INDEPENDENT AUDITOR'S REPORT

To The Members of GMR Krishnagiri SIR Limited

Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of M/s. GMR Krishnagiri SIR Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended March 31, 2022 give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2022, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

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

Emphasis of Matter:

4. We draw attention to Note 31(b) of the Financial Statements which describes the uncertainties due to outbreak of COVID-19 pandemic and management's evaluation of the impact on the Financial Statements of the Company as at March 31, 2022.

   Our opinion is not qualified on the above said matter.

K.S. RAO & CO. Chartered Accountants BENGALURU

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

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibility for the Financial Statements:

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

K.S. RAO & CO. Chartered Accountants BENGALURU

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

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

K.S. RAO & CO. Chartered Accountants BENGALURU

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

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

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

Report on Other Legal and Regulatory Requirements:

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - **A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable.

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

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

    e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2022 from being appointed as directors in terms of section 164(2) of the Act.

K.S. RAO & CO. Chartered Accountants BENGALURU

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

g) With respect to the matter to be included in the Auditor's Report as per the requirement of Sec 197(16):

In our opinion and according to the information and explanations provided to us, the Company has not paid any remuneration to its directors during the current year. Accordingly, the provisions of Sec 197 of the Act is not applicable.

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 has disclosed the impact of pending litigations on its financial position in its financial statements – (Refer Note 27 to the financial statements),

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

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

iv.

a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

K.S. RAO & CO. Chartered Accountants BENGALURU

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared any dividend during the year. Accordingly, compliance with provisions of Sec 123 of Companies Act, 2013 is not applicable.

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

Hitesh Kumar P
Partner
Membership No. 233734
UDIN No: 22233734AIIAMU5786

Place: Bengaluru
Date: April 22, 2022

K.S. RAO & CO. Chartered Accountants BENGALURU

Appendix - A to the Independent Auditors' Report

The Appendix referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

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

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

The Company has maintained proper records showing full particulars of tangible and intangible assets.

(b) The Company has a program of physical verification of PPE so to cover all the assets once in every three years and to deal with material discrepancies identified on such verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

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

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

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) The activities of the Company during the year did not involve purchase of any inventory or sale of goods during the year, and accordingly Clause(ii) of Paragraph 3 of the Order is not applicable to the company for the year.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses from (iii) (a) to (iii) (f) of paragraph 3 of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.

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

K.S. RAO & CO. Chartered Accountants BENGALURU

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

(vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2022 for a period of more than six months form date they become payable.

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

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.

(b) The company has not been declared wilful defaulter by any bank or financial institution or other lender;

(c) The Company has applied the loans for which the loans were obtained.

(d) On an overall examination of financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company is not having any subsidiaries, joint ventures or associate companies. Accordingly, reporting on clause 3(ix)(e) of the Order is not applicable.

(f) The Company is not having any subsidiaries, joint ventures or associate companies. Accordingly, reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer or debt instruments or term loans and hence the reporting under clause 3 (x) is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

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

K.S. RAO & CO. Chartered Accountants BENGALURU

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

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

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

(xiv) According to the information and explanations given to us and on an overall examination of the books of account

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses of Rs. 25.03 crores during the financial year covered by our audit and Rs. 60.93 crores in the immediately preceding financial years.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,

K.S. RAO & CO. Chartered Accountants BENGALURU

which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no ongoing projects, hence reporting under this clause is not applicable.

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

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No. 22233734AIIAMU5786

K.S. RAO & CO. Chartered Accountants BENGALURU

Place: Bengaluru
Date: April 22, 2022

Appendix - B to the Independent Auditors' Report

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

We have audited the internal financial controls with reference to financial statements of M/s. GMR Krishnagiri SIR Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

K.S. RAO & CO. Chartered Accountants BENGALURU

Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Hitesh Kumar.P

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No. 22233734AIIAMU5786

K.S. RAO & CO. Chartered Accountants BENGALURU

Place: Bengaluru
Date: April 22, 2022

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Balance Sheet as at March 31, 2022

(Amount ₹ in thousands.)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	1,517.68	1,730.98
(b) Investment Property under Development	4	46,74,618.66	44,88,948.94
(c) Other Intangible Assets	5	-	0.91
(d) Financial Assets			
(i) Other financial assets	6	2,669.10	2,669.10
(e) Other non-current assets	8	1,17,831.74	1,46,465.30
(f) Non Current taxes (net)	9	14,185.03	5,078.04
(g) Deferred tax asset (net)	9	133.86	208.38
		48,10,956.07	**46,45,101.65**
(2) Current assets			
(a) Financial Assets			
(i) Investments	7	-	10,003.94
(ii) Cash and cash equivalents	10	1,456.89	13,254.46
(iii) Loans	6	-	1,561.45
(iv) Other financial assets	11	1,896.05	1,257.64
(b) Other current assets	12	960.32	1,363.12
(3) Asset Classified as held for sale	4a	26,226.00	9,31,178.00
		30,539.26	**9,58,618.61**
Total Assets		**48,41,495.33**	**56,03,720.26**
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	13	11,75,000.00	11,75,000.00
(b) Other Equity	14	(8,54,297.55)	(14,54,310.75)
		3,20,702.45	**(2,79,310.75)**
LIABILITIES			
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	25,28,606.54	11,93,993.95
(ii) Other financial liabilities	18	19,41,213.05	18,20,550.24
(b) Provisions	16	5,653.90	7,599.12
		44,75,473.49	**30,22,143.31**
(3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	-	26,64,635.94
(ii) Trade Payables			
- Dues to MSME	17	-	-
- Dues to others		4,691.06	7,260.80
(iii) Other financial liabilities	18	7,755.88	1,21,784.42
(b) Other current liabilities	19	32,103.09	66,533.43
(c) Provisions	16	769.36	673.11
		45,319.39	**28,60,887.70**
Total Equity and Liabilities		**48,41,495.33**	**56,03,720.26**
Corporate Information & Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the Audited Financial Statements

As per our report of even date
For K.S.Rao & Co.,
Chartered Accountants
Firm Registeration Number 003109S

Hitesh Kumar P
Partner
Membership No. 233734

Place : Bengaluru
Date: April 22, 2022

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

Mohanrao M
Director
DIN 02506274

Manda Srinivas
Director
DIN 08511523

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financials Officer

Place : Chennai
Date: April 22, 2022

GMR Krishnagiri SIR Limited

CIN: U45209TN2007PLC064863

"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014

Statement of Profit and Loss for the year ended March 31, 2022

(Amount ₹ in thousands.)

	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**REVENUE**			
	Revenue From Operations		-	-
	Other Income	20	7,830.73	7,479.95
	Total Income (I)		**7,830.73**	**7,479.95**
II	**EXPENSES**			
	Employee Benefit Expense	21	4,802.33	908.02
	Finance Costs	23	2,42,344.54	33,279.17
	Other Expenses	22	1,31,112.33	13,60,253.78
	Total expenses (II)		**3,78,259.20**	**13,94,440.97**
III	Profit before exceptional items and tax (I-II)		**(3,70,428.47)**	**(13,86,961.02)**
IV	Exceptional Items		-	
V	Profit/(loss) before tax (III-IV)		**(3,70,428.47)**	**(13,86,961.02)**
VI	Tax expense:			
	a) Current Tax		-	28.07
	b) Deferred Tax		-	-
VII	Profit/(loss) for the period (V-VI)		**(3,70,428.47)**	**(13,86,989.09)**
VIII	Other Comprehensive Income			
	A Items that will be reclassified to profit or loss			
	B Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		-	-
	Income tax effect		-	-
IX	Total Comprehensive Income for the period (VII + VIII)		**(3,70,428.47)**	**(13,86,989.09)**
X	Earnings per equity share of par value of Rs.10 each			
	Basic and diluted (Rs. per share)	24	(3.15)	(11.80)
	Corporate Information & Significant accounting policies	1&2		

The accompanying notes are an integral part of the Audited Financial Statements

As per our report of even date

For K.S.Rao & Co.,

Chartered Accountants

Firm Registeration Number 003109S

Hitesh Kumar P

Partner

Membership No. 233734

Place : Bengaluru

Date: April 22, 2022

K.S. RAO & CO. Chartered Accountants BENGALURU

For and on behalf of the board of directors of

GMR Krishnagiri SIR Limited

Mohanrao M

Director

DIN 02506274

Manda Srinivas

Director

DIN 08511523

Sanjay Kumar Jain

Company Secretary

Govind Bhat Padyana

Chief Financials Officer

GMR Krishnagiri SIR Limited

Place : Chennai

Date: April 22, 2022

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Statement of cash flows for the year ended March 31, 2022

(Amount ₹ in thousands.)

