47
Claim against the Company not acknowledged as debt [refer (d), (e) and (f) below]	149.35	149.01
In respect of other matters [refer (c) below]	25.20	25.20

- (a) Pursuant to the income tax assessment for the years mentioned below, the Company had received various demands from the income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities, including favourable judgements received by the Company from lower appellate authorities and the necessary advice received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to these standalone financial statements in this regard. The details of the relevant financial year which is subject to the dispute and the amount of demanded is as follows:

Disputed tax amount

	March 31, 2021	March 31, 2020
Pending with the Hon'ble High Court of Karnataka		
A.Y.2013-14 [Disallowed under 115JB]	3.38	3.38
Pending with Income Tax Appellate Tribunal, Bangalore ("ITAT")		
A.Y.2014-15 [Disallowed under 115JB]	3.76	3.76
A.Y.2016-17 [Disallowed under 115JB]	6.46	6.46
Pending with Commissioner of Income Tax (Appeals) ("CIT(A)")		
A.Y.2017-18 [Disallowed under 115JB]	4.76	-
A.Y.2018-19 [Disallowed under 115JB]	6.34	-

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

	March 31, 2021	March 31, 2020
Pending with the Hon'ble High Court of Karnataka	Note	Note
A.Y. 2008-09 to A.Y. 2013-14	109.04	109.04
Pending with the Assessing Officer		
A.Y. 2009-10	6.85	6.85
Pending with ITAT		
A.Y. 2009-10 to A.Y. 2016-17	96.33	103.18
Pending with CIT (A)		
A.Y. 2013-14 to A.Y. 2018-19	41.99	26.47

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



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(b) Disputed service tax matters

	March 31, 2021	March 31, 2020
Irregular availment of the cenvat credit, pending with Hon'ble High Court of Telangana*	24.84	24.84
Penalty equivalent to service tax levy on delay in payment of service tax on the user development fee, pending with Hon'ble Supreme Court	7.43	7.43
Irregular availment of cenvat credit and non-payment of service tax on recovery of electricity and water charges from its concessionaires, pending with CESTAT Hyderabad*	3.20	3.20

*including penalty amount.

(c) The Company had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 (March 31, 2020: Rs. 25.20). The Company had received the stay order from Hon'ble High Court of Telangana against the said order in the earlier years.

(d) The Company had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. The Company had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2021 amounts to Rs. 5.30 (March 31, 2020: Rs. 4.96).

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

(i) The Ministry of Civil Aviation (MoCA) had issued orders in 2014, requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) towards (a) procurement and maintenance of security systems/equipment; (b) construction of other long lived assets (refer note (ii) below) and (c) payment of interest etc. The Company had used approximately Rs.142.00 towards the above expenses, excluding related maintenance expense, other costs and interest thereon till March 31, 2018 which is presently unascertainable. Management is of the opinion that the utilisation of funds from PSF(SC) escrow account is consistent with the Standard Operating Procedures, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

As the above order, in management's opinion, is contrary to and inconsistent with SOPs, guidelines and clarification issued by the MoCA from time to time in this regard, the Company had challenged the said order before the Hon'ble High court of Andhra Pradesh. The Hon'ble High Court, vide its order dated March 3, 2014 followed by further clarifications dated April 28, 2014 and December 24, 2014, stayed the MoCA order with an undertaking that, in the event the decision of the writ petition goes against the Company, it shall restore the PSF (SC) Fund to this extent.

Based on the internal assessment, Management of the Company is of the view that no further adjustments are required to be made to the accompanying standalone financial statements, in this regard.

