GMR Hyderabad International Airport Limited

17th Annual Report
2019 - 20

Contents

GENERAL INFORMATION

CIN: U62100TG2002PLC040118

Board of Directors :

Mr. G.M. Rao
Executive Chairman

Mr. G.B.S. Raju
Managing Director

Mr. Srinivas Bommidala
Director

Mr. Grandhi Kiran Kumar
Director

Mr. H.J. Dora
Director

Mr. C. Prasanna
Director

Mr. K. Ramakrishna Rao, IAS
Director

Mr. Jayesh Ranjan, IAS
Director

Mr. Venkatramana Hegde
Director

Mr. I.N. Murthy
Director

Mr. Mohd Shukrie bin Mohd Salleh
Director

Mr. R.S.S.L.N. Bhaskarudu
Independent Director

Mr. N.C. Sarabeswaran
Independent Director

Mrs. Siva Kameswari Vissa
Independent Director

Mr. Madhu Ramachandra Rao
Independent Director

Key Managerial Personnel :

Mr. Pradeep Panicker
Chief Executive Officer

Mr. Anand Kumar Polamada
Chief Financial Officer

Mr. Anup Kumar Samal
Company Secretary

Registered Office:
GMR Aero Towers,
Rajiv Gandhi International Airport
Shamshabad,
Hyderabad - 500 108, Telangana

Audit Committee

Mr. R.S.S.L.N. Bhaskarudu	- Chairman
Mr. N.C. Sarabeswaran	- Member
Mrs. Siva Kameswari Vissa	- Member
Mr. K. Ramakrishna Rao, IAS	- Member
Mr. C. Prasanna	- Member

Nomination and Remuneration Committee

Mr. R.S.S.L.N. Bhaskarudu	- Chairman
Mr. N.C. Sarabeswaran	- Member
Mr. I.N. Murthy	- Member
Mr. C. Prasanna	- Member

Corporate Social Responsibility Committee

Mr. R.S.S.L.N. Bhaskarudu	- Chairman
Mr. Jayesh Ranjan, IAS	- Member
Mr. C. Prasanna	- Member

Share Allotment and Transfer Committee

Mr. Madhu Ramachandra Rao	- Chairman
Mr. I.N. Murthy	- Member
Mr. C. Prasanna	- Member

Statutory Auditors - Joint Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants
[Firm Registration No. 001076N/N500013]
7th Floor, Block III, White House, Kundan Bagh, Begumpet,
Hyderabad - 500 016, Telangana

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

Cost Auditors

M/s. Narasimha Murthy & Co., Cost Accountants
(Firm Registration No. 000042)
3-6-365, 104 and 105, Pavani Estate, Y V Rao Mansion
Himayath Nagar, Hyderabad - 500 029, Telangana

Secretarial Auditors

M/s. KBG Associates
1st Floor, 1-9-309/A, Above Kancheepuram Lavanya Silks
Atchuta Reddy Marg, Red Cross Blood Bank Road
Vidya Nagar,
Hyderabad, Telangana, India – 500 044

Bankers

Axis Bank Limited
ICICI Bank Limited
IDFC Bank Limited
Yes Bank Limited
Deutsche Bank AG
JPMorgan Chase Bank
The Hongkong and Shanghai Banking Corporation Ltd (HSBC)
Barclays Bank PLC

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Plot Nos.31 & 32, Selenuim Building, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032, Telangana

NOTICE OF THE SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth (17th) Annual General Meeting of the Members of GMR Hyderabad International Airport Limited will be held on Tuesday, September 15, 2020, at 11 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the standalone audited financial statements of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Statutory Auditors thereon.

2. To consider and adopt the consolidated audited financial statements of the Company for the financial year ended March 31, 2020 and the report of Statutory Auditors thereon.

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

4. To appoint a Director in place of Mr. I. N. Murthy (DIN 07752535), who retires by rotation and being eligible, offers himself for re-appointment.

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

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs.5,25,000/- (Rupees Five Lakhs and Twenty-five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses, payable to M/s. Narasimha Murthy & Co., Cost Accountants (Firm Regn No. 000042), Cost Auditors, for conducting the audit of cost records of the Company for the financial year 2020-21, be and is hereby ratified.**"**

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

"RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Mohd Shukrie bin Mohd Salleh [DIN: 0879 3072] who was appointed as an Additional Director of the Company with effect from July 22, 2020 by the Board of Directors and who holds office upto the date of Seventeenth (17^{th}) Annual General Meeting pursuant to Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company and that he shall be liable to retirement by rotation.**"**

By Order of the Board
for GMR Hyderabad International Airport Limited

Sd/-
Anup Kumar Samal
Company Secretary

Date : August 19, 2020
Place: Hyderabad

Notes:

1. In view of the prevailing Covid-19 pandemic and maintain the social distancing norms, the Ministry of Corporate Affairs ("MCA") has vide its General Circular dated May 05, 2020 read with General Circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM or Meeting") through Video Conferencing ("VC") facility or Other Audio Visual Means ("AVM"), during year calendar year 2020, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and the aforesaid MCA Circulars, the 17^{th} Annual General Meeting ("AGM" of "the Meeting") of GMR Hyderabad International Airport Limited ("GHIAL" or "the Company") is scheduled to be held on Tuesday, September 15, 2020, at 11 a.m. (IST) through video conferencing (VC) / OAVM.

2. As per provisions of the Act and aforesaid MCA Circulars, the Company is not required to provide the facility of e-voting. The MCA Circulars prescribe that at least half of the total numbers, who represent not less than seventy-five percent of the paid-up share capital of the Company and gives a right to vote in the meeting, the AGM of such Company may be conducted through VC facility or OAVM only. The Company has in its records, the email addresses of all the Members of the Company representing hundred percent of the total paid-up share capital of the Company and gives right to the vote at the meeting. However, the Company is required to comply with the framework prescribed by the MCA vide its Circulars dated April 08, 2020 and April 13, 2020 for conducting the AGMs through VC facility or OVAM and issue of AGM Notice and subject to the fulfillment of the requirements which are covered hereunder in this Notice.

3. The deemed venue for the 17th AGM is the address of Registered Office of the Company i.e. at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108, Telangana.

4. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself or herself and such proxy need not be a member of the Company. However, in view of the specific circumstances (due to prevailing Covid-19 pandemic) during which this AGM is being held, pursuant to MCA Circulars on holding of AGM through VC / OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, and Attendance Slip are not annexed to this AGM Notice.

5. Notice convening the 17th AGM along with the 17th Annual Report 2019-20 (including financial statements, auditors report, board's report and relevant documents) is being sent only through electronic mode i.e. by email to all the Members and others entitled to their e-mail addresses registered with the Company. The Notice convening the 17th AGM has been uploaded on the website of the Company at http://www.hyderabad.aero/about-us/ourcompany/corporategoverancne/Notice of General Meeting.

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

7. All the documents referred to in the AGM Notice in respect of special business, Annual Report as well as Annual Accounts of the subsidiary companies and Register of Directors' Shareholding, which are to be kept open for inspection by the Members of the Company, will be available for inspection through electronic mode during 11.00 A.M. and 5.00 P.M. on all working days till the date of the 17th AGM. In this regard, Members are requested to send an email from their registered email id to AnupKumar.Samal@gmrgroup.in with a copy marked to Rachakonda.Chakrapani@gmrgroup.in. Further, the Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to AnupKumar.Samal@gmrgroup.in, on or before September 01, 2020 and response for the same will be sent by the Company accordingly.

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

9. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company, the Authorisation Letter along with a certified copy of the Board Resolution authorising their representative to attend and vote thereat, on their behalf at the AGM. The scanned copy of Authorization Letter along with Board Resolution shall be sent by email from their registered email id to AnupKumar.Samal@gmrgroup.in with a copy marked to Rachakonda. Chakrapani @gmrgroup.in.

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

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

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

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

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

15. Apart from the ordinary business, the following agenda items under special business are being placed at 17th AGM for consideration and approval of the Members, which are unavoidable in the opinion of the Board:

1	Ratification of remuneration of Cost Auditors for the financial year 2020-21	As per agreed scope of cost audit for the financial year 2020-21, the cost auditor has to provide limited review report on cost audit on quarterly basis for management review. The cost audit remuneration fixed by the Board is subject to ratification by the Members for the Company. Hence, placing this agenda in this AGM.
2	Appointment of Mr. Mohd Shukrie bin Mohd Salleh as the Director of the Company.	Mr. Mohd Shukrie bin Mohd Salleh, who was appointed as an additional Director, holds the office up to the date of the 17th Annual General Meeting. As such it is proposed to appoint him as a Director of the Company. Hence, placing this agenda in this AGM.

16. The recorded transcript of the VC / OAVM will be maintained in safe custody by the Company and such recorded transcript of the meeting, as soon as possible and will also be made available on the website of the Company.

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

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

19. The requirement to place the matter relating to appointment of the Statutory Auditors of the Company for ratification by members at every AGM is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed in the 17th AGM for ratification of appointment of M/s. K. S. Rao & Co., Chartered Accountants, Bangalore and M/s. Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad as Joint Statutory Auditors of the Company, who were appointed in the 14th AGM held on August 21, 2017 and 16th AGM held on September 27, 2019, respectively.

ANNEXURE TO NOTICE OF THE 17th ANNUAL GENERAL MEETING

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

Item No. 6

The Board of Directors ("the Board") of the Company at its Meeting held on June 15, 2020, on recommendation of the Audit Committee had reappointed M/s. Narasimha Murthy & Co., Cost Accountants (Firm Regn No. 000042), as Cost Auditors of the Company for the financial year 2020-21, at a remuneration of Rs.5,25,000/- (Rupees Five Lakhs and Twenty-five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the Resolution as set out in Item No. 6 as an Ordinary Resolution, placed for ratification by the members.

The Board recommends the resolution as set out in Item No. 6, for your approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution as set out in item No. 6.

Item No. 7

The Board of Directors of the Company at its meeting held on July 22, 2020 approved the appointment of Mr. Mohd Shukrie bin Mohd Salleh as an additional Director of the Company. Pursuant to Section 161 of the Companies Act, 2013; Mr. Mohd Shukrie bin Mohd Salleh, who was appointed as an additional Director, holds the office up to the date of the Seventeenth (17th) Annual General Meeting and it is proposed to appoint him as a Director of the Company. He shall be liable for retirement by rotation. The Company has received a Notice under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Mohd Shukrie bin Mohd Salleh as the Director of the Company.

Details of Mr. Mohd Shukrie bin Mohd Salleh seeking appointment as a Director of the Company at the 17th Annual General Meeting, pursuant to Clause 1.2.5 of the Secretarial Standard-2 on General Meetings:

Name of Director	Mr. Mohd Shukrie bin Mohd Salleh
DIN	0879 3072
Age (Years)	46 Years
Qualifications	Chartered Accountant with the Malaysian Institute of Accountants and holds a Degree in Business Studies from the University of North London.
Experience	Over 20 years
Terms & Conditions of appointment	Appointment as Director as per terms and conditions as stated in the resolution.
Date of first appointment on Board	July 22, 2020
Shareholding in the Company	Nil
Relationship with other Directors, Manager & KMPs	Nil
Other Directorships in Indian Companies	Nil
Committee Chairmanships / Memberships in Indian Companies	Nil
Other information	Mr. Mohd Shukrie bin Mohd Salleh is the Group Chief Executive Officer, Malaysia Airports Holdings Berhad (MAHB). He is representing MAHB on the Company's Board, pursuant to Shareholders Agreement.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, except. Mr. Mohd Shukrie bin Mohd Salleh and his relatives, are concerned or interested in the resolution.

The Board recommends the resolution as set out in Item no.7 of the 17th AGM Notice for approval of the shareholders, as an Ordinary Resolution.

By Order of the Board
for GMR Hyderabad International Airport Limited

Sd/-
Anup Kumar Samal
Company Secretary

Date : August 19, 2020
Place: Hyderabad

BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

Dear Shareholders,

The Board of Directors are pleased to present the 17th Board's Report of GMR Hyderabad International Airport Limited ("GHIAL" or "the Company") together with the audited financial statements for the financial year ended March 31, 2020.