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
I. *Cash flow from operating activities:*		
A. *Profit before tax*	(3,70,428.47)	(13,86,989.09)
B. *Adjustment for non-cash transactions:*		
a. Interest Income due to Ind AS Adjustment	(7,830.73)	(7,479.95)
b. Loss of sale of asset	1,26,206.70	5,70,931.50
c. Provision for estimated loss on sale of asset	-	7,85,168.13
d. Reversal of unrealised loss on reclassification of asset	-	-
d. Ind AS adjustment for Fair valuation of loan	1,27,960.15	-
	2,46,336.13	**13,48,619.68**
C. *Adjustment for investing and financing activities:*		
Interest expense	1,14,363.00	33,279.17
	1,14,363.00	**33,279.17**
D. *Adjustment for changes in working capital:*		
a. Decrease / (increase) in other financial assets	923.04	2,091.34
b. Decrease / (increase) in other current assets	29,036.36	(40,214.13)
c. (Decrease) /Increase in trade payables	(2,569.74)	(2,211.63)
d. (Decrease) /Increase in other financial liabilities	(12,590.52)	(5,00,356.26)
e. (Decrease) /Increase in other current liabilities	(34,430.34)	32,343.60
f. (Decrease) /Increase other equity	(2,883.66)	-
g. (Decrease) /Increase in provisions	(1,848.97)	2,909.50
	(24,363.83)	**(5,05,437.57)**
E. *Cash generated from operations (A+B+C+D)*	**(34,093.17)**	**(5,10,527.81)**
Less: Direct taxes paid (net of refunds)	(9,032.47)	(4,521.64)
Net cash flow from operating activities (I)	**(43,125.64)**	**(5,15,049.44)**
II. *Cash flows from investing activities*		
a. Purchase of investment property	1,25,011.28	14,86,714.29
b. Profit/(Loss) from disposal of investment property	(1,26,206.70)	(13,56,099.64)
c. Purchase of property, plant and equipment	(525.06)	949.62
d. Proceeds from sale/(investment) in current investments	10,076.85	(10,003.94)
e. Loans (given to) / repaid by others	-	(1,561.45)
f. Change in asset held for sale	9,04,952.00	-
g. Interest Income received	-	-
Net cash flow from/ (used in) investing activities (II)	**9,13,308.37**	**1,19,998.88**
III. *Cash flows from financing activities*		
a. Proceeds from borrowings	45,00,326.71	9,43,060.81
b. Repayment of borrowings	(49,84,984.91)	(6,30,649.99)
c. Interest paid	(3,97,322.11)	42,614.95
Net cash flow (used in) financing activities (III)	**(8,81,980.30)**	**3,55,025.77**
IV. *Net (decrease) in cash and cash equivalents (I + II + III)*	(11,797.57)	(40,024.80)
Cash and cash equivalents at the beginning of the period	13,254.46	53,279.26
V. *Cash and cash equivalents at the end of the year*	**1,456.89**	**13,254.46**

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Statement of cash flows for the year ended March 31, 2022

(Amount ₹ in thousands.)

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
IV. Components of cash and cash equivalents:		
a. Cash on hand	63.79	338.60
b. With banks:		
i. On Current Account	1,393.10	12,915.86
ii. On Deposit Account having original maturity less than tree months	-	-
Total cash and cash equivalents	1,456.89	13,254.46

The accompanying notes are an integral part of the Audited Financial Statements

As per our report of even date
For K.S.Rao & Co.,
Chartered Accountants
Firm Registeration Number 003109S

Hitesh Kumar P
Partner
Membership No. 233734

Place : Bengaluru
Date: April 22, 2022

K.S. RAO & CO. Chartered Accountants BENGALURU

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

Mohanrao M
Director
DIN 02506274

Manda Srinivas
Director
DIN 08511523

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financials Officer

GMR Krishnagiri SIR Limited

Place : Chennai
Date: April 22, 2022

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Notes to the Financial Statements for the year ended March 31, 2022

3. Property, plant and equipment

(Amount ₹ in thousands.)

Particulars	Leasehold Improvements	Furniture & fixtures	Office equipment	Vehicles	Electrical Fittings	Buildings	Total
Gross Block							
As at April 01, 2020	24,000.92	2,402.09	2,499.01	1,279.92	541.21	6,581.16	37,304.31
Additions	-	-	46.61	-	-	-	46.61
Disposals	-	-	-	-	-	-	-
As at March 31, 2021	24,000.92	2,402.09	2,545.62	1,279.92	541.21	6,581.16	37,350.92
Additions	-	-	459.04	-	66.02	-	525.06
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	24,000.92	2,402.09	3,004.66	1,279.92	607.23	6,581.16	37,875.98
Depreciation							
As at April 01, 2020	24,000.92	1,105.54	1,591.43	1,109.92	277.97	6,581.16	34,666.93
Charge for the year	-	290.05	521.11	85.94	55.91	-	953.00
Disposals	-		-	-			-
As at March 31, 2021	24,000.92	1,395.58	2,112.53	1,195.85	333.89	6,581.16	35,619.93
Charge for the period	-	288.67	343.15	38.33	68.22	-	738.37
Disposals	-	-	-	-		-	-
As at March 31, 2022	24,000.92	1,684.25	2,455.68	1,234.19	402.11	6,581.16	36,358.30
Net block							
As at March 31, 2022	0.00	717.84	548.98	45.73	205.12	0.00	1,517.68
As at March 31, 2021	0.00	1,006.51	433.09	84.06	207.32	0.00	1,730.98

(1) The title deeds of all the immovable properties other than those held on lease are in the name of the Company

(2) During the year, the Company has not revaluaed any Property, Plant & Equipment

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

4. Investment Property under construction (Amount ₹ in thousands.)

Particulars	Total
As at April 01, 2020	**6,906,841.23**
Add: Additions during the period	522,679.34
Less: Reduction due to asset sold	-1,224,225.50
Less: Transfer to asset held for sale (Note No.4(a))	-1,716,346.13
As at March 31, 2021	**4,488,948.94**
Add: Additions during the period	369,878.68
Less: Reduction due to asset sold	-184,208.96
Add: Transfer from asset held for sale (Note No.4(a))	-
Add: Reversal of unrealised on loss recognised in previous year	-
Less: Regrouped to Capital advance	-
As at March 31, 2022	**4,674,618.66**
Depreciation and impairment	
As at April 01, 2020	-
Add: Depreciation	-
Less: Disposal	
As at March 31, 2021	-
Add: Depreciation	-
Less: Disposal	
As at March 31, 2022	-
Net Block	
As at March 31, 2022	4,674,618.66
As at March 31, 2021	4,488,948.94

The Company's investment properties under construction consist of Lands admeasuring 784.755 Acres in Krishnagiri District, Tamilnadu having the fair values of Rs.467.96 Crs as per the valuation report provided by KPMG Valuation Services LLP dated January 21, 2022, by applying Market approach (Sales Comparision method).