(ii) As per the advice from the Ministry of Home Affairs and the SOP's issued by the MoCA on March 06, 2002, the Company, through its erstwhile wholly owned subsidiary, Hyderabad Airport Security Services Limited (HASSL) constructed the residential quarters for Central Industrial Security Force (CISF) deployed at the airport. After completion of such construction, the total construction cost including the cost of land and related finance cost amounting to Rs. 113.73 was debited to the PSF (SC) Fund with corresponding intimation to the MoCA. The Comptroller & Auditor General, during their audits of PSF (SC) Fund, observed that, the Company had not obtained prior approval from the MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by the MoCA. However, Management of the Company is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached the MoCA for approval of such debit notes to the PSF (SC) Fund account. Further, the Company had requested the MoCA to advise the Airport Economic Regulatory Authority (AERA) for considering the cost of construction, land and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Airport. Pending final instructions from the MoCA, residential quarters continue to be accounted under the PSF (SC) Fund and no adjustments have been made to the accompanying standalone financial statements.

(f) Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 (March 31, 2020: Rs. 2.05).

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

Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (a) to (g) above, no further provision is required to be made as at March 31, 2021.

II Guarantees including financial guarantees

a) In case of the Company, bank guarantees outstanding in respect of Customs Duty and others Rs. 60.42 (March 31, 2020: Rs. 48.95).

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

b) Corporate guarantees amounting to Rs. 604.43 (March 31, 2020: Rs. 528.07) have been extended by the Company.

III Commitments**a) Capital commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounting to Rs. 1,938.73 (March 31, 2020: Rs. 2,596.07).

b) Other commitments :

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

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



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III Commitments (continued)

iii) During previous years, the Company had entered into "Cross Currency Swap" with various banks in order to hedge principal portion and to protect interest component of 4.25% senior secured notes (2027 SSN) of USD 350 million which is repayable in October 2027, with interest payable on semi-annually basis. Further the Company had also entered into "Call Spread (CS)" arrangements in order to hedge principal portion of 5.375% senior secured notes (2024 SSN) for USD 300 million which is repayable in April 2024 and "Coupon Only Swap" (COS) to hedge the payment of interest liability on semi-annually basis.

iv) During the year, the Company has also entered into "Call Spread (CS)" arrangements in order to hedge principal portion of 4.75% senior secured notes (2026 SSN) for USD 300 million which is repayable in February 2026 and "Coupon Only Swap" (COS) to hedge the payment of interest liability on semi-annually basis.

48 Significant accounting judgments, estimates and assumptions

The preparation of these standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which has the effect on the amounts recognised in these standalone financial statements:

Discounting rate

The Company has considered incremental borrowing rate of Airport sector as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost till March 31, 2018. From period starting from April 01, 2018, management has considered revised incremental borrowing rate of airport sector for all the deposits given/received post March 31, 2018; and impact has been duly accounted in these standalone financial

Non applicability of Service Concession Agreement (SCA)

The Company had entered into Concession agreement with the Ministry of Civil Aviation ("MoCA"), which gives the Company an exclusive right of development, design, financing, construction, commissioning, maintenance, operation and management of the Hyderabad Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years at the option of the Company. Under the agreement, the MoCA has granted exclusive right and authority to perform some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, up gradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Airport activities' (regulated services) and 'Non-Airport Activities' (non-regulated services). Airport Activities are regulated while there is no control over determination of prices for Non-Airport activities. Charges for Non-Airport activities are determined at the sole discretion of the Company.

Appendix D to Ind AS 115 contains provisions to cover arrangements between public and private enterprises- referred to as service concession arrangement ("SCA"). An entity is required to evaluate applicability of SCA for its arrangement under public to private partnership based on SCA guidance. The applicability of service concession depends whether the grantors control or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and also control the residual interest in the infrastructure.

The Company's management conducted detailed analysis to determine applicability of Appendix D of Ind AS 115. The concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from the Company, MoCA and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. Airport premises is being used both for providing regulated services and for providing non-regulated services. Based on the Company's proportion of regulated and non-regulated activities, the directors have determined that over the concession period, the unregulated business activities drives the economics of the arrangement and contributes substantially to the profits of the Company and hence concluded that SCA does not apply in its entirety to the Company.

Concession fee:

As per the Concession Agreement (CA), the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of GHIAL with certain specified exclusions.