The financial year 2019-20 (financial year) marked a year of slowing economic growth characterised by weaker consumer sentiment, all of which impacted both passenger and cargo traffic across the country. But building on the strength of its strategic geographic location, proactive steps to improve business performance, supportive government policies and economic vibrancy of Telangana State and the South-Central region of India, your Company continued to sustain positive growth momentum in passenger traffic and also managed to contain the negative impact on cargo traffic.

During the last quarter of financial year, the outbreak of the COVID-19 pandemic eventually led to a complete nationwide lockdown in March 2020 including cessation of all commercial aviation activity. This major disruption continues to affect your Company's business and operations going into the financial year 2020-21 but the management of your Company continues to take all necessary steps to safeguard the staffs and business interests of the Company through this very challenging phase and to position the Company to capitalize on the eventual recovery in the coming months and years.

OPERATIONAL PERFORMANCE:

Despite the generally weakening economic environment and early signs of slowdown witnessed during the financial year in India's aviation market and the total shutdown of aviation towards late March 2020 on account of COVID-19 pandemic, Rajiv Gandhi International Airport (RGIA) continued to lead passenger and cargo traffic performance metrics among major airports in India during the year, becoming the only Public Private Partnership airport in the country to register positive Year-on-Year growth in total passengers handled.

During the financial year, RGIA handled 21.6 million passengers, over 183,000 Air Traffic Movements (ATMs) and over 146,000 Metric Tonnes (MT) of cargo. While both passenger and ATMs registered a positive growth year-on-year of 1% and 2% respectively, cargo traffic declined by 1% year-on-year, which was still the least decline registered among major metro airports in the country which saw decline in cargo traffic ranging from -1% to -13% during the year.

During the financial year under review, RGIA further expanded its connectivity to reach a peak of 71 nonstop destinations (15 international and 56 domestic) with 18 foreign carriers and 8 domestic carriers.

Given the strong business fundamentals, strategic and competitive advantages and initiatives to sustain and grow the business, your Company is well positioned to return to the growth path as soon as the situation resulting from the COVID-19 pandemic returns to normalcy.

FINANCIAL RESULTS AND STATE OF THE COMPANY'S AFFAIRS:

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

(Rs.in Crore)

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**	**Variance FY 2019-20 Vs FY 2018-19**
INCOME			
Revenue from operations	1,525.76	1,452.26	73.51
Other income	114.30	117.18	(2.88)
Total income	**1,640.06**	**1,569.44**	70.63
EXPENSES			
Concession fee	64.95	61.53	(3.42)
Employee benefits expense	117.93	96.82	(21.11)
Other expenses	351.81	301.38	(50.43)
Total expenses	**534.69**	**459.73**	(74.96)
Earnings before interest, tax, depreciation and amortization (EBITDA)	**1105.37**	**1109.71**	(4.33)
Finance costs	240.53	198.09	42.44
Depreciation and amortization expenses	170.71	139.01	31.7
Profit before tax and exceptional item	**694.13**	**772.60**	(78.47)
Exceptional item	0.00	0.00	0.00
Profit before tax	**694.13**	**772.60**	(78.47)
Tax expenses			
Current tax - Minimum alternate tax	118.18	162.95	(44.77)
Deferred tax expense	(9.16)	13.21	(22.37)
Minimum alternate tax credit entitlement	(51.7)	(136.31)	84.61
Total tax expense	**57.32**	**39.85**	17.47
Profit after tax for the year	**636.81**	**732.75**	(95.94)
Other Comprehensive income	**132.11**	**16.3**	115.81
Items that will not be reclassified to profit or loss			
Re-measurement gain / (losses) on defined benefit plans	(1.23)	(0.68)	(0.55)
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	195.12	34.02	161.1
Less: Deferred tax expense	(61.78)	(17.04)	(44.74)
Total Comprehensive income for the year	**768.92**	**749.05**	19.87

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

DIVIDEND:

The Board of Directors of your Company, based on the performance of the company and in accordance with the Company's Dividend Distribution Policy, at its Meeting held on January 18, 2020 declared and paid an interim dividend of Rs.2.50 per equity share on the face value of Rs.10/- each (i.e @ of 25%) aggregating to an amount of Rs. 94,50,00,000/- (Rupees Ninety-four Crore Fifty Lakhs only) for the third quarter of the financial year. An amount Rs.19,08,59,062/- (Rupees Nineteen Crore Eight Lakhs Fifty-nine Thousand and Sixty-two only) was paid as dividend distribution tax on the said interim dividend, during the year under review.

Keeping in view the disruption of business on account of prevailing COVID-19 pandemic and to preserve the funds required for the ongoing airport expansion project, in accordance with the Company's Dividend Distribution Policy, your Board of Directors has decided that it would be prudent not to recommend any final dividend for the financial year under review.

APPROPRIATIONS TO RESERVES:

No amount has been transferred to the reserves during the financial year.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year i.e. March 31, 2020 to which these financial statements relate and the date of the Board's Report.

MAJOR EVENTS AND ACHIEVEMENTS:

Route Development:

Before the disruptions caused by the COVID-19 pandemic, your Company had been making steady progress in expanding the connectivity at RGIA.

During financial year, several new domestic destinations were added including Gwalior, Belgaum, Kishangarh, Jharrsuguda, Kolhapur, Gorakhpur, Mysore, Durgapur and Nasik and new frequencies were added by airlines on a number of routes across both domestic and international sectors.

On the cargo front, SpiceJet launched its scheduled freighter services from RGIA and international freighter operators such as Turkish Cargo and Qatar Cargo enhanced their offerings in terms of frequencies, capacity allocations etc.

Airport Expansion:

As part of the capital expansion works, your Company made further progress and commissioned additional 24 remote aircraft parking stands and significant progress was made on various elements on the airside such as taxiways, rapid exit taxiways and construction of a dedicated tunnel for movement of Ground Support Equipment (GSE) under aircraft taxiways. Expansion works for the main Passenger Terminal Building (PTB) made swift progress during the year until the works were brought to a halt due to the lockdowns imposed by the government in response to the COVID-19 pandemic.

Your Directors are pleased to report that thanks to the efforts made by your Company in the subsequent period, the construction works were restarted subsequently at the earliest available opportunity and the expansion works are underway once again.

Your Company also secured environmental clearance from the Ministry of Environment, Forests and Climate Change for future capacity expansion to 50 million passengers per annum (MPPA), paving the way for longer term growth of the airport.

Impact of COVID -19 on Airport Expansion Works:

The airport expansion works achieved overall physical progress of approximately 40%. The rate of progress has impacted due to ongoing COVID -19 related restrictions. The migrant workers who are the mainstay of construction works at site, went back to their native states due to uncertainty of staying put in the city with little economic activity, resulting in shortages of manpower at site to execute the project of our scale. We estimate that the precautionary steps taken by the contractor to contain the community spread of COVID-19 in the workers' colony and the social distancing norms that are to be maintained at site during the construction works shall lead to delay of seven months in achieving the overall completion of the construction works. We expect that the containment of COVID-19 shall enthuse the migrant workers to come back to the construction site in next quarter to enable us to achieve completion albeit with explainable delay.

Operations:

Continuing with the relentless focus of your Company to offer the best possible service quality and passenger experience and achieve world-class levels of operational efficiency, several new milestones were attained during the year.

Some of the highlights during financial year were as below:

- Successful relocation of Hold baggage X-Ray screening setup from interim international departure terminal (IIDT) Check-in hall to IIDT Baggage Make up Area (BMA), eliminating one process step and queue for all passengers and enhancing the check-in experience for international travelers;

- New Ground Handlers viz Celebi Airport Services India Private Limited (Celebi) and Globe Ground India Private Limited (GGI) successfully commenced their operations in April 2019, transitioning seamlessly to new arrangement without any impact on flight operations. This is expected to provide additional competition and improved services in the ground handling services market at Hyderabad Airport;

- An additional arrival belt (belt #3) was made operational for handling international flights, creating additional capacity to handle peak hour passenger loads and also enable more seamless baggage reclaim experience for international passengers;

- Partnered with India Customs to commence new generation Matrix Screening of international arrival baggage, allowing the officials to inspect all incoming baggage more efficiently from the remote location, improving baggage delivery performance and passenger experience.

Commercial / Non-aero

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

Highlights from financial year include:

- ‘GMR Prime’, an exclusive meet-and-greet service was launched that focusses on passenger comfort and experience;
- Launched India’s first FASTag enabled carpark service to provide a more seamless, contactless experience and zero wait times for all car park users;
- Expanding the technology driven initiatives, your Company partnered with travel companion app HOI to provide passengers with an accessible digital airport shopping, retail and F&B experience.

Your Company added 19 new stores and outlets including renowned brands such as Shoppers Stop Studio, Arcelia, Toyport, Burger King, Subway and Starbucks, further improving the range of choices available to the passengers and driving further growth in non-aero income for your Company.

During the year under review, your Company launched a Rewards & Recognition Programme to create a healthy competition among concessionaires with focus on sales growth and customer service.

Special Measures to Counter Impact of COVID-19

Right from early Q4 of financial year when the impact of COVID-19 started materializing, your Company took a number of proactive measures to protect the business, staff, passengers and all stakeholders from the coronavirus through operational, financial and other measures. Through these measures, RGIA successfully navigated the challenging period during the lockdown and was able to successfully recommence commercial flight operations upon being permitted to do so during May 2020 by the Government of India.

<u>Major steps taken included:</u>

Management interventions:

- War Room set-up with empowered cross functional team and personally steered by the CEO;
- Daily reviews held to monitor the dynamic situation, track intelligence and plan balanced response with focus on the following dimensions:
    - Various monitoring and reporting mechanisms put in place to ensure real-time / regular reporting of data and key developments up through to the leadership;
    - Various ground level taskforces have been set up in addition to the War Room to engage with the entire airport community and implement the interventions in collaboration with all the stakeholders.

Operational Measures:

- Airport Operations are planned in compliance with the guidelines issued by the Ministry of Health and Family Welfare, Government of India, the Ministry of Civil Aviation and Telangana State Public Health Department and in collaboration with all relevant stakeholders to ensure passenger and staff safety, hassle-free experience at every touch point of passenger journey within the airport environment, to build passenger confidence to fly and reaffirm 'air travel' as the safest mode of transport
- Rostering staff to minimize risk of cross-exposure;
- Maintaining inventory of critical items including PPE and emergency supplies where required;
- Accommodation and food facilities set up on site for around 300 critical staff;
- Transportation arranged for staff during the lockdown;
- Coordinated with police to arrange curfew passes for movement of staff, including stakeholder staff.

Financial Resilience & Liquidity:

- Stringent cost control measures, including restructuring of staff compensation to conserve cash;
- Deferment / avoidance of all non-essential opex and capex;
- Identifying & securing additional lines of credit for working capital and other needs;
- Renegotiation of all major expenditure contracts to reduce costs & reduce cash outflow.

Market monitoring/intelligence to calibrate response and outlook:

- Closely monitoring global developments;
- Adopting best practices shared by Airports Council International (ACI), International Air Travel Association (IATA) and other industry bodies and experts;
- Proactive participation in knowledge sharing sessions with experts & consulting experts.

Customer outreach and engagement:

- All customer facing teams are in constant touch with their respective clients to update on our measures and also to understand their concerns, requests and challenges;
- Relief / waivers provided to almost all categories of customers initially for 2 months period and the contractual terms are being relooked into to come up with a risk sharing mechanism;
- CEO interaction held with Airport Facilitation Committee members that represents all operational stakeholders.