Of the above land of 784.755 acres, Lands measuring to 209 acres are mortgaged to Bank of Baroda, 90 Acres mortgaged to Union Bank of India and 69 Acres mortgaged to Central Bank towards security against loans taken by Holding Company, GMR Power and Urban Infra Limited. To that extent the Company has restrictions on the realisability of its investment properties.

Following are details of Investment property fair value based on the valuation report provided by KPMG Valuation Services LLP. as on January 21, 2022:

Investment Property Fair value reconciliation (Amount ₹ in thousands.)

	As at March 31, 2022	As at March 31, 2021
As at the beginning of the period	**4,884,228.36**	**7,417,300.00**
Fair value difference	-29,951.34	407,500.00
Purchases	-	-
Less: Disposal	-174,690.40	-2,940,571.64
As at end of the period	**4,679,586.63**	**4,884,228.36**

Valuation technique used -

Market approach has been adopted for valuation, which establishes value of an asset through the analysis of recent transactions/ sales or offerings/ allotment prices of comparable assets. Factors considered to derive the value of land as on December 31, 2021 are negotiation discount, time and efforts invloved in land aggregation, present land use, access and visibility.

4(a) Asset held for sale (Amount ₹ in thousands.)

	As at March 31, 2022	As at March 31, 2021
Opening value of Asset Held for Sale	931,178.00	1,716,346.13
Less : Impairment provision	-	(785,168.13)
Less: Carring value of the Asset sold	(904,952.00)	-
Less: Carring value of reclassified as Investment Property under development	-	-
Total	26,226.00	931,178.00

During the previous year, The Company has signed a binding term sheet to sell land of 300.375 acres, Accordingly, Realisable value of 300.375 Acres land has been classified as asset held for sale. Further, during the current year the Company has sold 291.92 acres and balance land of 8.455 acres to be sold and continued as asset held for sale.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Notes to the Financial Statements for the year ended March 31, 2022

5. Intangible Assets (Amount ₹ in thousands.)

Particulars	Software	Total
Gross block		
As at April 01, 2020	2,818.45	2,818.45
Additions	-	-
Disposals	-	-
As at March 31, 2021	2,818.45	2,818.45
Additions	-	-
Disposals	-	-
As at March 31, 2022	2,818.45	2,818.45
Amortization	2,774.31	2,774.31
Charge for the year	43.22	43.22
Disposals	-	-
As at March 31, 2021	2,817.54	2,817.54
Charge for the period	0.91	0.91
Disposals	-	-
As at March 31, 2022	2,818.45	2,818.45
Net block		
As at March 31, 2022	0.00	0.00
As at March 31, 2021	0.91	0.91

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Notes to the Financial Statements for the year ended March 31, 2022

(Amount ₹ in thousands.)

6 Financial Assets - Loans	As at March 31, 2022	As at March 31, 2021
Non-Current		
Security deposits		
Unsecured, considered good, to related parties	-	-
Unsecured, considered good, to other parties	2,669.10	2,669.10
	2,669.10	2,669.10
Current		
Loans and Advances-employees	-	1,561.45
	-	1,561.45

7 Financial Assets - Investments	As at March 31, 2022	As at March 31, 2021
Current		
Investments carried at fair value		
Mutual funds (unquoted)	-	10,003.94
Nil (Mar'21 : 8,993.137) units of Rs. 0 (Rs.1,112.9372) fully paid up of Birla Sun Life Liquid fund - Growth Regular plan		
Total Current Investments	-	10,003.94

8 Other Non-Current assets	As at March 31, 2022	As at March 31, 2021
Capital advance :		
With government authority	50,000.00	50,000.00
Others	1,500.00	3,774.68
Balance with statutory / government Authorities	66,331.74	92,690.62
	117,831.74	146,465.30

9 Non Current taxes	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision)	14,185.03	5,078.04
	14,185.03	5,078.04
Deferred Tax		
-MAT Credit	133.86	208.38
	133.86	208.38

10 Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
a) Cash on hand	63.79	338.60
-Deposits with original maturity of less than three months		
b) Balances with Banks		
-In current accounts	1,393.10	12,915.86
	1,456.89	13,254.46

11 Financial Assets - Others	As at March 31, 2022	As at March 31, 2021
Other Financial Assets		
a) Advances recoverable in cash or kinds- Related Parties	1,896.05	1,257.64
	1,896.05	1,257.64

12 Other current assets	As at March 31, 2022	As at March 31, 2021
a) Advances recoverable in cash or kinds	275.55	63.39
b) Pre-paid expenses	684.77	1,299.73
	960.32	1,363.12

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

13 Share Capital	As at March 31, 2022	As at March 31, 2021
A. Authorised Share Capital		
15,10,00,000 (March 31, 2021:15,10,00,000) Equity Shares of Rs.10 each	1,510,000.00	1,510,000.00
B. Issued, Subscribed and Fully Paid up:		
11,75,00,000 (March 31, 2021: 11,75,00,000) Equity Shares of Rs.10 each fully paid up	1,175,000.00	1,175,000.00
C. Reconciliation of the shares outstanding at the beginning and at the end year		
In No. of Shares		
At the Beginning of the Period	117,500,000	117,500,000
During the year	-	-
At the end of the year	117,500,000	117,500,000
In Value of Shares		
At the Beginning of the year	1,175,000.00	1,175,000.00
During the year	-	-
At the end of the year	1,175,000.00	1,175,000.00

D. **Terms/Rights Attached to equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Every member holding equity shares shall have voting rights in proportion to his shares of the paid up equity share capital. In the event of liquidation of the Company, the holders of equity shares would 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.

	As at March 31, 2022	As at March 31, 2021
E. Shares held by holding /ultimate holding company /holding company and/or their		
GMR Power and Urban Infra Limited	1,175,000.00	-
11,75,00,000 Equity Shares of Rs.10 each fully paid up		
GMR Power Urban Infra Limited and its nominees	-	1,175,000.00
11,75,00,000 Equity Shares of Rs.10 each fully paid up		
F. Details of Shareholders holding more than 5% of equity shares in the Company		
GMR Power and Urban Infra Limited (GPUIL) and its nominees		
- In Numbers	117,500,000	117,500,000
- In % of holding	100%	100%

Note: Vide National Company Law Tribunal (NCLT) Order dated 22nd December, 2021 for Demerger of Non-airport business of GIL and Merger of the same in GMR Power and Urban Infra Limited (GPUIL). GIL has transferred 100% shares of GKSIR to GPUIL. The appointed date of the scheme of demerger/merger was 01.04.2021 and effective date was 31.12.2021. Accordingly, the Company has become a wholly owned subsidiary of GMR Power and Urban Infra Limited (GPUIL) during current year.

14 Other Equity	As at March 31, 2022	As at March 31, 2021
Retained Earnings		
At the beginning of the year	(1,635,879.26)	(238,441.35)
Add: Profit for the Period	(370,428.47)	(1,386,989.08)
Add: Adjustments due to adoption of Ind AS	(2,883.66)	(10,448.83)
At the end of the period	(2,009,191.39)	(1,635,879.26)
Equity component of financial liabilities		
At the beginning of the year	181,568.51	181,568.51
Additional during the year (Refer Note 15)	973,325.33	-
At the end of the period	1,154,893.84	181,568.51
	(854,297.55)	(1,454,310.75)

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

Equity Shares of Rs.10 Each, Fully paid up	No.	Amount in ₹ '000
As at April 01, 2020	11,75,00,000	11,75,000.00
Issued during the period	-	-
As at March 31, 2021	11,75,00,000	11,75,000.00
As at April 01, 2021	11,75,00,000	11,75,000.00
Issued during the period	-	-
As at March 31, 2022	11,75,00,000	11,75,000.00

B Other Equity

(Amount ₹ in thousands.)