Management of the Company is of the view that certain income / credits arising on adoption of Ind-AS, mark to market gain on valuation of derivative instruments and gain on restatement of long-term borrowings was not in contemplation of parties in December 2004 when this Concession Agreement was signed / entered. Further, these income/credits in statement of profit and loss along with interest income on investment of part proceeds from borrowings earmarked for airport expansion project and adjusted from the value of capital work-in-progress, do not represent actual receipts from business operations, from any external sources and therefore, these incomes/ credits should not be treated as "Revenue" for calculation of concession fee payable. Accordingly, the Company, basis above and Legal Opinion obtained in this regard, has provided the concession fee payable to MoCA after adjusting such incomes/credits.



48 Significant accounting judgments, estimates and assumptions (continued)

b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when these standalone financial statements were prepared, existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Contingencies

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial asset

The impairment provisions for financial assets are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets on unused tax losses and minimum alternate tax credit entitlement are recognised to the extent that it is probable that taxable profit will be available against which these amounts can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- 49 The accompanying standalone financial statements of the Company do not include Accounts for Passenger Service Fee - Security Component [PSF-(SC)] as the same are maintained separately in the fiduciary capacity by the Company on behalf of Government of India and are governed by the Standard Operating Procedure issued vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by Ministry of Civil Aviation, Government of India.

As per the MOCA notification, the PSF(SC) is replaced by Aviation Security Fee, effective July 1, 2019 and will be governed by the National Aviation Security Fee Trust.



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50. Determination of aeronautical tariff

The Company had filed an appeal, challenging the disallowance of pre-control period losses, foreign exchange loss on external commercial borrowings, classification of revenues from ground handling, cargo and fuel farm as aeronautical revenues and other issues for determination of aeronautical tariff for the First Control Period ("FCP") commencing from April 1, 2011 to March 31, 2016 by Airport Economic Regulatory Authority ("AERA"). During the previous year, the Adjudicating Authority, Telecom Disputes Settlement Appellate Tribunal (TDSAT), in its disposal order dated March 06, 2020 has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from April 01, 2021.

In relation to determination of tariff for the Second Control Period ("SCP"), commencing from April 1, 2016 to March 31, 2021, AERA had issued a consultation paper on December 19, 2017. However, as the aforesaid consultation paper does not address the issues arising out of the FCP, including true up for shortfall of receipt vis-a-vis entitlement for the FCP, GHIAL had filed a writ petition with the Hon'ble High Court at Hyderabad on February 6, 2018 and obtained a stay order from the High Court vide order dated February 7, 2018 in respect of further proceedings in determination of tariff order for the SCP. Pending determination of Aeronautical Tariff, AERA vide its order no. 48 dated March 25, 2019, has allowed GHIAL to continue to charge the aeronautical tariff as prevailed on March 31, 2016 till September 30, 2019 or till determination of tariff for the aforesaid period whichever is later. In view of the above, the Company had applied aeronautical tariff as prevailed on March 31, 2016 during the year ended March 31, 2020.

Consequent to the Order passed by TDSAT date March 06, 2020, AERA, in respect of the remainder of the SCP, i.e. from April 1, 2020 to March 31, 2021, has determined the Aeronautical tariff vide its Order no: 34/2019-20/HIAL dated March 27, 2020. Accordingly, the Company has applied aeronautical tariff for determination of aeronautical revenue as per the aforesaid order, for the year ended 31 March 2021.

In July 2020, the Company filed an application with the AERA for determination of Aeronautical tariff for the third control period commencing from April 1, 2021 to March 31, 2026.

- 51 The Company has recognized, deferred tax asset comprising of Minimum Alternate Tax (MAT) credit entitlement and unabsorbed business losses aggregating to Rs.531.33 (March 31, 2020: Rs. 457.11) as at March 31, 2021. The Company based on the future taxable income expects to adjust these amounts after expiry of the tax holiday period. The ultimate realisation of the deferred tax asset is dependent upon the generation of future taxable income projected by considering the anticipated tariff orders for the control period commencing from April 1, 2021, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income including projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations as detailed in note 50 above, any changes in such future taxable income could impact its recoverability. However, basis the sensitivity analysis performed, management believes that any reasonable possible change in the key assumptions would not effect the Company's ability to recover the deferred tax asset within the specified period as per the provisions of Income Tax Act, 1961.