REGULATORY AND TARRIFF INCLUDING SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

The aeronautical tariffs of your Company are determined by the Airports Economic Regulatory Authority of India ('AERA' or 'the Authority' or 'the Regulator') for the control period spanning over five (5) years. Your Company is operating in the second control period (2016-2021), the aeronautical tariff for the said control period is now notified by the Regulator, which is effective from April 1, 2020. There were few disputes with regard to treatment of pre-control period entitlements, classification of Cargo, Ground Handling and Fuel Farm revenues as non-aeronautical, treatment of revenue from real estate development, treatment of forex loss on External Commercial Borrowings (ECB) payouts, etc. which were contested by your Company through a writ petition filed before the Hon'ble High Court of Telangana at Hyderabad, India and the Hon'ble High Court after deliberations remanded the matter to the Telecom Disputes Settlement and Appellate Tribunal (TDSAT). The appellate tribunal after hearing both the parties, based on submission of the Regulator, directed to have a fresh consideration as part of the third control period tariff exercise. Your Company is in the process of filing the third control period tariff application (2021-2026) and as part of tariff determination process, the Regulator would have a fresh consideration on all the issues which were contested by your Company.

RATING:

The first tranche of USD 350 million Bonds carries an instrument rating of BB+ by Fitch and BB by S&P. Your Company has also obtained Corporate Family Rating (CFR) of Ba2 by Moody's.

During April 2019, your Company had successfully placed a second tranche of USD 300 million Bonds repayable in April 2024 carrying a coupon rate of 5.375%. These Bonds now carry an issue rating of BB+ by Fitch and S&P, and CFR of Ba2 by Moody's.

The domestic rating of your Company is AA by CRISIL, ICRA and India Ratings.

US DOLLAR BONDS:

The proceeds of the USD 300 Million Bonds referred to earlier will be utilized to fund the airport capacity expansion program. Your Company has taken appropriate hedge for the principal and interest payments considering the tenor of the instrument. The Bonds are listed and traded on the Singapore Stock Exchange.

Description of Bonds: 5.375% Senior Secured Notes Due 2024
Issue Size: US Dollar 300 Million
Date of Issue of Bonds: April 10, 2019
Issue Price: USD 2,00,000 per Note
Coupon Rate 5.375% p.a. payable semi annually
Maturity date: April 10, 2024
Credit Rating for the issue: BB+ by S&P, BB+ by Fitch

FINANCING ARRANGEMENT FOR AIRPORT EXPANSION:

As mentioned earlier in the Board's Report, your Company intends to increase the terminal throughput capacity from the existing 12 MPPA to 34 MPPA. The envisaged capital outlay plan including airport expansion, contribution towards metro connectivity and general maintenance capital expenditure would be around Rs. 6,700 Crore (including Interest During Construction) which is expected to be funded by way of 70:30 Debt Equity Ratio (DER). The equity portion of the funds have been internally generated by your Company.

Apart from USD 300 million raised through the Bonds issue during April 2019, your Company needs to still raise the remaining amount of Rs. 2,100 Crore to achieve the full financial closure of the project. Earlier, your Company received a sanction letter from Yes Bank Limited to part finance the capital outlay plan, however subsequently, Yes Bank Limited was compelled to cancel the undrawn facility due to its financial circumstances. Your Company is now working on alternatives to achieve financial closure in next two quarters. Considering the current liquidity and expansion outlay for current financial year, your Company is adequately funded to support the expansion requirements in next 12-15 months.

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

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

- Won the coveted Airports Council International (ACI) Airport Service Quality (ASQ) Departures Awards being adjudged as the "Best Airport by Size and Region" and its first ever "Best Airport in Environment and Ambience by Size", both in the Asia-Pacific region for 2019, in its category of 15-25 MPPA;

- ACI Asia–Pacific Green Airports Platinum Recognition for efficiency in water management practices;

- Second Position in the Best Regional Airports and the Best Airport Staff in India and Central Asia categories in the Skytrax World Airports 2020 Awards;

- Fourth and Eighth ranks in the Best Airport in Central Asia and India and Best Regional Airports in Asia categories respectively, in the Skytrax World Airports 2020 Awards;

- Received Award for "Excellence in Corporate Social Responsibility" in 2019 from Federation of Telangana Chambers of Commerce and Industry in recognition of the CSR initiatives;

- Won the "National Energy Leader" and "Excellent Energy Efficient Unit" Awards at the "20th National Award for Excellence in Energy Management 2019" Ceremony of the Confederation of Indian Industry (CII) in recognition of energy-efficiency initiatives and best practices;

- Won the 1st place award in "Excellence in Cost Management 2018" in the Transportation and Logistics category from the Institute of Cost Accountants of India, received in August 2019;

- Awarded the 3rd Best Swachhta Pakhwada Awards 2019 during the Wings India 2020 closing session in recognition of the stellar work done across the aviation sector;
- Awarded the Aviation Sustainability & Environmental Award under Special Category during the Wings India 2020 for the notable contributions in the area of Civil Aviation in India;
- Featured among the top 10 airports globally in AirHelp's Annual Rankings in 2019 for passenger experience (on-time performance, service quality and food & shopping options);
- Won the 1st prize for 'Best Garden Maintained by Private Companies' in the above 90 acres category awarded by the Government of Telangana;
- Won the 2nd Prize for 'Landscape in Road Medians- Private companies' awarded by the Government of Telangana.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SNo.	Name of the Director	Representing
1	Mr. G. M. Rao, Executive Chairman	Sponsors (GMR Group)
2	Mr. G.B.S Raju, Managing Director	Sponsors (GMR Group)
3	Mr. Srinivas Bommidala	Sponsors (GMR Group)
4	Mr. Grandhi Kiran Kumar	Sponsors (GMR Group)
5	Mr. H. J. Dora	Sponsors (GMR Group)
6	Mr. C. Prasanna	Sponsors (GMR Group)
7	Mr. Mohd Shukrie bin Mohd Salleh	Sponsors (Malaysia Airports Holdings Berhad)
8	Mr. Venkatramana Hegde	State Promoters (Airports Authority of India)
9	Mr. I.N. Murthy	State Promoters (Airports Authority of India)
10	Mr. Jayesh Ranjan, *IAS*	State Promoters (Government of Telangana)
11	Mr. K. Ramakrishna Rao, *IAS*	State Promoters (Government of Telangana)
12	Mr. R.S.S.L.N. Bhaskarudu	Independent Director
13	Mr. N. C. Sarabeswaran	Independent Director
14	Mrs. Siva Kameswari Vissa	Independent Director
15	Mr. Madhu Ramachandra Rao	Independent Director

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

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

- Mr. Pradeep Panicker has been appointed as the Chief Executive Officer (CEO) of the Company with effect from June 15, 2020 in place of Mr. S. G. K. Kishore who was elevated as the Executive Director - South & Chief Innovation Officer (Airports), GMR Group, as part of organizational changes. Mr. S. G. K. Kishore has held the position of CEO of the Company till June 15, 2020;

- Mr. Y. M. Raja Azmi bin Raja Nazuddin ceased to be a Director of GHIAL with effect from 10th February, 2020 consequent upon his resignation from Malaysia Airports Holdings Berhad (MAHB);

- Mr. Mohd. Shukrie bin Mohd Salleh was appointed as an Additional Director of the Company with effect from July 22, 2020, as a representing Director of MAHB, in place of Mr. Y. M. Raja Azmi bin Raja Nazuddin; and
.
- Mr. Srinivas Bommidala, Mr. I. N. Murthy and Mr. Jayesh Ranjan IAS, retire at the ensuing 17th Annual General Meeting by rotation and are eligible for re-appointment.

BOARD COMMITTEES:

Following is the current composition of Board Committees:

Name of the Board Committee	**Composition**
Audit Committee	Mr. R.S.S.L.N. Bhaskarudu (Chairman) Mr. N.C. Sarabeswaran Mrs. Siva Kameswari Vissa Mr. C. Prasanna Mr. K. Ramakrishna Rao IAS
Nomination and Remuneration Committee	Mr. R.S.S.L.N. Bhaskarudu (Chairman) Mr. N.C. Sarabeswaran Mr. I. N. Murthy Mr. C. Prasanna
Corporate Social Responsibility (CSR) Committee	Mr. R.S.S.L.N. Bhaskarudu (Chairman) Mr. Jayesh Ranjan, IAS Mr. C Prasanna
Share Allotment and Transfer Committee	Mr. Madhu Ramachandra Rao (Chairman) Mr. I.N. Murthy Mr. C. Prasanna

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE FINANCIAL YEAR:

Five Board Meetings were held during the financial year and the details of attendance of Directors were as under:

SNo	Name of the Director	Dates of the Board Meetings				
		29.04.2019	**23.07.2019**	**22.10.2019**	**21.11.2019**	**18.01.2020**
1	Mr. G.M. Rao	Yes	Yes	Yes	*LOA*	Yes
2	Mr. G.B.S. Raju	Yes	Yes	*LOA*	*LOA*	*LOA*
3	Mr. Srinivas Bommidala	*LOA*	Yes	*LOA*	*LOA*	*LOA*
4	Mr. Grandhi Kiran Kumar	Yes	*LOA*	*LOA*	*LOA*	Yes
5	Mr. C. Prasanna	Yes	Yes	*LOA*	Yes	Yes
6	Mr. H.J. Dora	Yes	Yes	Yes	*LOA*	Yes
7	Mr. Jayesh Ranjan, *IAS*	Yes	Yes	Yes	Yes	Yes
8	Mr. K. Ramakrishna Rao, *IAS*	Yes	Yes	Yes	Yes	*LOA*
9	Mr. Venkatramana Hegde	Yes	Yes	Yes	*LOA*	Yes
10	Mr. I.N. Murthy	Yes	*LOA*	Yes	Yes	*LOA*
11	Mr. Raja Azmi Bin Raja Nazuddin	*LOA*	Yes	*LOA*	*LOA*	NA
12	Mr. R.S.S.L.N. Bhaskarudu (ID)	Yes	Yes	Yes	Yes	Yes
13	Mr. N.C. Sarabeswaran (ID)	Yes	Yes	Yes	Yes	Yes
14	Mrs. Siva Kameswari Vissa (ID)	Yes	Yes	Yes	Yes	Yes
15	Mr. Madhu Ramachandra Rao(ID)	Yes	Yes	Yes	Yes	Yes

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

NUMBER OF COMMITTE E MEETINGS HELD DURING THE FINANCIAL YEAR:

Audit Committee Meetings:

Six Audit Committee Meetings were held during the financial year and the details of attendance of the Members were as under:

SNo	Name of the Committee Member	Dates of the Audit Committee Meetings					
		29.04.2019	**18.05.2019**	**23.07.2019**	**22.10.2019**	**21.11.2019**	**18.01.2020**
1	Mr. R.S.S.L.N. Bhaskarudu (ID)	Yes	Yes	Yes	Yes	Yes	Yes
2	Mr. N.C. Sarabeswaran (ID)	Yes	Yes	Yes	Yes	Yes	Yes
3	Mrs. Siva Kameswari Vissa (ID)	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. C Prasanna	Yes	*LOA*	Yes	*LOA*	Yes	Yes
5	Mr. K. Ramakrishna Rao, IAS	Yes	Yes	Yes	Yes	Yes	*LOA*

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

Nomination and Remuneration Committee Meetings:

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

SNo	Name of the Committee Member	Date of the NRC Meeting		
		29.04.2019	23.07.2019	22.10.2019
1	Mr. R.S.S.L.N. Bhaskarudu (Chairman)	Yes	Yes	Yes
2	Mr. N.C. Sarabeswaran	Yes	Yes	Yes
3	Mr. I.N. Murthy	Yes	LOA	Yes
4	Mr. C Prasanna	Yes	Yes	LOA

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

Corporate Social Responsibility (CSR) Committee Meetings:

Two CSR Committee Meetings were held during the financial year and the details of attendance of the Members were as under:

SNo	Name of the Committee Member	Date of the CSR Committee Meeting	
		29.04.2019	23.07.2019
1	Mr. R.S.S.L.N. Bhaskarudu	Yes	Yes
2	Mr. C Prasanna	Yes	Yes
3	Mr. Jayesh Ranjan, IAS	Yes	Yes

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

Apart from the meetings of the above Statutory Committees, a meeting of the Sub-Committee of the Board of Directors for issue of foreign currency bonds, was formed with the following Committee members viz., Mr. RSSLN Bhaskarudu, Mr. K. Ramakrishna Rao IAS and Mr. C. Prasanna; and the meeting was held on April 24, 2019 with attendance of all the Committee Members.