	Equity component of loans	Retained earnings	Total
At April 01, 2020	1,81,568.51	(2,38,441.35)	(56,872.84)
Profit for the year	-	(13,86,989.08)	(13,86,989.08)
Fair Valuation of corporatee Guarantee	-	(10,448.83)	(10,448.83)
At March 31, 2021	**1,81,568.51**	**(16,35,879.26)**	**(14,54,310.75)**
Profit for the period	-	(3,70,428.47)	(3,70,428.47)
Fair Valuation of borrowings	9,73,325.33	(2,883.66)	9,70,441.67
Acquisition of non-controlling interests	-	-	-
At March 31, 2022	**11,54,893.84**	**(20,09,191.39)**	**(8,54,297.55)**

The accompanying notes are an integral part of the audited Financial Statements

As per our report of even date
For K.S.Rao & Co.,
Chartered Accountants
Firm Registeration Number 003109S

Hitesh Kumar P
Partner
Membership No. 233734

Place : Bengaluru
Date: April 22, 2022

K.S. RAO & CO. Chartered Accountants BENGALURU

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

Mohanrao M
Director
DIN 02506274

Manda Srinivas
Director
DIN 08511523

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financials Officer

Place : Chennai
Date: April 22, 2022

GMR Krishnagiri SIR Limited

15 Financial Liabilities - Borrowings	As at March 31, 2022	As at March 31, 2021
Non-Current		
0 (2021: 142) Cumulative Optionally Convertible Debentures of Rs.10,00,000 (2021: 10,00,000) each.	-	142,000.00
Loans from group company (unsecured)	1,918,613.08	1,051,993.95
Loans from others (secured)	609,993.45	
	2,528,606.54	1,193,993.95
Current		
Loans from group company (unsecured)*	-	2,664,635.94
	-	2,664,635.94

	As at March 31, 2022	As at March 31, 2021
Non Current		
Cumulative optionally convertible Debentures of Rs. 10 Lakhs Each	-	142,000.00
Loan from GMR Power Urban Infra Limited	79,500.00	184,751.11
Loan from GMR Tambaram and Tindivaram Expressways Ltd*	1,815,818.08	-
Loan from Honeyflower Estates Private Limited	5,770.00	16,450.00
Loan from GMR Highways Limited	10,000.00	826,717.84
Loan from Aurobindo Realty & Infrastructure Limited#	609,993.45	-
Loan from Aklima Properties Private Limited	1,900.00	-
Loan from GMR SEZ & Port Holdings Limited	5,625.00	24,075.00
	2,528,606.54	1,193,993.95
Current		
Loan from Tambaram and Tindivaram Expressways Ltd	-	2,664,635.94
	-	2,664,635.94

During the year, the Company has received an interest free loan of Rs. 109. 10 crores from Aurobindo Realty & Infrsstructure Private Limited for general corporate purpose which will be repayble after 60 months. As the loan is intrest free, Discounting in accrodance with Ind AS 109 has been made and its equity component of Rs. 54.60 crores has been recognised as other equity.

* During the year, the Company has converted loan received from GMR Tambaram and Tindivaram Expressways Limited amounting to Rs. 204.36 crores along with interest accrued amount Rs.13.65 crores into new loan at the rate of 6% p.a. for a period of three years. Accordingly, as per Ind AS 109 the loan as been discounted and equity component of Rs. 42.73 crores has been recognised as other equity.

16 Provisions	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision for Compensated Absences	5,653.90	5,466.68
Provision for Gratuity	-	2,132.44
Provision for other employee benefits		
	5,653.90	7,599.12
Current		
Provision for Compensated Absences	699.59	604.31
Provision for Gratuity	-	-
Provision for other employee benefits	69.76	68.80
	769.36	673.11

17 Trade payables	As at March 31, 2022	As at March 31, 2021
Trade Payable		
- Micro, Small and Medium Enterprises	-	-
- Related parties	-	192.16
- Others	4,691.06	7,068.64
	4,691.06	7,260.80

18 Financial Liabilities - Others	As at March 31, 2022	As at March 31, 2021
Non-Current		
Interest accrued but not due on borrowings-Related Party	489,791.48	367,583.22
Security deposits from Related Party*	1,450,000.00	1,450,000.00
Non trade payable	-	-
Finance liability - corporate Guarantee	1,421.56	2,967.02
	1,941,213.05	1,820,550.24
Current		
Interest accrued but not due on borrowings -Related Party	-	95,152.74
Other Payables	6,110.68	21,584.86
Finance liability - corporate Guarantee	1,645.21	5,046.82
	7,755.88	121,784.42

* The Company has entered into a MOU with M/s Raxa Security Services Limited (Raxa) for constructing office space / training centre. Raxa has given an interest bearing security deposit of Rs. 145 Crores. The Company is in the process of buying the required lands and taking necessary Government approvals for this purpose. Management is confident of buying the required land and getting the required Government approval at earliest.

19 Other current liabilities	As at March 31, 2022	As at March 31, 2021
a) Advance for sale of Investment Property	4,248.55	49,466.70
b) Statutory liabilities	27,614.24	17,066.73
c) Other payable	240.30	-
	32,103.09	66,533.43

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri SIR Limited

(Amount ₹ in thousands.)

20 Other income	For the year ended March 31, 2022	For the year ended March 31, 2021
Other non-operating income	7,830.73	7,479.95
	7,830.73	7,479.95

21 Employee Benefit Expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Salaries and wages and Bonus	4,469.44	840.31
b) Contribution to provident fund and others	249.36	38.84
c) Gratuity expenses	48.89	-
d) Staff welfare expenses	34.63	28.86
	4,802.33	908.02

22 Other Expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and taxes	2,308.38	302.02
Advertising and sales promotion	32.16	24.65
Recruitment expenses	-	2.15
Printing and stationery	2.63	34.24
Books & periodicals	-	0.79
Director Sitting fees	-	15.00
Brokerage Exenses	-	764.05
Loss on sale of Investment Property	126,206.70	570,931.50
Provision for the estimated loss on proposed sale of investment property	-	785,168.13
Land levelling expenses	-	279.92
Membership and subscriptions	33.31	43.07
Social welfare expenses	447.86	794.84
Provision for doubtful advance	-	948.78
Office Maintenance	3.08	0.24
Vehicle Maintance	2.93	-
Bank Charges	9.64	1.22
Legal and Professional fees	1,188.88	669.48
Board meeting expenses	-	1.42
Travelling and Conveyance	496.40	19.64
Communication expenses	30.35	9.78
- Audit Fee	350.00	200.00
Miscellaneous expenses	0.00	42.85
	131,112.33	1,360,253.78

23 Finance cost	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest	242,344.54	33,279.17
	242,344.54	33,279.17

24 Earnings per Equity Share	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Profit for the period attributable to equity share holders	(370,428.47)	(1,386,989.09)
b) Weighted average number of equity shares of Rs. 10/-each	117,500,000	117,500,000
c) Earnings per equity share (Basic and Diluted) = (a/b)	(3.15)	(11.80)

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

(Amount ₹ in thousands.)