- 52 As detailed in note 48, to these standalone financial statements, certain incomes/credits recognised on adoption of Ind-AS are not considered for computation of concession fee payable to MoCA basis a legal opinion obtained. Accordingly, the following sources of income have not been considered for accrual of the concession fee:

	Income forming part of	March 31, 2021	March 31, 2020
Discounting on fair valuation of deposit received from concessionaries	Revenue from operations	7.46	6.48
Income recognised on advance from customers under Ind AS 115	Revenue from operations	1.10	1.10
Impact on account of straight lining of lease rentals	Revenue from operations	5.65	2.09
Income arising from fair valuation of financial guarantee	Other income	0.96	0.82
Discounting on fair valuation of deposit paid to vendors	Other income	0.25	0.23
Income from government grant	Other income	5.27	5.28
Amortisation of deferred income	Other income	0.26	0.52

- 53 The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 26. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

	March 31, 2021	March 31, 2020
Contract balances		
Trade receivables *	111.10	119.00
Contract assets**	18.74	9.82
Contract liabilities***	38.40	12.94

* Trade receivables, beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2021: Rs. 0.31 (March 31, 2020: Rs. 0.31) was recognized as provision for expected credit losses on trade receivables.

** Contract asset includes unbilled revenue.

*** Contract liabilities includes advance received from customers (current and non-current)

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

Particulars	March 31, 2021	March 31, 2020
Opening balance	0.31	1.09
Add: Provision made during the year	0.20	0.56
Less: Bad debts written off	(0.20)	(1.34)
Closing balance	0.31	0.31



GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Summary of significant accounting policies and other explanatory information

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

54 GMR Air Cargo and Aerospace Engineering Limited

The Hon'ble National Company Law Tribunal, Hyderabad Bench vide its order dated July 26, 2019, has approved the Composite Scheme of Arrangement (the "Scheme") with Appointed Date of April 1, 2018, for merger of the Company's wholly-owned subsidiary GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACL") into another wholly owned subsidiary GMR Aerospace Engineering Limited ("GAEL") and demerger of the MRO business of GMR Aero Technic Limited ("GATL"), subsidiary of GAEL into GAEL with effective date of August 23, 2019. The name of the Combined Entity has been subsequently changed to GMR Air Cargo and Aerospace Engineering Limited ("GACAEL"), which will provide MRO and Cargo Handling services at the Rajiv Gandhi International Airport at Hyderabad. In consideration of merger order, GACAEL has allotted its equity shares to the Company on October 4, 2019, in accordance with the share exchange ratio mentioned in the Scheme.

During June 2020, management had assessed impairment in the carrying value of its investment in GACAEL, owing to the significant accumulated losses reported by the subsidiary. While, determining the recoverable amount, the management had reckoned the fair value attributed to the said investment on the basis of an independent valuation of the Airport business carried out as part of a definitive agreement entered by the GMR Group dated February 20, 2020, with Aeroports De Paris ("ADP") for acquisition of 49% stake by ADP in GMR Airports Limited (the holding company of GHIAL, which is the holding company of the GACAEL) on fully diluted basis. Since the assigned recoverable value on the basis of an independent valuation for the foresaid sale stake transaction with ADP was higher than its carrying value, no impairment charge was provided as at and for the year ended 31 March 2020. The management has re-visited the original assessment and believes that there would not be any change in the original conclusion as of 31 March 2021.