During the financial year, no meeting of the Share Allotment and Transfer Committee was held.

Separate Meeting of the Independent Directors:

During the financial year under review, in terms of section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, a separate meeting of the independent directors was held on July 23, 2019.

During the financial year, the following Circular Resolutions were passed:

SNo	Particulars	Date of Passing
1	Audit Committee	19-08-2019 29-10-2019
2	Nomination and Remuneration Committee	19-02-2020

3	Board of Directors	21-08-2019 30-10-2019 24-02-2020

SECRETARIAL STANDARDS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in Note 2.1 of the Notes to the financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

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

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

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

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

STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS:

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

a) Mr. R.S.S.L.N. Bhaskarudu
b) Mr. N.C. Sarabeswaran
c) Mrs. Siva Kameswari Vissa
d) Mr. Madhu Ramachandra Rao

Pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the above Independent Directors have registered with the Independent Directors Databank, maintained by the Indian Institute of Corporate Affairs.

BOARD EVALUATION:

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

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

A. Remuneration paid to Managing Director, Whole-time Directors and/or Manager (Managerial Personnel) during the financial year:

Sl No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs.)
		Mr. GM Rao (Executive Chairman)	Mr. GBS Raju Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3,00,00,000	2,78,91,338	5,78,91,338

2	Stock Option	--		
3	Sweat Equity	--		
4	Commission - as % of profit - others, specify…	2,41,66,667*	2,26,45,833*	4,68,12,500*
5	Others, please specify			
	Total (A)	5,41,66,667	5,05,37,171	10,47,03,838
	Ceiling as per the Act			70,43,20,806

**provisions made in the books*

B. Remuneration to other Directors (other than Managerial Personnel):

(Amount in Rs.)

Particulars of Remuneration	Name of the Directors				Total Amount		
	Mr. RSSLN Bhaskarudu	Mr. NC Sarabeswaran	Mrs. Siva Kameswari Vissa	Mr. Madhu R. Rao			
Independent Directors Fee for attending board / committee meetings Commission Others, please specify	5,60,000 -- --	5,00,000 -- --	4,40,000 -- --	2,00,000 -- --	17,00,000 -- --		
Total (1)	5,60,000	5,00,000	4,40,000	2,00,000	17,00,000		
Name of the Director	Mr .HJ Dora	Mr. K. Ramakrishna Rao, IAS	Mr. Jayesh Ranjan, IAS	Mr. Raja Azmi bin Raja Nazuddin	Mr. VR Hegde	Mr. I.N. Murthy	Total Amount
Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	80,000 -- --	2,00,000 -- --	1,40,000 -- --	20,000 -- --	80,000 -- --	1,00,000 -- --	6,20,000 -- --
Total (2)	80,000	2,00,000	1,40,000	20,000	80,000	1,00,000	6,20,000
Total(B)=(1+2)	6,40,000	7,00,000	5,80,000	2,20,000	80,000	1,00,000	23,20,000
Total Remuneration							
Overall Ceiling as per the Act	Maximum of Rs.1,00,000/- sitting fee per meeting per director						

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

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

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

Sl No	Name of the entity	Relationship	Amount (Rs.)	Particulars
1	GMR Hyderabad Aerotropolis Limited (GHAL)	Subsidiary	33,00,00,000	Investment - 3,30,00,000 equity shares of Rs.10/- each at par by way of subscription to Rights Issue
2	GMR Air Cargo And Aerospace Engineering Limited (GACAEL)	Subsidiary	25,50,00,000	Investment - 2,55,00,000 equity shares of Rs.10/- each at par by way of subscription to Rights Issue
3	Digi Yatra Foundation (DYF)	Joint Venture	1,480	Investment - 148 equity shares of Rs.10/- each at par by way of purchase from JV Partner.
4	GMR Infrastructure Limited (GIL)	Holding Company	200,00,00,000	Loan - Extended short term loan
5	GMR Hyderabad Aviation SEZ Limited (GHASL)	Subsidiary	55,00,00,000	Extended Corporate Guarantee in favour of Lender of GHASL for securing its loan.
6	GMR Hyderabad Aerotropolis Limited (GHAL)	Subsidiary	50,00,00,000	Extended Corporate Guarantee in favour of Lender of GHAL for securing its loan.

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

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

All transactions entered into with the related parties during the financial year under review were on arm's length basis and in the ordinary course of business. Your Company has not entered into any contracts or arrangements with the related parties referred to in Section 188(1) of the Companies Act, 2013 and as such no particulars are required to be given.

All related party transactions (RPTs) are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which were of a repetitive nature. All the transactions with the related parties are audited by the Management Assurance Group (Internal Auditors) of the Company, before the same are placed before the Audit Committee for their review and approval. All RPTs are mentioned in the Note no. 32 to the Notes to the Financial Statements of the Company for the financial year.

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

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

The particulars for foreign exchange earnings and outgo in the financial year, are given below:

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

(Rupees in Crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Concession fees	-	-
Total	**-**	**-**

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

(Rupees in Crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Professional charges	2.34	2.18
Interest*	-	-
Other borrowing cost**	9.80	4.36
Others	2.71	4.06
Total	**14.85**	**10.60**

*Interest on both 4.25% Senior Secured Notes Due 2027 and 5.375% Senior Secured Notes Due 2024 amounting to Rs. 183.50 Crore (March 31, 2019: Rs. 79.04 Crore) is not considered above as the same is hedged and are payable in INR.

**Represents amortization charge of issuance cost incurred towards issue of both 4.25% Senior Secured Notes Due 2027 and 5.375% Senior Secured Notes Due 2024 amounting to Rs. 46.96 Crore and Rs. 26.21 Crore in foreign currency during the financial year ended March 31, 2018 and March 31, 2020, respectively.

RISK MANAGEMENT POLICY:

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

S No	Nature of Risk
1	COVID-19 business disruption on airport business, entire aviation value chain and the larger economy
2	Financial and operational difficulties faced by airline sector
3	Unfavorable outcome on pending issues (Cargo, Ground Handling and Fuel Farm as Non Aero, Foreign Exchange Variation, Pre Control Period Losses, Treatment of Land, etc).
4	Financial health of few subsidiaries straining GHIAL financials
5	Delay in receiving outstanding amount from Air India Group Companies

INTERNAL CONTROL SYSTEM:

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

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

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:

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

During the year under review, such controls were reviewed and tested by the Internal Auditors and found to be adequate.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company is driven by the Group's vision on CSR to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company partners with the communities around the Airport to drive various initiatives in the areas of 1) Education; 2) Health, hygiene & sanitation; 3) Empowerment & livelihood; and Community Development. Your Company has been implementing community development initiatives in the villages surrounding RGIA since 2005. The intensive activities in these thrust areas have been focused in six villages i.e. Airport Colony (rehabilitation colony), Gollapally, Mamidipally, Shamshabad, Charinagar and Ranganayakula Thanda (R.N. Thanda). The CSR initiatives also extend to another 17 villages surrounding the airport and few places in the State of Telangana. Implementation of various activities under these three verticals is being carried out by GHIAL CSR with the professional support of GMR Varalakshmi Foundation (a Section 8 company, the CSR arm of GMR Group) from planning to execution.

Details about the CSR policy and initiatives taken by your Company on CSR during the financial year are given in the CSR Annual Report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, which is annexed to this report as **Annexure-3.**

SHARE CAPITAL:

The paid up equity share capital of your Company as on March 31, 2020 was Rs.378,00,00,000/- (Rupees Three Hundred Seventy-Eight Crore only) comprising of 37,80,00,000 (Thirty-Seven Crore Eighty Lakhs only) equity shares of face value of Rs.10/- (Rupees Ten only) each. During the financial year under review, your Company had not issued any new shares. Being the holder of 63% of the paid up equity share capital of your Company, as on March 31, 2020, GMR Airports Limited is the Holding Company of your Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the financial year, the following corporate restructuring and strategic initiatives have taken place:

- **Voluntary liquidation of Hyderabad Airport Security Services Limited ("HASSL"):** National Company Law Tribunal, Hyderabad Bench ("NCLT") considering the application made under section 59 of the Insolvency and Bankruptcy Code of India 2016 and the Regulations thereto, for voluntary liquidation of HASSL, had passed the voluntary liquidation order on September 13, 2019. As per the Order, HASSL stands dissolved with effect from on September 13, 2019.

- **Scheme of Arrangement amongst GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACLPL"), GMR Aero Technic Limited ("GATL"), GMR Aerospace Engineering Limited ("GAEL"):** National Company Law Tribunal, Hyderabad Bench ("NCLT") vide its Order dated July 26, 2019 approved the Composite Scheme of Arrangement amongst GHACLPL ("Transferor Company"), GATL ("Demerged Company"), GAEL ("Transferee / Resulting Company") and their respective Shareholders and Creditors whereby GHACLPL has merged with GAEL and Maintenance, Repair and Overhauling ("MRO") business of GATL was demerged and merged with GAEL with effect from August 23, 2019 ("effective date") with appointed date "April 01, 2018".

  Subsequently, the name of GAEL was changed to GMR Air Cargo And Aerospace Engineering Limited ("GACAEL") with effect from September 25, 2019. Pursuant to the said Scheme, GACAEL has been operating two divisions viz (i) GMR Hyderabad Air Cargo Division and (ii) MRO Division.

- **Formation of Joint Venture - GMR Logistics Park Private Limited ("GLPPL"):** GMR Hyderabad Aerotropolis Limited (GHAL), a subsidiary of GMR Hyderabad International Airport Limited (GHIAL), has formed a joint venture with ESR Hyderabad 1 Pte Limited ("ESR") (a subsidiary of the Hong Kong headquartered ESR Cayman Limited) to develop warehouse and logistics park spanning over 66 acres of land at 'Airport City' in RGIA.

  Definitive agreements were executed on January 08, 2020 between ESR and GHAL for an equity interest of 70% and 30% respectively in GLPPL. Pursuant to the said Subscription Agreement and Shareholders' Agreement, GLPPL allotted 4,13,35,182 (Four Crore Thirteen Lakhs Thirty-five Thousand One Hundred and Eighty-two only) equity shares of Rs. 10/ - (Rupees Ten only) each at par to ESR and 1,69,65,078 (One Crore Sixty-nine Lakhs Sixty-five Thousand and Seventy-eight only) equity shares of Rs. 10/ - (Rupees Ten only) each at par to GHAL. Consequent to the said allotment, the percentage of shareholding of ESR and GHAL in GLPPL has been changed in the ratio of 70 and 30 respectively and GLPPL ceased to be the Subsidiary of GHAL as well as indirect subsidiary of GHIAL with effect from April 16, 2020 and became a Joint Venture (Associate) Company.

- **Closure of GMR Hyderabad Airport Power Distribution Limited ("GHAPDL"):** As part of corporate initiative towards rationalizing and restructuring of the subsidiaries by reducing the number of companies, the management has examined and identified non-operating wholly owned subsidiary – GHAPDL for closing under Section 248 of the Companies Act, 2013. The authorized and paid-up share capital of GHAPDL was Rs. 500,000/- (Rupees Five lakhs only) divided into 50,000 (Fifty Thousand only) equity shares of Rs.10/- (Rupees Ten only) each. The net worth of GHAPDL eroded and did not have any assets and liabilities.

Accordingly, after closing books of the account of GHAPDL as on January 31, 2020, an application was made to the Registrar of Companies (ROC) on February, 25, 2020, for striking off of the name of the Company from the Register being maintained by the ROC and striking off is under process.

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

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

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

Business highlights and achievements in Subsidiaries and Joint Ventures, during the financial year:

GHRL (Hotel Division):

- Achieved 2% YoY growth in revenue (Rs.73.83 Crore in financial year 2020 Vs Rs.72.64 Core in financial year 2019);

- Achieved highest ever room occupancy i.e. 90% in November 2019.

GHRL (Duty Free Division):

- Achieved 7% YoY growth in revenue (Rs.178.10 Crore in financial year 2020 Vs Rs.165.85 Crore in financial year 2019), with strong double digit growth in various categories (+18% in Tobacco, +15% in Destination, +11% in Liquor);

- Recorded highest ever monthly sales in January 2020 (Rs. 19.66 Crore).