25 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Unaudited Condensed Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

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

i) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) 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 Company's assets. Where 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

ii) Defined benefit plans (gratuity benefits)

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

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

iii) Fair value measurement of financial instruments

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

26 Gratuity and other post-employment benefit plans

a) Defined Contribution Plans :

The Company's Contribution to Provident and Pension Fund charged to Investment properties are as follows :

(Amount ₹ in thousands.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident and pension fund	396.28	190.09
Total	396.28	190.09

b) Defined Benefit Plan - Gratuity as per Actuarial Valuation as at March 31, 2022 [Funded]

(Amount ₹ in thousands.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Change in defined benefit obligation		
Opening defined benefit obligation	5,740.38	5,740.38
Current Service Cost	341.49	170.74
Interest cost	378.86	195.17
Past Service Cost	-	-
Acquisition Cost/(Credit)	(82.42)	-
Actuarial loss / (gain) on obligations - experience	(165.76)	(142.93)
Benefits paid	(337.97)	-
Closing defined benefit obligation	5,874.58	5,963.37
ii) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning of the year	3,607.94	3,607.94
Acquisition adjustment	2,831.72	-
Interest income on plan assets	332.75	171.91
Return on plan assets greater /(lesser) than discount rate	(158.31)	(32.90)
Contributions by employer	77.11	2,896.16
Benefits paid	(337.97)	-
Closing fair value of plan assets	6,353.26	6,643.11

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

(Amount ₹ in thousands.)

iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	5,874.58	5,963.37
Fair Value of plan assets at year end	6,353.26	6,643.11
Funded status	(478.68)	(679.74)
Less : Asset ceiling adjustment	-	-
Net defined benefit asset/ (liability) recognized	(478.68)	(679.74)
iv) Expenses recognised during the period		
In Investment properties		
Current Service Cost	341.49	170.74
Net interest on net defined benefit liability / (asset)	378.86	195.17
	720.34	365.92
In Investment properties		
Actuarial (gain)/loss on defined benefit obligation - Experience	(165.76)	(142.93)
Actuarial changes arising from changes in demographic		
Actuarial changes arising from changes in financial assumptions		
Return on plan assets (greater)/less than discount rate	(158.31)	(32.90)
	(324.07)	(175.83)
Total expense*	396.28	190.09

* During the year, Gratuity expenses of Rs. 3.47 lakhs related to the employees working on project cost has been added to the cost of Investment Property under development and balance amount of Rs. 0.49 lakhs has been recognised as expenses (Refere Note 20).

v) The major category of plan assets as a percentage of the fair value		
Investment with Insurer managed funds	100%	100%
vi) Principal actuarial assumptions used		
Discount rate (p.a.)	7.10%	6.80%
Expected rate of return on plan assets (p.a.)	7.30%	6.80%
Expected rate of increase in salary	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ULT	Indian Assured Lives Mortality (2006-08) (modified) ULT
Retirement Age	60 Years	60 Years

c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 63,53,503 as at March 31, 2022 (March 31, 2021: Rs. 60,71,009/-).

27 Commitments and Contingencies

I Contingent Liabilities

The Company has a contingent liability towards its lands pledged against the loan availed by its holding company, GMR Power & Urban Infra Limited as below as on March 31, 2022:

Name of the Party	As at March 31, 2022		As at March 31, 2021	
	No.of Acres	Amount ₹ in thousands	No.of Acres	(Amount ₹ in thousands.)
- Bank of Baroda	209	109.10	295	224.54
- Union Bank of India	90	61.00	-	-
- Central Bank	69	124.10	63	61.00
	368	294.20	358	285.54

(Amount ₹ in thousands.)

II Commitments	As at March 31, 2022	As at March 31, 2021
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances).	Nil	Nil
	-	-

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Notes to the Financial Statements for the year ended March 31, 2022

(Amount ₹ in thousands.)

28 Related Party transactions

(A) Names of Related parties and nature of related party relationships

Nature of Relation	Name of the Related Party
(a) Fellow Subsidiaries	GMR Tambaram Tindivanam Expressway Limited (GTTEL) Aklima Properties Private Limited (AKPPL) Aklima Properties Private Limited (Aklima) Amartya Properties Private Limited (Amartya) Asteria Real Estates Private Limited (AREPL) Deepesh Properties Private Limited (DPPL) Dhruvi Securities Limited (Dhruvi) Eila Properties Private Limited (EPPL) Geokno India Private Limited(Geokno) GMR Aero Structure Limited (GASL) GMR Corporate Affairs Private Limited (GCAPL) GMR Highways Private Limited (GHPL) GMR Hospitality & Retail Limited (GHRL) GMR Hyderabad Vijayawada Expressway Private Limited (GHVEPL) GMR Infra Services Limited (GISL) GMR Kamalanga Energy Limited (GKEL) GMR Kishangarh Udaipur Ahmedabad Expressway Private Limited (GKUAEPL) GMR Pochanapalli Expressway Limited (GPEL) GMR Power Corporation Ltd (GPCL) GMR Rajamundhry Energy Ltd (GREL) GMR SEZ & Port Holdings Limited (GSPHL) GMR Tuni Anakapalli Expressway Limited (GTAEL) GMR Varalakshmi Foundation GMRVF Idika Properties Private Limited (IPPL) Kakinada SEZ Limited (KSL) Lakshmipriya Properties Private Limited (LPPL) Nadira Properties Private Limited (NPPL) Padmapriya Properties Private Limited (PPPL) Prakalpa Properties Private Limited (Prakalpa) Radhapriya Properties Private Limited (RPPL) Raxa Security Services Limited (RSSL) Shreyadita Properties Private Limited (SPPL) Sreepa properties Private Limited (Sreepa)
(b) Holding company	GMR Power Urban Infra Limited (GPUIL) GMR Infrastructure Limited (GIL) (till March 31, 2021) GMR Enterprise Private Limited
(c) Key management personnel	Mr. Jagadeeswara Rao M - Manager Mr. Govind Bhat Padyana - Chief Financial Officer Mr. Sanjay Kumar Jain - Company Secretary
(d) Relatives of Key Management Personnel of the Company	Mrs. Ramadevi B - Relatives of Director
(e) Enterprise where key management personnel and their relatives exercise significant influence	GMR Bannerghatta Properties Private Limited (GBPPL) Vijaya Nivas Real Estates Private Limited (VNREPL)

(B) Summary of transactions with the above related parties is as follows:

(Amount ₹ in thousands.)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Inter Corporate Loan taken		
Enterprises that control the Company - GPUIL	1,122,100.00	56,834.00
Fellow subsidiary - GHWL	-	155,964.01
Fellow subsidiary - HFEPL	38,700.00	9,500.00
Fellow subsidiary - GTTEL	2,180,176.71	656,135.94
Fellow subsidiary - GSPHL	66,450.00	50,225.00
Fellow subsidiary - AKPPL	1,900.00	
Fellow subsidiary - PPPL	-	14,400.00
ii) Refund of Inter Corporate Loan :		
Enterprises that control the Company - GPUIL	1,227,351.11	575,000.00
Fellow subsidiary - GTTEPL		
Fellow subsidiary - Dhruvi		
Fellow subsidiary - PPPL		
Fellow subsidiary - GSPHL	84,900.00	29,250.00
Fellow subsidiary - GASL		
Fellow subsidiary - GKUAEL		-
Fellow subsidiary - GHWL	816,717.84	-
Fellow subsidiary - HFEPL	49,380.00	12,000.00
Fellow subsidiary - GTTEL	2,664,635.94	-
Fellow subsidiary - GHWL		
Fellow subsidiary - PPPL		14,400.00
Enterprises that control the Company - GPUIL (Debenture)	142,000.00	-
iii) Security Charges paid to :		
Fellow subsidiary - RSSL	2,446.10	3,304.44
iv) Interest on 12% (previous year : 12%) Cumulative Optionally Convertible Debentures		
Enterprises that control the Company - GPUIL	14,098.85	-
Enterprises that control the Company - GIL	-	17,040.00

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

(Amount ₹ in thousands.)