- 55 The Hon'ble Orissa High Court vide Judgement in W.P. No.20463/2018, in the case of Safari Retreats Private Limited, observed that the GST provisions w.r.t input tax credit allowability in respect of Civil work are not in line with the objective of the Act, and accordingly, held that if an assessee is required to discharge GST on the rental income, it is eligible to avail the Input Tax Credit (ITC) of GST w.r.t. civil work. GHIAL is engaged in rendering output supplies which is in the nature of letting out space/ facilities to various airline operators and other parties/concessionaires, in return for consideration, known by different nomenclatures and are given that the same is leviable to GST. Hence, the Company has availed the GST ITC in respect of the costs for civil work incurred as part of the expansion project and regular operations, upon application of the said judicial pronouncement. Further, department has filed an appeal in Hon'ble Supreme Court of India against the judgement of Hon'ble Orissa High Court. Pending outcome of judgement of Hon'ble Supreme Court of India, considering the judgement of Hon'ble Orissa High Court and based on the opinion obtained by the Company in this regard, the Management is of the view that GST ITC in respect of such civil work is eligible to be availed by the Company. Having regard to the same, GST ITC amounting to Rs.372.80 (including Rs.256.71 pertaining to earlier years) has been claimed in GST returns and disclosed under balance with government authorities in the standalone financial statements (refer note 11).

Further, the Company has filed a writ petition (10367/2020) with Hon'ble High Court of Telangana requesting to strike down the relevant provisions of GST which denies ITC in respect of works contract services or goods and services received for construction of immovable property (other than plant & machinery). The Hon'ble High Court had passed interim order directing the Respondents to not take any coercive action against the petitioner.

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

During the current year, the Company has raised USD 300 million (INR 2,188.29) through issue of 4.75% SSN from overseas market to fund the airport expansion plan. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 5 years i.e. February 02, 2026. Details of utilization of funds raised are as under:

	March 31, 2021	March 31, 2020*
Unutilised amount at the beginning of the year	749.23	-
Amount raised during the year	2,188.29	2,067.15
Less: Utilized for capital project works	(939.18)	(1,413.67)
Add: Income on temporary cash investment	29.62	95.75
Unutilised amount at the end of the year	2,027.96	749.23

*Represents unutilized proceeds out of the USD 300 million (Rs. 2,067.15) funds raised through issue of 5.375% SSN during FY 2019-20.

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

	March 31, 2021	March 31, 2020
Funds parked in:		
Current accounts	12.53	43.02
Fixed deposits*	2,015.43	706.21
	2,027.96	749.23

* including accrued interest of Rs. 9.14 (March 31, 2020: 11.21)



GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Summary of significant accounting policies and other explanatory information

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

57 Corresponding figures have been reclassified /regrouped wherever necessary.

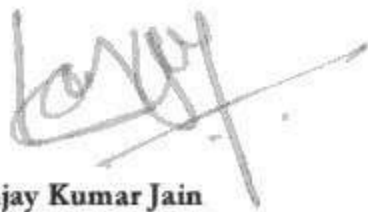
This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

ICAI Firm Registration

Number: 001076N/N500013



Sanjay Kumar Jain

Partner

Membership No.: 207660



Place: Hyderabad

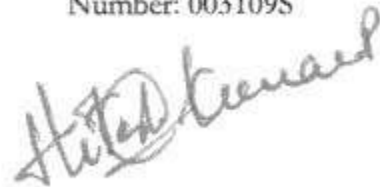
Date: April 28, 2021

For K S Rao & Co.,

Chartered Accountants

ICAI Firm Registration

Number: 003109S



Hitesh Kumar P

Partner

Membership No.:233734



Place: Bengaluru

Date: April 28, 2021

For and on behalf of the Board of Directors of

GMR Hyderabad International Airport Limited

GBS Raju

Managing Director

DIN.: 00061686

Place: Dubai

Date: April 28, 2021



Anand Kumar P

Chief Financial Officer

Place: Hyderabad

Date: April 28, 2021




C Prasanna

Director

DIN: 01630300

Pradeep Panicker

Chief Executive Officer



Anup Kumar Samal

Company Secretary

Place: Hyderabad

Date: April 28, 2021