GHAL:

- During the financial year, the financial performance has improved significantly, Revenue up from Rs.10.37 Crore in financial year 2018-19 to Rs.18.51 Crore in the financial year 2019-20 (YoY up by 78%);
- Definitive agreements were signed with Singapore-based ESR Hyderabad 1 Pte Limited on 8th January, 2020 for formation of a joint venture (GMR Logistics Park Private Limited) to develop a warehouse and Logistics park in land spanning over 66 Acres in Airport City in RGIA. ESR and GHAL shall hold an equity interest of 70% and 30% respectively in the Special Purpose Vehicle;
- Entered into an Agreement with Amazon Seller Services Private Limited to lease a Build-To-Suit facility (BTS) with Leasable area of ~ 257500 square feet (including mezzanine area of approximately 74,500 square feet).

GHASL:

- During the financial year, the financial performance has improved significantly, Revenue up from Rs.14.39 Crore in financial year 2018-19 to Rs.19.15 Crore in financial year 2019-20 (YoY up by 33%);
- Entered into an Agreement with Safran Aircraft Engines Hyderabad Pvt. Ltd. (Manufacturer of Aircraft Engines Parts) to lease a Build-To-Suit facility (BTS) with an area of 16,492 square meters.

GACAEL:

- During the year financial 2019-20, the financial performance of MRO Division has improved significantly, Revenue up from Rs.155.64 Crore in financial year 2018-19 to Rs.209.74 Crore in financial year 2019-20 (YoY up by 35%) and the year ended with Profit Before Tax Rs.2.97 Crore – first time since its inception;
- The MRO division is aggressively working on Line Maintenance business and will also be enhancing its current capacity to accommodate increasing business;
- The Cargo division had shown consistent performance against last year, total volume handled in financial year was 1,34,501 metric tons against financial year 2018-19 volume of 1,35,987 metric tons, in spite of COVID-19 impact in March 2020, where the cargo volume reduced by almost 27% (March 2019-12,529 metric tons Vs March 2020- 9,196 metric tons).

LHAMPL - JV:

- Achieved 7% YoY growth in revenue (Rs.62.66 Crore in financial year 2020 Vs Rs.58.31 Crore in financial year 2019).

AUDITORS:

Statutory Auditors and Statutory Audit Report:

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

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

There are no qualifications in the auditors' report on the financial statements of the Company for the year ended 31st March 2020.

Secretarial Auditors and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board had reappointed M/s. KBG Associates, a firm of Company Secretaries in Practice (CP No. 6262) represented by its Partner Mr. Srikrishna Chintalpati, to undertake the Secretarial Audit of the Company for the financial year. The Secretarial Audit Report is annexed as **Annexure-4** and forms an integral part of this Board's Report.

There are no qualifications, reservations or adverse remarks in the secretarial audit report for the financial year.

Cost Auditors and Cost Audit Report:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records. The Board of Directors has reappointed M/s. Narasimha Murthy and Co., Cost Accountants (Firm Registration No. 000042), as Cost Auditor to audit the cost records of the Company for the financial year 2020-21. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the 17th Annual General Meeting for their ratification.

There are no qualifications, reservations or adverse remarks in the cost audit report for the financial year.

Further, the Auditors of your Company have not reported any incident of fraud by the Company or by the officers and employees of the Company in the financial year under review.

EXTRACT OF THE ANNUAL RETURN:

The extract of the annual return as on March 31, 2020 in the format prescribed under section 92(3) of the Companies Act, 2013 is annexed to this Report as **Annexure-5.**

PUBLIC DEPOSITS:

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

HUMAN RESOURCES AND DEVELOPMENT:

Recruitment: Your Company has continued the HR Business Partner (HRBP) concept and increased the screening levels with the motive of improving the quality of candidates hired. As on March 31, 2020, there were 857 employees on the Company's rolls.

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

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

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

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

Employee recognition: Recognition culture in your Company saw a positive trend among employees in terms of motivation, performance and continuing endeavor for achievement. Your Company recognizes exemplary performers through various initiatives like Star of the Month (SOM-Individual and Team), Star Team of the Quarter, Thank you and Well done cards. Increasing trend of SOM Nominations and card redemptions indicates positive change in the recognition culture.

Employee Engagement and Wellness:

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

Engagement interventions include initiatives like Job rotation / enlargement opportunities for employees, V-Connect for new joinees, sports events, recognition platforms, festival celebrations, professional development initiatives etc. Also your Company has extended engagement to employee's families and also to Airport stakeholders through events like Pariwar Milan in the financial year. Your Company has been conducting stakeholder engagement initiatives like "One Family, One Mission", under which various events like International Yoga Day, Sankranti Celebrations, Women's day, Dandiya night, etc., were organized for the RGIA community.

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

Covid-19 relief measures:

COVID-19 pandemic has been one of the biggest challenges in recent times impacting human lives and disrupting businesses in equal proportions. Health and well-being of each of our employees and their families has been the first priority of the Company and all measures required to ensure this are being taken. Some employee safety and welfare initiatives at Airport and Office, are as below:

- Thermal screening at all entry points of offices to ensure 100% coverage and screenings;
- Access to sanitizers & Provision of PPEs for all employees and also stake holder employees working in premises;
- Making self-declaration of employee health mandatory;
- Encourage preventive health checkup for all employees;
- Ensuring physical distancing in place of work;
- Remote working policy that ensures only limited personnel enter the work premises;
- Physical distancing guidelines implemented in canteens and cafeteria;
- PPEs and mandatory health status declaration for all service staff serving in office and allied areas;
- Disinfection and sanitzation of all work spaces, equipment and employee vehicles at a predetermined frequency;
- Encouraging Virtual meetings;
- Emergency Processes and SOPs to support health, safety, physical and psychological needs of employees and dependents.
- Employee Engagement: In addition to extensive staff protection measures, processes developed to address physical & psychological needs of employees & dependants and also to keep up the morale of employees in times of crisis, following employee engagement activities have been under taken:
    - CEO Digital Townhall sessions were conducted to sensitize staff about the crisis, address their apprehensions, take feedback / ideas on combating the crisis together;
    - Extended Work from Home to ensure social distancing;
    - All leaders mandated to engage daily with teams through digital channels;
    - 24x7 Emergency Control Room Setup (In Case of Emergency (ICE);
    - Inventory of emergency grocery kits for staff during food supply disruptions;
    - Appointed additional doctor on-site to support medical needs of staff;
    - Counsellor made available through 24x7 ICE helpline;
    - COVID 19 related measures shared regularly on email WhatsApp, workplace signage / posters and through Zoom webinar Townhall meetings;
    - Online Motivational sessions were held frequently to induce sense of calm
    - Communication initiative against COVID-19 targeted at passengers, staff and stakeholders were conducted;
    - Employees' self-declarations forms for Health monitoring were followed.

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

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

Number of complaints received	: Nil
Number of complaints disposed off	: Nil

VIGIL MECHANISM:

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

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

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

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

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

The Ethics & Integrity (E&I) Department of GMR Group will confirm to the Audit Committee on half yearly basis about implementation of Vigil Mechanism Policy of the Company including fraud (if any).

SAFETY AND ENVIRONMENT:

I. Environment Compliance and Sustainability Activities:

During the financial year, some of the significant achievements on the Environment management and Sustainability processes are as under:

- Your Company had obtained the Environmental Clearance for the expansion of Rajiv Gandhi International Airport (RGIA) from 25 MPPA to 50 MPPA from the Ministry of Environment, Forest and Climate Change (MoEF and CC) vide order no. F. No. 10-71/2018-IA-III date 05/11/2019;

- Your Company was granted the consent for Establishment (CFE) for the development of the Multi-sector SEZ from Telangana State Pollution Control Board vide order no. 311/TSPCB/CFE/RO-RR-I/HO/2019-1715 date 25/10/2019;

- Your Company is encouraging the zero emission vehicles (electric buses and cars) for the passenger commuting and ground support operations at RGIA. In this financial year, 40 electric buses and few electric cars were introduced by the Airport stakeholders;

- For the fourth consecutive year, your Company has successfully received the "Level 3+: Carbon Neutrality" certification from the Airport Carbon Accreditation program by the Airports Council International (ACI) in December 2019. The certificate is valid up to December 2023. The Level 3+, Neutrality is the highest level of environmental achievement and recognition of the airport's great efforts in reducing / neutralizing carbon emissions;

- Your Company has been awarded with Green Airports Recognition 2020 – Platinum for its best Water Management at RGIA by the Airports Council International in the Category: 15 to 35 million passengers per annum, Asia – Pacific region in February 2020;

- Your Company became a single use plastic free organisation by phasing out less than 50 microns' thickness carry bags and cutlery. Further, the Company is promoting the use of jute / pulp products through GMR Varalakshmi Foundation at the Airport;

- During the Wings India 2020 Aviation event, MoCA and FICCI recognised your Company with Aviation Sustainability and Environment Award in March 2020.

II. Safety:

1. RGIA Safety Mission Statement:

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

2. Synopsis:

In line with the Safety Management System framework defined by the International Civil Aviation Organization (ICAO) and the Directorate General of Civil Aviation, India (DGCA), your Company has made very good progress in the area of safety performance through sustained and collaborative efforts with the stakeholders and achieved high levels of safety standards. This positive trend in safety performance has also enabled significant growth in passenger numbers as well as Air Traffic Movement.

3. Safety Performance and assurance:

The Company's Safety Performance for the financial year:

Your Company has continued its efforts in giving safety assurance to all its stakeholders through proactive and preventive measures. As part of safety assurance, during the financial year, considering the steady increase in the air traffic, your Company has focused efforts in selective target areas like airline maintenance practices, apron procedures to proactively identify and mitigate operational hazards well before it becomes a concern. Regular Safety audits and oversight inspections were undertaken to ensure the safety standards of all the stakeholder agencies operating at the airport. Your company continues to enhance the safety culture through safety promotions and campaigns.

4. Safety compliance:

The 'Safety Management System' at RGIA is in compliance with DGCA regulatory guidelines which has been reaffirmed by renewal of the Aerodrome License [AL/Public/021] for the next two year cycle valid till March 03, 2022. Also, as part of the IMS recertification process, the Company has been certified OHSAS 18001:2007 certification and the same is valid till March 11, 2021.

5. Safety Initiatives:

Considering the flight safety as the top priority, your Company regularly conducts Runway Safety Committee meetings with pilots, ATC controllers, aircraft engineers, airport operations and engineering departments to proactively ensure the runway safety at all times. Your Company undertakes stringent risk assessment process for all the major changes / activities to identify the hazards and mitigate them to ensure seamless transition of the major changes in the facilities and processes. All the stakeholders are encouraged to voluntarily report hazards and safety occurrences through online reporting portals and various other modes. Regular Safety briefing sessions are organized for all the stakeholders' employees.

6. Safety Promotion:

Safety promotion is a regular event among the airport community and during the National Safety Week all the senior officials came together to reassure their commitment to safe and efficient operations at RGIA. Also the stakeholders are sensitized regularly through safety bulletins, safety alerts through various communication mediums.

7. Recognition:

Mr. Narayanasamy Venkatachalapathy, Head-Safety of your Company has been recognised as a member of the elite World Safety and Technical Standing Committee (WSTSC) of ACI world to review all airport safety matters with the global experts. It is an honour and recognition of your Company's efforts in maintaining very high safety standards at RGIA.

PARTICULARS OF REMUNERATION:

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

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their sincere thanks and gratitude to the State Government of Telangana, Government of India, various Government Departments / Authorities including the Registrar of Companies, Ministry of Corporate Affairs, National Company Law Tribunal, Airports Authority of India, Malaysia Airports Holdings Berhad, MAHB (Mauritius) Private Limited, GMR Group, Concessionaries, Customers, Suppliers, Vendors and Lending Banks, Financial Institutions and Joint Venture Partners, and Financial Investors for their co-operation.