v) Interest on Inter Corporate Loan		
Fellow subsidiary – PPPL		
Fellow subsidiary – GTTEPL	196,971.77	141,326.59
Fellow subsidiary – GSPHL	1,996.00	2,004.97
Enterprises that control the Company – GPUIL	-	-
Enterprises that control the Company – GPUIL	10,717.52	72,235.03
Fellow subsidiary – GHWL	83,258.31	94,572.89
Fellow subsidiary – HFEPL	2,686.32	2,425.15
Fellow subsidiary – PPPL	-	230.92
Fellow subsidiary – AKPPL	1.91	-
vi) Annual License Fee for trade license rights		
Enterprises that control the Company-GEPL	1.00	1.00
vii) Reimbursement of Expenses to:		
Fellow subsidiary – CPPL		-
Fellow subsidiary – GMRVF	346.91	184.84
Fellow subsidiary – RPPL	-	-
Enterprises that control the Company - GPUIL	4,105.36	9,219.95
Fellow subsidiary-GCAPL	-	-
Fellow subsidiary – APPL	-	-
Fellow subsidiary – Amartya	-	
Enterprises that control the Company - GIL	-	
viii) Reimbursement of Expenses by:		
Enterprises that control the Company – GPUIL	931.36	492.90
ix) Security deposit received from :		
Fellow subsidiary – RSSL		-
ix) Interest on Security deposit :		
Fellow subsidiary – RSSL	177,625.00	176,867.13
x) Interest income of Corporate Guarantee		
Enterprises that control the Company – GIL	-	
Enterprises that control the Company – GPUIL	7,830.73	7,479.95

(C) Outstanding Balances at the year-end : (Amount ₹ in thousands.)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Allotment of Equity Share Capital		
Holding Company – GPUIL	1,175,000.00	-
Holding Company – GIL	-	1,175,000.00
ii) 12% Cumulative Optionally Convertible Debentures		
Holding Company – GPUIL	-	-
Holding Company – GIL	-	142,000.00
iii) Interest due on 12% (Previous year: 12%) Cumulative Optionally Convertible Debentures		
Holding Company – GPUIL	-	-
Holding Company – GIL	-	16,954.80
iv) Inter Corporate Loan taken		
Fellow subsidiary – GTTEPL	1,815,818.08	2,664,635.94
Fellow subsidiary – GHWL	10,000.00	826,717.84
Fellow subsidiary – HFEPL	5,770.00	16,450.00
Holding Company – GPUIL	79,500.00	184,751.11
Fellow subsidiary – GSPHPL	5,625.00	24,075.00
Fellow subsidiary – AKPPL	1,900.00	-
v) Interest due on Inter Corporate Loan		
Fellow subsidiary – GTTEPL	62,251.51	78,197.94
Fellow subsidiary – GHWL	82,009.43	64,294.10
Holding Company – GPUIL	6,407.74	126,177.09
Fellow subsidiary – HFEPL	6,785.39	4,367.71
Fellow subsidiary – GSPHPL	1,796.40	2,067.54
Fellow subsidiary – AKPPL	1.72	-
Fellow subsidiary – RSSL	330,539.28	170,676.78
vi) Debtors / Receivable		
Holding Company – GPUIL	931.36	308.87
Fellow subsidiary – PPPL		
Fellow subsidiary – Geokno	-	498.14
Fellow subsidiary – GADL	15.91	-
Fellow subsidiary-GPCL		
Fellow subsidiary – RSSL	-	-
Fellow subsidiary-GCAPL		
Fellow subsidiary-GREL	948.78	948.78
Fellow subsidiary – RSSL	-	-
vii) Creditor / Payables		
Fellow subsidiary – RSSL	-	-
Holding Company – GPUIL	-	-
viii) Security Deposit received		
Fellow subsidiary – RSSL	1,450,000.00	1,450,000.00

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

(Amount ₹ in thousands.)

29. Effective tax reco

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

	Year ended 31.Mar.21	Year ended 31.Mar.20
Tax expenses		
Current tax	-	-
Deferred tax	-	-
Total taxes	-	-

Effective Tax Reconciliation for the year ended March 31, 2021
(Amount in Rupees , unless otherwise stated)

Income tax	Year ended 31.Mar.21	Year ended 31.Mar.20
Accounting profit before tax	(370,428.47)	(1,386,961.02)
Tax rate	26.00%	25.75%
Tax at the applicable tax rate of 26% (March 31, 2020: 25.75%)	(96,311.40)	(357,142.46)
Deduction under tax holidays	-	-
Deferred tax**	96,311.40	357,142.46
Tax effect of Income that are not taxable in determining taxable profit		
Government Grants exempt from Tax	-	-
Tax effect of expenses that are not deductible in determining taxable profit:		
Impairment of assets	-	-
IND AS adjustments not subject to tax	-	-
At the effective income tax rate	-	-
Total tax expense reported in the statement of profit and loss	-	28.07

**Deferred tax asset has not been recognized on brought forward losses as there is no probability/convincing or other evidence that sufficient taxable profits will be available against which DTA will be adjusted.

(Amount ₹ in thousands.)

30 Fair values

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.

31 a) Fair Value Hierarchy

The following table provide the fair value measurement hierarchy of the company's financial assets and liabilities.

Quantitative doisclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Paticulars	Total Value	Fair value measurement using		
		Quoted prices in active markets (Level-1)	Significant observable inputs (Level-2)	Significant unobservable Inputs(Level-3)
Financial Assets :				
Designated at fair value through profit or loss :				
Investments in quoted instruments (Mutual Funds)	-	-	-	-
Designated at amortised cost :				
Loans	2,669.10	-	-	2,669.10
Cash and Bank Balances	1,456.89	-	-	1,456.89
Other Financial Assets	1,896.05	-	-	1,896.05
Financial Liabilities :				
Designated at Amortised Cost :				
Borrowings	-	-	-	-
Trade Payables	4,691.06	-	-	4,691.06
Other Financial liabilities	7,755.88	-	-	7,755.88

Quantitative doisclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Paticulars	Total Value	Fair value measurement using		
		Quoted prices in active markets (Level-1)	Significant observable inputs (Level-2)	Significant unobservable Inputs(Level-3)
Financial Assets :				
Designated at fair value through profit or loss :				
Investments in quoted instruments (Mutual Funds)	10,003.94	10,003.94	-	-
Designated at amortised cost :				
Loans	4,230.55	-	-	4,230.55
Cash and Bank Balances	13,254.46	-	-	13,254.46
Other Financial Assets	1,257.64	-	-	1,257.64
Financial Liabilities :				
Designated at Amortised Cost :				
Borrowings	2,664,635.94	-	-	2,664,635.94
Trade Payables	7,260.80	-	-	7,260.80
Other Financial liabilities	121,784.42	-	-	121,784.42

b) The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID - 19 pandemic is not material on the carrying value of the assets of the business. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.

c) Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly 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. Company's senior management ensures that 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 specialist teams 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.

d) 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.
The following assumptions have been made in calculating the sensitivity analyses:

► 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 at March 31, 2021 and March 31, 2022.