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

For and on behalf of the Board of Directors

		Sd/-	**Sd/-**
Place :	Hyderabad	**G. B. S. Raju**	**R.S.S.L.N. Bhaskarudu**
Date :	August 19, 2020	Managing Director	Director
		DIN : 00061686	DIN: 00058527

GMR Hyderabad International Airport Limited

Annexure-1 to GHIAL Board's Report FY 2019-20

Salient Features of the Nomination and Remuneration Policy

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

(1) The Key Objectives of the Committee are:

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

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

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

(2) Appointment criteria and qualifications

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

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

(3) Term / Tenure

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

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

(b) Independent Director

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

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

(4) Evaluation

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

(5) Removal

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

(6) Retirement

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

(7) Provisions relating to Remuneration

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

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

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

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

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

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

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

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

For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
	G.B.S. Raju	**R.S.S.L.N. Bhaskarudu**
Place : Hyderabad	Managing Director	Director
Date : August 19, 2020	DIN 00061686	DIN 00058527

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

(a) Energy Conservation Measures taken in the FY 2019-20:

- Optimization of Sewage Treatment Plant (STP) operations by addition of Natural Coagulant – Airside and Landside (ALS) (STP)
- Enhancing performance of equipment by optimum loading and scheduled operations – passenger terminal building (PTB)
- Installation of Condenser Automatic Tube Cleaning System [proof of concept (POC) successful]
- Installation of Energy Efficient Chiller - ALS
- Upgrading the domestic water pump to energy efficient pumps - ALS
- Prepaid Energy Meters - PTB
- UV Light in Air Handling Unit: PTB (POC successful)
- Hydel Turbine to generate power from RO (reverse osmosis) reject water - PTB
- Auto Control of Air Conditioning of Passenger Boarding Bridges - PTB

Brief Summary of some Key Projects:

- Addition of Natural Coagulant in STP:
  Currently GHIAL is maintaining STP (2 X 925 KLD) for the treatment of sewage. To enhance the throughput of the plant a "Propitiatory Natural Coagulant" is added in Clarifier tank which helped in increasing the density of sediments resulting in faster settling of suspended solids and enhancing capacity and quality of the output.
- Enhancing performance of equipment by scheduled operations and optimum loading:
  Focusing on energy conservation during lean or non-movement of passengers, team scheduled major equipment operations in coordination with Airport Resource Planning on flight schedule and reduced overall power consumption.
- Installation of Condenser Automatic Tube Cleaning System (1 Chiller-POC):
  Automatic tube cleaning system is installed with chiller, it helps in cleaning the condenser tubes which in turn reduces the approach, increases heat transfer and reduces maintenance cost. The requirement of chemical cleaning of condenser tubes also ceases after the installation of Automatic Tube Cleaning System.

(b) Additional investments and proposals implemented for reduction of consumption of energy in the FY 2019-20:

- Optimization of STP operations by addition of Natural Coagulant – Rs.22 Lakhs
- Installation of Energy Efficient Chiller – ALS - Rs.55 Lakhs
- Upgrading the domestic water pump to energy efficient pumps – ALS – Rs.26 Lakhs
- Prepaid Energy Meters – PTB – Rs.92 Lakhs
- Auto Control of Air Conditioning of Passenger Boarding Bridges – PTB – Rs.1.4 Lakhs

<u>In House Projects – Minimal Cost:</u>

- Hydel Turbine RO reject water - PTB – Rs. 0.08 Lakh
- Enhancing performance of equipment by optimum loading and scheduled operations – PTB - Zero Cost

Proof of Concept:

- Installation of Condenser Automatic Tube Cleaning System (1 Chiller - POC)
- POC Completed for UV Light in Air Handling Unit: PTB

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

Overall Energy Performance Index (kWh/Sq. Mtr.) was reduced by 9% per sq. mtr. as compared with previous year. As a result, Airport achieved lower energy consumption per sq. mtr. in FY 2019-20 i.e. 15.8 kWh / Sq. Mtr. (Avg.) against 17.4 kWh/Sq. Mtr. (Avg.) in FY 2018-19.

Following initiatives are planned in the FY 2020-21 for reduction of energy consumption:

- Online tube cleaning system for condenser of Chillers – Rs. 23 Lakhs
- AMR meter supply - Rs. 95 Lakhs
- Replacement of Cooling Tower (3 Nos) - Rs. 50 Lakhs
- Replacement of Precision Air Conditioning (PAC) unit & Upgradation of Computer room air conditioning (**CRAC**) unit – Rs. 48 Lakhs
- Replacement of PAC in Air Traffic Control - Rs.30 Lakhs
- Energy and Water meters for Passenger Terminal Building & Approach Lighting System (Phase 2) - Rs.20 Lakhs

For and on behalf of the Board of Directors

		Sd/-	**Sd/-**
Place :	Hyderabad	**G. B. S. Raju**	**R.S.S.L.N. Bhaskarudu**
Date :	August 19, 2020	Managing Director	Director
		DIN : 00061686	DIN 00058527

GMR Hyderabad International Airport Limited

Anneuxre-3 to GHIAL Board's Report 2019-20

CSR Annual Report for the financial year 2019-20

1	The brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	GMR Hyderabad International Airport Limited ("GHIAL" or "the Company"), a part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group (the Group) recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. GHIAL is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company, partners with the communities around the Airport and at other locations to drive various initiatives in the areas of (i) Education; (ii) Health, hygiene & sanitation; and (iii) Empowerment & livelihoods and Community Development. Implementation of various activities under these three verticals is being carried out by GHIAL with the professional support of M/s. GMR Varalakshmi Foundation from planning to execution. GHIAL has been implementing community development initiatives in the villages surrounding Rajiv Gandhi International Airport (RGIA) since 2005. The intensive activities in these thrust areas have been focused in 6 villages i.e. Airport Colony (rehabilitation colony), Gollapally, Mamidipally, Shamshabad, Charynagar and R.N Thanda as these are the villages most affected by the Airport (Local Villages). The CSR initiatives also extend to another 17 villages surrounding the airport and few other locations in the State of Telangana. CSR activities in these villages have created a win-win situation for the community and the Company. Weblink for overview of Projects or Programs is http://hyderabad.aero/our-company.aspx
2	The Composition of the CSR Committee	Mr. RSSLN Bhaskarudu, Independent Director (Chairman) Mr. Jayesh Ranjan IAS, Director nominated by Government of Telangana (Member) Mr. C Prasanna, Director nominated by GMR Group (Member)
3	Average net profit of the company for last three financial years 2016-17; 2017-18, 2018-19	Rs. 52944.45 lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs.1058.89 lakhs

5	Details of CSR spent during the financial year 2019-20	
	(a) Total amount spent for the financial year	Rs.1059.14 Lakhs
	(b) Amount unspent, if any;	NIL
	(c) Manner in which the amount spent during the financial year is detailed below:	

CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DIRECTLY OR INDIRECTLY:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S No.	**CSR project or activity identified and Execution Details**	**Activity as per Schedule VII of the Companies Act 2013**	**Projects or programs (1) Local area or other (2) District where projects or Programs was undertaken**	**Amount outlay (budget) project or programs wise (Rs. in lakhs)**	**Amount directly spent on the projects or programs (Rs. in lakhs)**	**Amount indirectly spent on the projects or programs (Rs. in lakhs)**	**Total Amount spent on the projects or programs (Rs. in lakhs)**
1	**Infrastructure and learning support to 12 Government Schools adopted in airport surrounding villages and implementing Gifted Children scheme:** 1. Improving quality of education through strategic interventions like Vidya volunteer support, TLM, Capacity building of teachers and introducing innovative teaching learning methodologies. 2. Providing infrastructure support and running KidSmart computer education Centres 3. Support for improving quality of education in Govt. schools for 3000 students and 300 children in 9 Anganwadis 4. Support to 119 Gifted Children for their school fee, bus transport, uniforms, stationary etc. **Support for Chinmaya Vidyalaya School Expansion work.**	Promotion of Education	Villages around Rajiv Gandhi International Airport, Shamshabad, Rangareddy District, Telangana	**61.79** **268.00**		**61.79** **268.00**	**61.79** **268.00**

2	**Support for Mobile Medical Unit, Evening clinics, Nutrition centers and RO water plants:** 1. 25500 treatments provided by MMU to elderly people in 23 villages around Airport. 2. Support for 7 evening clinics benefitting about 700 patients every month. 3. 13 Medical camps were conducted in villages surrounding Airport with support of various corporate hospitals. 4. Running 3 Nutrition Centres for pregnant and Lactating women at Airport colony, Mamidipally and R.N Thanda villages benefitting around 280 women 5. Awareness programmes on Institutional deliveries, Breastfeeding, Complete immunization and Low cost nutrition etc., which helped women to improve their overall health. 6. Two RO plants are functional at Airport Rehabilitation Colony and Gollapally benefitting more than 600 families with safe drinking water. **Rajam Activities** • Concession support for treatment to more than 6000 poor and under privileged patients at GMRV CARE Hospital, 15 eye camps and 400 cataract operations • Public toilets maintenance reaching 3200 people per day	Promotion of Health	Villages around Rajiv Gandhi International Airport, Shamshabad, Rangareddy District, Telangana Rajam & Surrounding Villages of Srikakulam District	**57.28** **58.00**		**57.28** **58.00**	**57.28** **58.00**
3	**Running skill training centre at Airport campus, Shamshabad, Telangana.** 1. Trained 1118 youth in 11 trades and 824 trainees settled either by way of wage or self-employment. 2. Conducted RPL training for staff working in HDFRL under Retails Sales Associates job role and 105 candidates have successfully completed the certification. 3. Completion of new Hostel Building for Shamshabad Vocational Training Centre was inaugurated by Shri SGK Kishore, CEO, GHIAL. 4. Establishment of new Plumbing Workshop, Solar energy provision for centre.	Employment enhancing vocation skills among Youth & woman	All Districts of Telangana with special preference to villages around Airport.	**331.68**	**7.53**	**324.15**	**331.68**

	5. Prathibha Coaching centre cum library started in Shamshabad, providing coaching programs for various competitive exams and Army Selections. About 200 candidates benefitted during the year. 6. Establishment of New Paper bag making unit and TTD Laddu bags making unit ,benefitting about 50 women) 7. Running two more training centres at Raikal(Jagityal dist.) and Nagaram (Sircilla dist.), Telangana a. Raikal Centre is now running three courses: Electrical House wiring and Home appliances Repair and Two wheeler Repair technician course for boys and Tailoring course for girls. 320 were trained and 85% were settled. b. Nagaram centre runs courses namely Asst. Electrician, and Asst. Solar PV Technician for boys and Bed side attendant course for girls. 296 candidates were trained with 88% were settled.	Employment enhancing vocation skills among Youth, woman	Jagityal and Karimnagar districts of Telangana state. Sircilla and Siddipet districts of Telangana state				
	Support to Swarnabharath Trust for running Vocational Training Centre at Muchintal. 1. Trained about 512 youth in automobile, garment making, dress designing and beautician courses and 450 were settled during the year	Empowering women & women safety	All the districts of Telangana State . Villages around Rajiv Gandhi International Airport, Shamshabad, Rangareddy District, Telangana State	**15.50**		**15.50**	**15.50**
	Women Empowerment through 1. Training women on craft based jute product making 2. Facilitating marketing of products made by women groups 3. Provided 161 CCTV cameras in our 6 project villages as per the request of local police and community towards citizen safety around RGIA	Employment enhancing vocation skills among Youth, woman		**21.56**		**21.56**	**21.56**
	Rajam Activities-Support to 3 Vocational Training centres & Prathibha library		Rajam & Surrounding Villages of Srikakulam District	**7.00**		**7.00**	**7.00**

4	**Community Development** 1. Small infra-structure works in project villages such as drainage works, street lights etc. 2. Support to one orphanage run by Miracle Foundation in Mahboobnagar, Telangana benefitting about 60 children. 3. Rajam Activities (Eradication of hunger & poverty) 4. Other Donations to like-minded organizations- Support to Ekalavya Foundation & Samskriti Trust	Infra support to the project villages Support to community programs	Villages around Airport Telangana State Orphanage in Mahboobnagar, Telangana Rajam, and surrounding villages in Srikakulam District Support for organic farming in Adilabad District of Telangana	4.00 31.03 50.00 144.50		4.00 31.03 50.00 144.50	4.00 31.03 50.00 144.50
5	Administrative Expenses	-	-	8.80		8.80	8.80
	Total			**1059.14**	**7.53**	**1051.61**	**1059.14**