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 fluctuating interest rate borrowings, thus company does not have any interest rate risk.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

32 a)

Ratio	Numerator	Denominator	As at 31 March 2022 Ratio	As at 31 March 2021 Ratio	Variance	Remarks
Current ratio	Current assets	Current liabilities	0.67	0.34	201%	On account of coversion of short term loan to long term loan
Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total equity	7.88	(13.81)	-57%	On account of Interest free and low interest borrowing resulting in gain in other equity.
Debt service coverage ratio	Earnings before depreciation and amortisation and interest [Earnings = Profit after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	(0.00)	0.00	-112%	On account of negative EBDTA in FY 22 due to highter Marketing manpower costs.
Return on equity ratio	Profit after tax	Average of total equity	(17.90)	(0.00)	721275%	On account of loss on sale of lands in FY 21
Inventory turnover ratio	Costs of materials consumed	Average inventories	-	-	NA	
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	-	-	NA	
Trade payables turnover ratio	Purchases	Average trade payables	-	-	NA	
Net capital turnover ratio	Revenue from operations	Working capital [Current assets - Current liabilities	-	-	NA	
Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	(0.03)	(0.25)	11%	
Return on investment	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	(0.32)	(1.18)	27%	On account of loss on sale of lands in FY 21

32 b) **Reconciliation of liabilities from financing activities for the year ended March 31, 2022**

Particulars	As at March 31, 2021	Proceeds	Repayment	Fair Value Changes/ Other Adjustments	As at March 31, 2022
Short Term and Long Term Borrowings	38,58,629.89	45,00,326.71	-49,84,984.91	-8,45,365.16	25,28,606.54
Total	**38,58,629.89**	**45,00,326.71**	**-49,84,984.91**	**-8,45,365.16**	**25,28,606.54**

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

Particulars	As at March 31, 2020	Proceeds	Repayment	Fair Value Changes/ Other Adjustments	As at March 31, 2021
Short Term and Long Term Borrowings	35,46,220.94	9,43,060.81	-6,30,649.99	-1.87	38,58,629.89
Total	**35,46,220.94**	**9,43,060.81**	**-6,30,649.99**	**-1.87**	**38,58,629.89**

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR KRISHNAGIRI SIR LIMITED

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Notes to the Financial Statements for the year ended March 31, 2022

(Amount ₹ in thousands.)

33 Other Disclosures

A Ageing schedule of trade payables

As at 31 March 2022	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium exterprises	-	-	-	-	-
Others	4,691.06	-	-	-	4,691.06
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-

As at 31 March 2021	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium exterprises	-	-	-	-	-
Others	7,260.80	-	-	-	7,260.80
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-

B Details of promoter shareholding

Name of promoter*	As at 31 March 2022			As at 31 March 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
GMR Power Urban Infra Limited, the immediate holding company and its nominees.	117,500,000	100%	100%	-	-	-
GMR Infrastructure Limited, the immediate holding company and its nominees.	-	-		117,500,000	100%	-

C End use of borrowings 0

Name of Bank / Financial Instituition	As at 31 March 2022			As at 31 March 2021		
	Amount borrowed	Purpose of borrowing	Purpose for which amount has been used	Amount borrowed	Purpose of borrowing	Purpose for which amount has been used
GMR Power Urban Infra Limited	1,122,100.00	Repayment of old loan, Interest & operational expenses	Repayment of old loan, Interest & operational expenses	56,834.00	Repayment of old loan	Repayment of old loan
Honey flower Real Estates Private Limited	38,700.00	Operational expenses	Operational expenses	9,500.00	Operational expenses	Operational expenses
GMR SEZ & Port Holdings Limited	66,450.00	Repayment of old loan, Interest & operational expenses	Repayment of old loan, Interest & operational expenses	50,225.00	Towards payment of infra developmen	Towards payment of infra developmen
Aklima Properties Private Limited	1,900.00	Operational expenses	Operational expenses	-		
GMR Highways Limited	-	-	-	155,964.01	Payment of interest on borrowing	Payment of interest on borrowing
GMR Tambaram Tindivanam Expressway Limited	2,180,176.71	Repayment of old loan, Interest	Repayment of old loan, Interest	656,135.94	Payment of interest on borrowing	Payment of interest on borrowing
Padmapriya Properties Private Limited	-	-	-	14,400.00	Payment of interest on borrowing	Payment of interest on borrowing

D Registration of charges or satisfaction with Registrar of Companies (ROC)

Where was no charges or satisfaction is pending to registered with ROC beyond the statutory period.

E Compliance with approved Scheme(s) of Arrangements

The company has not entered the Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

F Undisclosed Income

The Company doesn't have of any transaction, which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

G Crypto Currency or Virtual Currency

The Company not involved in trading or investment in Crypto currency or Virtual Currency during the financial year.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

GMR Krishnagiri SIR Limited
CIN: U45209TN2007PLC064863
"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014
Notes to the Financial Statements for the year ended March 31, 2022

(Amount ₹ in thousands.)

34 The composite scheme of amalgamation and arrangement for amalgamation of GMR Power Infra Limited (GPIL) with the GMR Infrastructure Limited ('GIL') and demerger of Engineering Procurement and Construction (EPC) business and Urban Infrastructure Business of GIL (including Energy business) into the Company ("Scheme") was approved by the Hon'ble National Company Law Tribunal, Mumbai bench ("the Tribunal") vide its order dated December 22, 2021 (formal order received on December 24, 2021). The said Tribunal order was filed to the Registrar of Companies by GIL, GPIL and Company on December 31, 2021 thereby making the Scheme effective. After scheme become effective, GPUIL becomes Parent Company. The financial Statements on the date of demerger (i.e. Dec 31, 2021) taking effect are summarized below

34 (a) Extract of Unaudited Balance sheet as at December 31, 2021

	Particulars	As at December 31, 2021
I	ASSETS	
1)	Non-current assets	
	a) Property, Plant and Equipment	1,689.18
	b) Investment Property under Development	4,827,633.79
	c) Other Intangible Assets	-
	d) Financial Assets	-
	(i) Other financial assets	2,669.10
	e) Other non-current assets	147,039.46
	f) Non Current taxes (net)	5,078.04
	g) Deferred tax asset (net)	208.38
		4,984,317.95
(2)	Current assets	
	a) Financial Assets	
	(i) Investments	-
	(ii) Cash and cash equivalents	13,975.79
	(iii) Loans	347.26
	(iv) Other financial assets	1,602.08
	b) Other current assets	3,431.26
(3)	Asset Classified as held for sale	931,178.00
		950,534.39
	Total Assets	5,934,852.33
II	EQUITY AND LIABILITIES	
(1)	Equity	
	a) Equity Share capital	1,175,000.00
	b) Other Equity	-589,232.27
		585,767.73
	LIABILITIES	
(2)	Non-current liabilities	
	a) Financial Liabilities	
	(i) Borrowings	3,250,556.25
	(ii) Other financial liabilities	1,934,145.54
	b) Provisions	5,831.23
		5,190,533.02
(3)	Current liabilities	
	a) Financial Liabilities	
	(i) Borrowings	
	(ii) Trade Payables	
	- Dues of micro and small enter prices	580.42
	- Dues of others	8,281.71
	(iii) Other financial liabilities	25,267.72
	b) Other current liabilities	123,641.08
	c) Provisions	780.66
		158,551.58
	Total Equity and Liabilities	5,934,852.33

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

GMR Krishnagiri SIR Limited

CIN: U45209TN2007PLC064863

"Prashanthi Building", 3rd Floor, New No. 114, Royapettah High Road, Royapettah, Chennai 600014

Notes to the Financial Statements for the year ended March 31, 2022

(Amount ₹ in thousands.)

34 (b) Extract of Statement of Profit and Loss account for the nine months ended December 31, 2021

	Particulars	For the nine months ended December 31, 2021
I	**REVENUE**	
	a) Revenue From Operations	-
	b) Other Income	5,875.09
	Total Income (I)	5,875.09
II	**EXPENSES**	
	a) Employee Benefits Expense	4,583.56
	b) Finance Costs	108,403.75
	c) Other Expenses	1,134.63
	Total expenses (II)	114,121.94
III	**Profit before exceptional items and tax (I-II)**	-108,246.85
IV	Exceptional Items	-
V	**Profit/(loss) before tax (III-IV)**	-108,246.85
VI	Tax expense:	
	a) Current Tax	-
	b) Deferred Tax	-
VII	**Profit/(loss) for the period (V-VI)**	-108,246.85
VIII	Other Comprehensive Income	
	A Items that will be reclassified to profit or loss	-
	B Items that will not be reclassified to profit or loss	-
IX	Total Comprehensive Income for the period (VII + VIII)	-
X	**Earnings per equity share of par value of Rs.10 each**	-108,246.85
	Basic and diluted (Rs. per share)	-0.92

(Amount ₹ in thousands.)

35 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 maximise 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 total debt divided by total capital plus total debt.

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	25,28,606.54	38,58,629.89
Total debt (A)	25,28,606.54	38,58,629.89
Capital Components		
share Capital	11,75,000.00	11,75,000.00
Other equity	(8,54,297.55)	(14,54,310.75)
Total Capital (B)	**3,20,702.45**	**(2,79,310.75)**
Total Capital and Debt (C=A+B)	**28,49,308.99**	**35,79,319.14**
Gearing ratio (A/C) (%)	88.74%	107.80%

36 Previous period figures are regrouped and reclassified wherever necessary to confirm to those of the current year.

As per our report of even date
For K.S.Rao & Co.,
Chartered Accountants

Hitesh Kumar P
Partner
Membership No. 233734

Place : Bengaluru
Date: April 22, 2022

K.S. RAO & CO. Chartered Accountants BENGALURU

For and on behalf of the board of directors of
GMR Krishnagiri SIR Limited

Mohanrao M
Director
DIN 02506274

Manda Srinivas
Director
DIN 08511523

Sanjay Kumar Jain
Company Secretary

Govind Bhat Padyana
Chief Financials Officer

GMR Krishnagiri Sir Limited

Place : Chennai
Date: April 22, 2022

1. Corporate Information

Tamil Nadu Industrial Development Corporation Limited (TIDCO), through international competitive bidding has selected GMR Infrastructure Limited (GIL) as Joint Venture Partner to develop a Multi-product Special Economic Zone (SEZ) in Krishnagiri District of Tamil Nadu, India. A Memorandum of Understanding (MOU) was entered in to with TIDCO on August 6, 2007. GIL has incorporated GMR Krishnagiri SEZ Limited ("the Company") (GKSEZ) on September 24, 2007 as its wholly owned subsidiary. Due to the changes in the industrial scenario, GKSEZ decided to develop a Special Investment Region instead of the SEZ and received the approval from the appropriate Government Authorities. The name of the company has been changed to GMR Krishnagiri SIR Ltd on January 05, 2018. The Company signed the Associate Sector Agreement & Service Agreements with TIDCO in July 2019. The Company is planning to create the necessary infrastructure required for setting up of industries in the Region and thus promoting the industrial growth and all-round development of the region.

Pursuant to the Composite Scheme of Amalgamation and arrangement amongst inter-alia GIL and GMR Power and Urban Infra Limited (GPUIL), approved by the NCLT vide its Order dated 22.12.2021, all non-airport business of GIL was amalgamated with GPUIL and GPUIL became the holding company of GMR Krishnagiri SIR Limited instead of GIL w.e.f. 31.12.2021.

The registered office of the company is located in Chennai, India.

Information on other related party relationships of the Company is provided in Note 28.

The financial statements were approved for issue in accordance with a resolution of the directors on April 22, 2022

2. **Significant Accounting Policies**

A. **Basis of preparation**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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 financial statements are presented in Indian Rupees (INR).

B. Summary of significant accounting policies

a. Current versus non-current classification

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

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when it is:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. **Property, plant and equipment**

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

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 are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property,

plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

On Transition to Ind AS, the Company has availed the optional exemption on "Long term Foreign currency Monetary items" and has accordingly continued with the policy to adjust the exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset recognised in the financial statements for the period ended 31 March 2016 (as per previous GAAP) to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

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 derecognition 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.

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

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

c. Depreciation on Property, plant and equipment

Depreciation on the 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 under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of acquisition and certain items of building, plant and equipment, the Company, based on technical assessment made by technical expert and management estimate, believes that the useful lives of such assets are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Property, plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of lease term.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

d. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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 amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets include software etc and their useful lives are assessed as either finite or indefinite.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

Research and development cost:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an 'intangible asset' when all of the below conditions are met:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
ii. The Company's intention to complete the asset and use or sell it
iii. The Company has ability to use or sell the asset
iv. It can be demonstrated how the asset will generate probable future economic benefits
v. Adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and
vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

f. Amortisation of intangible assets

Intangible assets with finite lives 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 with a finite useful life 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 with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets (Software licences etc) are amortised over the useful life of 6 years as estimated by the management.

g. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. 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 Company 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, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, 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 unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i. Provisions, Contingent liabilities, Contingent assets, and Commitments

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

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

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outfow 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 balance sheet date

j. 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.

Retirement benefit in the form of provident fund, pension fund, superannuation fund etc. are defined contribution scheme. The Company has no obligation, other than the contribution payable.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an

asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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. Past service costs are recognised in profit or loss on the earlier of:

i) The date of the plan amendment or curtailment, and
ii) The date that the Company recognises related restructuring costs

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

Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

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.

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. 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.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

Subsequent measurement

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

i) Debt instruments at amortised cost
ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at 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 finance 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.

Debt instrument at FVTOCI: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

vii) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

viii) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The

Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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:

ix) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

x) Financial assets that are debt instruments and are measured as at FVTOCI

xi) Lease receivables under Ind AS 17

xii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

xiii) Loan commitments which are not measured as at FVTPL

xiv) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on;

xv) Trade receivables or contract revenue receivables; and

xvi) All lease receivables resulting from transactions within the scope of Ind AS 17

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.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

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:

xvii) 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

xviii) 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. On that basis, the Company estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

xix) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

xx) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

xxi) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

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 bank overdrafts, financial guarantee contracts and derivative financial instruments."

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

Subsequent measurement

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

Financial liabilities at fair value through profit or loss :

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the 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 :

This is the category most relevant to the company. 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 statement of profit and loss. This category generally applies to borrowings.

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 the respective carrying amounts is recognised in the statement of profit or loss.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest."

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.

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially 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.

l. 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.

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:

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

i) *In the principal market for the asset or liability, or*

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

For assets and liabilities that are recognised in the 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 both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation

Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured 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.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

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.

n. 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. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

i. Income from management / technical services is recognised as per the terms of the agreement on the basis of services rendered.

ii. On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Such income is included under the head 'other operating income' for companies engaged in investing activities and under the head 'other income' for other companies in the statement of profit and loss.
iii. Insurance claim is recognised on acceptance of the claims by the insurance company.

Revenue earned in excess of billings has been included under 'other assets' as unbilled revenue and billings in excess of revenue has been disclosed under 'other liabilities' as unearned revenue.

Expenditure including pre-operative and other incidental expenses incurred by the Group on projects that are in the process of commissioning, being recoverable from the respective SPVs / subsidiaries incorporated for carrying out these projects, are not charged to the statement of profit and loss and are treated as advances to the respective entities.

The Company applied Ind AS 115 for the first time from April 1, 2018. Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

In current financial year, Company does not have any revenue arising from contract with customers and thus there is no impact on the financial statements of the company on account this new revenue recognition standard.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

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 income is included in finance income in the statement of profit and loss.

o. Taxes

Tax expense comprises current and deferred tax.

Current income tax

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

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

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

Deferred tax

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

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

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with 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:

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited

iii) 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

iv) In respect of deductible temporary differences associated with investments in subsidiaries, 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period

reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

K.S. RAO & CO. Chartered Accountants BENGALURU

GMR Krishnagiri Sir Limited