For and on behalf of the Board of Directors

Sd/-
G.B.S. Raju
Managing Director
DIN 00061686

Sd/-
R.S.S.L.N. Bhaskarudu
Director
DIN 00058527

Place : Hyderabad
Date : August 19, 2020

KBG ASSOCIATES
Company Secretaries

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020; complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the following provisions:

S No	Particulars
1.	The Companies Act, 2013 ("the Act") and the Rules made thereunder;
2.	The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
3.	Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;

S No	Particulars	
4.	We have also examined compliance with the applicable clauses of the Secretarial Standard-1 on Meetings of the Board of Directors and Secretarial Standard-2 on the General Meetings (“Standards”) , issued by The Institute of Company Secretaries of India. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.	
1.	**Under the Companies Act, 2013**	
A.	Based on our examination and verification of the records produced to us and according to the information and explanations given to us by the Company’s officers, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and Memorandum and Articles of Association of the Company, inter alia with regard to:	
	a.	Maintenance of various statutory registers and documents and making necessary entries therein;
	b.	Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Ministry of Corporate Affairs, Government of India;
	c.	Service of documents by the Company on its Members, Directors and Registrar of Companies and other Statutory Authorities;
	d.	Notices, Agenda and Minutes of proceedings of the General Meetings and of the Board and its Committee Meetings including Circular Resolutions;
	e.	The meeting(s) of : i) the Board of Directors held on 29-04-2019; 23-07-2019; 22-10-2019; 21-11-2019 and 18-01-2020; ii) Audit Committee held on 29-04-2019; 18-05-2019; 23-07-2019; 22-10-2019; 21-11-2019 and 18-01-2020; iii) Nomination & Remuneration Committee held on 29-04-2019; 23-07-2019 and 22-10-2019; iv) CSR Committee held on 29-04-2019 and 23-07-2019; v) Board sub-committee for issue of Foreign Currency Bonds held on 24-04-2019.

S No		Particulars
	f.	The Sixteenth (16th) Annual General Meeting held on 27th Sept 2019 and two Extraordinary General Meetings (EGMs) were held viz 23rd EGM held on 7th May 2019 and 24th EGM held on 22nd Aug 2019.
	g.	Approvals of the Members, the Board of Directors, the Committees of Directors wherever required.
	h.	Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors.
	i.	Payment of remuneration to the Executive Chairman and Managing Director and payment of sitting fees to other Directors (including Independent Directors).
	j.	Appointment and remuneration of Auditors: During the year, M/s. Walker Chandiok & Co, LLP, Chartered Accountants, Hyderabad were appointed as one of the joint statutory auditors of the Company (in place of one of the joint statutory auditors M/s. S.R. Batilboi & Associates LLP, whose term of office expired) for a term of 5 years from the conclusion of the 16th AGM held on 27th Sep 2019 till the conclusion of 21st AGM to be held in the year 2024.
	l.	Declaration and distribution of dividends: An interim dividend of Rs. 2.50/- per equity share (on the face value of Rs. 10/- each i.e., 25%) for the third quarter ended 31st Dec, 2019 was approved at the Board Meeting held on 18th Jan, 2020 and paid to Shareholders of the Company within stipulated time
	m.	Transfer of Unpaid and Unclaimed dividend to the Investor Education and Protection Fund: - Not applicable as the Company does not have any unpaid and unclaimed dividend.
	n.	Borrowings and registration, modification and satisfaction of charges wherever applicable;
	o.	Investment of the Company's funds including investments and loans to others;

S No	Particulars	
	p.	Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
	q.	Board’s Report;
	r.	Contracts, common seal, registered office and publication of name of the Company.
B.	**Under the Companies Act, 2013, we further report that :**	
i.	The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors and Key Managerial Personnel (KMP) that took place during the period under review were carried out in compliance with the provisions of the Act as stated below: (a) Mr. Rajesh Arora resigned as Chief Financial Officer w.e.f the end of business hours of 31st May 2019 as part of the organizational changes in GMR Group and Mr. Anand Kumar Polamada was appointed as Chief Financial Officer & KMP of the Company w.e.f 1st June 2019. (b) Mr. Y. M. Raja Azmi bin Raja Nazuddin [nominee of Malaysia Airports Holdings Berhad (MAHB)], Director of the Company ceased to be Director of the Company w.e.f 10th Feb 2020, due to his resignation from MAHB. (c) Mr. G.M Rao, was appointed as Executive Chairman (Whole-time Director) of the Company for a period of Three (3) years w.e.f. 1st Jun 2018 at the Twenty-first (21st) Extraordinary General Meeting held on 21st Jun 2018. During the year, Mr. G.M. Rao had completed 70 years and in this regard a special resolution was passed by the shareholders at the Twenty-fourth (24th) Extraordinary General Meeting of the Company held on 22nd August 2019 under section 196 (3) of the Act approving the continuation of Mr. G.M. Rao as the Executive Chairman of the Company.	

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

S No	Particulars
4.	**Under other applicable laws, we report that:**
	Based on the Quarterly Compliance Certificate issued by the Chief Executive Officer of the Company for all the four quarters of the financial year 2019-20 and noted by the Board at the Board Meetings, we are of the opinion that there has been due compliance of all the Laws to the extent applicable including the Aircraft Act, 1934, the Aircraft Rules, 1937, the AERA Act, 2008, other Civil Aviation Requirements (CAR) Rules, Labour Laws, Finance & Taxation Laws, Corporate Laws and Pollution Laws, Orders Rules, Regulations, Guidelines and other legal requirements of the Central and State Government as well as Local Authorities concerning the business and affairs of the Company. We have been given to understand that the Company has complied with all the laws applicable to it, under the LEGATRIX COMPLIANCE TOOL, which is implemented across GHAIL and its subsidiary & associates companies. Further, we have been given to understand that the Company has conducted all the Board and Committee Meetings as per DESS Digital Platform and the Directors of the Company have successfully completed the annual board / committees evaluation process under DESS Digital Platform.
5.	**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6.	**We further report that the** Board of Directors of the Company at its meeting held on 18th Jan 2020 accorded its consent for the proposal of closure of non-operating wholly owned subsidiary of the Company, viz. GMR Hyderabad Airport Power Distribution Limited ("GHAPDL")by making an application to the Registrar of Companies ("ROC"), Telangana for removal of the name of GHAPDL from the Register of Companies, maintained by the ROC, pursuant to the provisions of section 248 of the Act.

S No	Particulars
7.	**We further report that** the Board of Directors of the Company at its meeting held on 29th Apr 2019 has approved the proposal for increasing the borrowing powers limit of the Board from Rs. 8,000 crores to Rs. 10,250 crores and the same was approved by the Shareholders of the Company by way of a special resolution at the Twenty-third (23rd) Extraordinary General Meeting held on 7th May 2019. **Further, we report that** during the period under review, the Company has increased maximum limit of number of Directors of the Company from 15 to 18 by amendment to Article 99 of the Articles of Association of the Company by passing a special resolution at the Twenty-fourth (24th) Extraordinary General Meeting held on 22nd August 2019.
8.	**We further report that** the Board of Directors of the Company at its meeting held on 11th Mar 2019 had approved the proposal for raising funds up to USD 600,000,000 (USD Six Hundred Millions Only) by issue of Foreign Currency Bonds ("FCBs" or "Notes") During the period under review, the Company has successfully issued 5.375% Senior Secured Notes Due 2024 ("Notes") to the extent of USD 300 million in April, 2019 and said Notes have been listed on Singapore Stock Exchange There are no other specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place.
9.	**We further report that** the Company being a subsidiary of a Listed Company, has shared relevant information to the Holding Company for its compliance requirements with the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

For **KBG Associates**
Company Secretaries

Sd/-
(**Srikrishna S Chintalapati**)
Partner
CP # 6262
UDIN: F005984B000428681

Place : Hyderabad
Date : 8th July, 2020

ANNEXURE-A'

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

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

S No	Particulars
1.	Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2.	We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3.	We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4.	Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5.	The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6.	The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S No	Particulars
7.	Further, we have been given to understand and explained that the proceeds of Foreign Currency Bonds (4.25% Senior Secured Notes Due 2027) raised in 2017 to the extent of USD 350 Million were utilized primarily towards refinancing of the then existing Rupee Term Loans and External Commercial Borrowings (ECB), and a part of the proceeds were utilized towards expansion projects. Further the proceeds of Foreign Currency Bonds (5.375% Senior Secured Notes Due 2024) raised in 2019 to the extent of USD 300 Million are being utilized for the expansion of airport project. Both the Foreign Currency Bonds were raised in international market and are listed on Singapore Stock Exchange by complying the provisions under Singapore Listing Manual and other laws applicable therein; and hence the SEBI, BSE and NSE regulations in India are not applicable and comments need not be offered in this regard.

For **KBG Associates**
Company Secretaries

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

Place : Hyderabad
Date : 8th July, 2020

GMR Hyderabad International Airport Limited

Annexure 5 to GHIAL Board's Report FY 2019-20
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	Corporate Identity Number (CIN)	:	U62100TG2002PLC040118
ii)	Registration Date	:	17-12-2002
iii)	Name of the Company	:	GMR Hyderabad International Airport Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares
v)	Address of the Registered office and contact details	:	GMR Aero Towers, Rajiv Gandhi International Airport Shamshabad, HYDERABAD -500 108 Telangana, India Tel : +91-40- 6739 4099/67393903 / 6739 5000
vi)	Whether listed company	:	Unlisted Company
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampaly, HYDERABAD – 500 032, Telangana, India Tel : +91-40-6716 1602

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

SNo	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Airport Operator (Operation of terminal facilities such as airway terminals and airport)	5223	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SNo	Name and address of the company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares Held	Appli-cable Section
1	GMR Airports Limited (GAL) SKIP House, Museum Road, Bangalore 560 025, Karnataka, India	U65999KA1992PLC037455	Holding	63%	2(46)
2	GMR Hyderabad Aerotropolis Limited (GHAL) GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Ranga Reddi, Hyderabad 500 108, Telangana, India	U45400TG2007PLC054827	Subsidiary	100%	2(87)
3	GMR Hyderabad Aviation SEZ Limited (GHASL) GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Ranga Reddi, Hyderabad 500 108, Telangana, India	U45209TG2007PLC056527	Subsidiary	100%	2(87)
4	GMR Hospitality And Retail Limited (GHRL) GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad Hyderabad 500 108, Telangana, India	U52100TG2008PLC060866	Subsidiary	100%	2(87)
5	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)* 4th Floor, GMR Aero Towers, Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U40108TG2012PLC083190	Subsidiary	100%	2(87)
6	GMR Air Cargo And Aerospace Engineering Limited (GACAEL) Plot No.1, C/o. GMR Hyderabad Aviation SEZ Ltd Rajiv Gandhi International Airport, Hyderabad 500 108, Telangana, India	U45201TG2008PLC067141	Subsidiary	100%	2(87)
7	GMR Aero Technic Limited (GATL) GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Ranga Reddi Hyderabad 500108 Telangana, India	U35122TG2010PLC070489	Subsidiary of GACAL	100%	2(87)
8	GMR Logistics Park Private Limited (GLPPL) GMR Aero Towers, Rajiv Gandhi International Airport, Hyderabad, Rangareddi, Telangana, India, 500108	U70109TG2018PTC129207	Subsidiary	100%	2(87)

9	Laqshya Hyderabad Airport Media Private Limited (LHAMPL) Jaganlaxmi, Laqshya House, Next to Rameshwar Temple, Saraswati Baug, Society Road, Jogeshwari (East), Mumbai – 400 060, Maharashtra, India	U74300MH2007PTC176612	Joint Venture	49%	2(6)
10	Digi Yatra Foundation I.A.A Niamar, T/Center, IGI Airport, New Delhi - 110037	U63030DL2019NPL346327	Joint Venture	14.80 %	2(6)

**An application was made to the Registrar of Companies (ROC) on February 25, 2020, after closing books of the account of GHAPDL as on January 31, 2020, for striking off of the name of the Company from the Register being maintained by the ROC.*

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2019]				No. of Shares held at the end of the year [As on 31st March, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) **Indian**									
a) Individual/HUF	1*	-	1*	0.00	1*	-	1*	0.00	None
b) Central Govt	49140000	-	49140000	13.00	49140000	-	49140000	13.00	None
c) State Govt(s)	49140000	-	49140000	13.00	49140000	-	49140000	13.00	None
d) Bodies Corp.	238139999	--	238139999	63.00	238139999	--	238139999	63.00	None
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	336420000	-	336420000	89.00	336420000	-	336420000	89.00	None
(2) Foreign									
a) NRIs -	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
b) Other –	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	41573540	6460	41580000	11.00	41580000	-	41580000	11.00	None
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	41573540	6460	41580000	11.00	41580000		41580000	11.00	None
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**377993540**	**6460**	**378000000**	**100.00**	**378000000**	**-**	**378000000**	**100.00**	**None**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**377993540**	**6460**	**378000000**	**100.00**	**378000000**	**-**	**378000000**	**100.00**	**None**

** Mr. Rajesh Kumar Arora, is holding one share as nominee shareholder of GMR Airports Limited. Since the said share belongs to Company under Promoter Group, his shareholding has been categorized as individual in Promoter Group.*

(ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1st April, 2019]			Shareholding at the end of the Year [As on 31st March, 2020]			
		No. of Shares	% of total Shares of company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Airports Authority of India	49140000	13.00	--	49140000	13.00	--	None
2	Hon'ble Governor of Telangana	49140000	13.00	--	49140000	13.00	--	None
3	Malaysia Airports Holdings Berhad	6460	--	--	6460	--	--	None
4	MAHB (Mauritius) Private Ltd	41573540	11.00	--	41573540	11.00	--	None
5	GMR Airports Limited	238138995	63.00	--	238138995	63.00	--	None
6	GMR Infrastructure Limited	1000	--	--	1000	--	--	None
7	Dhruvi Securities Private Limited *	1	-	-	1	-	-	None
8	GMR Corporate Affairs Private Limited*	1	-	-	1	-	-	None
9	GMR Aerostructure Services Limited *	1	-	-	1	-	-	None
10	GMR Business Process and Services Private Limited *	1	-	-	1	-	-	None
11	Mr. Rajesh Kumar Arora *	1	-	-	1	-	-	None
	Total	378000000	100.00	--	378000000	100.00	--	

**Holding on share as nominee shareholder of GMR Airports Limited*

iii) Change in Promoters' Shareholding: No change

Sl. No.	Particulars	Shareholding at the beginning of the year [As on 1st April, 2019]		Shareholding at the end of the Year [As on 31st March, 2020]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-NA-			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-NA-			
	At the End of the year	-NA-			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year [As on 1st April, 2019]		Shareholding at the end of the Year [As on 31st March, 2020]		% change in shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
--	--	--	--	--	--	--

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
--	--	--	--	--	--

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(**Amount in Rs Crore)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,376.93	328.02	80.64	2,785.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	86.05			86.05
Total (i+ii+iii)	2,462.98	328.02	80.64	2,871.64
Change in Indebtedness during				
the financial year				
• Addition	2,558.93		(3.97)	2,554.96
• Reduction		(12.97)		(12.97)
Net Change	2,558.93	(12.97)	(3.97)	2,541.99
Indebtedness at the end of the financial year				
i) Principal Amount	4,853.19	315.05	76.67	5,244.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	168.72			168.72
Total (i+ii+iii)	5,021.91	315.05	76.67	5,413.63

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION PAID TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Amount in Rupees)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs.)
		Mr. GM Rao (Executive Chairman)	Mr. GBS Raju Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3,00,00,000	2,78,91,338	5,78,91,338
2	Stock Option	--		
3	Sweat Equity	--		
4	Commission - as % of profit - others, specify…	2,41,66,667*	2,26,45,833*	4,68,12,500*
5	Others, please specify			
	Total (A)	5,41,66,667	5,05,37,171	10,47,03,838
	Ceiling as per the Act			70,43,20,806

provisions made in the books

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in Rs.)

Particulars of Remuneration	Name of the Directors						Total Amount
	Mr RSSLN Bhaskarudu	Mr NC Sarabeswaran	Ms. Siva Kameswari Vissa	Mr. Madhu R. Rao			
Independent Directors							
Fee for attending board / committee meetings	5,60,000	5,00,000	4,40,000	2,00,000			17,00,000
Commission	--	--	--	--			--
Others, please specify	--	--	--	--			--
Total (1)	5,60,000	5,00,000	4,40,000	2,00,000			17,00,000
Name of the Director	Mr. HJ Dora	Mr. K. Ramakrishna Rao, IAS	Mr. Jayesh Ranjan, IAS	Mr. Raja Azmi bin Raja Nazuddin	Mr. VR Hegde	Mr. I.N. Murthy	Total Amount

Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	 80,000 -- --	 2,00,000 -- --	 1,40,000 -- --	 20,000 -- --	 80,000 -- --	 1,00,000 -- --	 6,20,000 -- --
Total (2)	80,000	2,00,000	1,40,000	20,000	80,000	1,00,000	6,20,000
Total(B)=(1+2)	6,40,000	7,00,000	5,80,000	2,20,000	80,000	1,00,000	23,20,000
Total Remuneration							
Overall Ceiling as per the Act	Maximum of Rs.1,00,000/- sitting fee per meeting per director						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(Amount in Rupees)

SNo	**Particulars of Remuneration**		**Key Managerial Personnel**			
		Mr. SGK Kishore (CEO)	Mr. Rajesh Arora (CFO) (01-04-2019 to 31-05-2019)	Mr. Anand Kumar Polamada (CFO) (01-06-2019 to 31-03-2020)	Mr. Anup Kumar Samal (CS)	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	2,31,83,841	14,56,939	91,18,195	34,94,699	3,72,53,674
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-	-
5	Others, please specify	-	-		-	-
	Total	2,31,83,841	14,56,939	91,18,195	34,94,699	3,72,53,674

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-
GBS Raju
Managing Director
DIN 00061686

Sd/-
R.S.S.L.N. Bhaskarudu
Director
DIN 00058527

Place : Hyderabad
Date : August 19, 2020

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

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

Independent Auditor's Report

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of GMR Hyderabad International Airport Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (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 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 – PSF (SC) Fund

4. We draw attention to Note 35(I)(B)(ix) to the standalone financial statements, which describes the uncertainty relating to outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF(SC) Fund up to 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Covid-19

5. We draw attention to Note 2.1 of the accompanying standalone financial statements which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

7. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. Utilisation of Minimum Alternate Tax (MAT) credit *Refer to Note 2.4(s) for the accounting policy and note 41 and 42 for the financial disclosures in the accompanying standalone financial statements.* The Company is under tax holiday period until financial year 2021-22 and has accumulated MAT credit asset of ₹457.11 crores (31 March 2019: ₹405.41 crores). Recognition of MAT credit asset requires significant judgement regarding the likelihood of its realization within the specified period through estimation of future taxable profits of the Company and consequently there is a risk that the MAT credit asset may not be realized within the specified period, if these future projections are not met. In order to assess the utilization of MAT credit, the Company has prepared revenue and profit projections which involved judgements and estimations such as estimating aeronautical tariff [which is	Our audit procedures in relation to assessment of MAT credit recognition and its utilization as at reporting date, included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Company's controls over recognition of the MAT credit. • Understood the process and tested the internal controls over preparation of the taxable profit forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future taxable profits; • Understood and tested the controls surrounding management's evaluation of litigations and contingent liabilities; • Challenged the judgements exercised by the management and tested the key assumptions used including the impact of COVID-19 based on our knowledge of the industry, publicly available information and Company's strategic plans;

determined by Airport Economic Regulatory Authority ("AERA")], revenue growth, passenger growth, profit margins, tax adjustments under the Income-tax Act, 1961. Further, as explained in note 41, the Company had filed an appeal, challenging various aspects of the aeronautical tariff order passed by AERA in respect of first control period from 1 April 2011 to 31 March 2016. During the current year, Telecom Disputes Settlement Appellate Tribunal (TDSAT) has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from 1 April 2021. We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved and inherent subjectivity involved in the determination of utilization of MAT credit through estimation of future taxable profits and projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations.	• Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process; • Tested the appropriateness of the forecasted tax liability computation as per the provisions of the IT Act, including assessment of the eligibility of various tax exemptions availed and MAT liability computation as per Section 115JB of the IT Act; • Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the future taxable profits; • Obtained and reviewed the correspondences with respect to the litigations during the year with AERA and the related order issued by TDSAT in relation to the aeronautical tariff; and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
2. Valuation of derivative financial instruments *Refer to Note 2.4 (m)(B) for the accounting policy and note 38 for the financial disclosures in the accompanying standalone financial statements.* The Company has entered into derivative financial instruments, i.e. cross currency swap, coupon only swap and call spread options to hedge its foreign currency risks relation to the long-term debt issued in foreign currency. Management has designated these derivative financial instruments and the aforesaid debt at initial recognition as cash flow hedge relationship as per Ind AS 109, Financial Instruments. The valuation of hedging instrument is complex and necessitates a sophisticated system to record and track each contract and calculate the related valuations at	Our audit procedures to test the valuation of derivative financial instruments included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Company's controls over derivative financial instruments and the related hedge accounting; • Reviewed the management documentation for the designated hedge instrument which defines the nature of hedge relationship; • Considered consistent application of the accounting policies and assessed the hedge accounting methodologies applied; and compared these to the Company's accounting policies and requirements under Ind AS 109, Financial Instruments. • Evaluated the management's valuation specialist's professional competence, expertise and objectivity;

each financial reporting date. Since valuation of hedging instruments and consideration of hedge effectiveness involves both significant assumptions and judgements such as such as forward exchange spot, forward rates, currency yield curves, interest rate curves and forward rate curves and involvement of management's valuation specialist, and therefore, is subject to an inherent risk of error. We have identified valuation of hedging instruments as a key audit matter in view of the aforesaid significant judgements, estimates and complexity involved.	• Tested the accuracy of input data provided by the management to the external valuation specialist and assessed the reasonability of the assumptions used, while valuing the hedging instruments; • Involved our valuation specialists to test the fair values of derivative financial instruments and compared the results to the management's results; and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
3. Testing of capital expenditure *Refer to Note 2.4(c) for the accounting policy and notes 3 and 30 for the financial disclosures in the accompanying standalone financial statements.* The Company is in the process of expansion of Rajiv Gandhi International Airport, Hyderabad. Determining whether expenditure meets the capitalization criteria in line with Ind AS 16, Property, Plant and Equipment and the Company's accounting policy, specifically with regard to whether they are operational or capital in nature, involves significant management judgement. Further, the tariff determination by AERA for different control periods with respect to the aeronautical services is linked to the Regulated Asset Base, which is based on the fixed asset balance and considering these additions are significant to the asset base of the Company, we have assessed inappropriate capitalization as a significant risk as part of our audit strategy. Such aforementioned capital expenditure has been funded from the specific borrowings raised for such purpose. Accordingly, the borrowing cost incurred on such borrowings have been included as a capital expenditure in accordance with the provisions of Ind AS 23, Borrowing Costs.	Our audit procedures to assess appropriate capitalisation of such expenditure included, but were not limited to the following: • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalisation policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment. • Compared the additions with the budgets and the orders given to the vendors. • Ensured that the borrowing cost capitalized is as per Ind AS 23 Borrowing Costs. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

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

Key audit matter	How our audit addressed the key audit matter
4. Carrying value of investment in a subsidiary *Refer to Note 2.4 (m)(A)(v) for the accounting policy and note 45 for the disclosures in the accompanying standalone financial statements.* The Company has made investments in equity and preference shares of GMR Air Cargo and Aerospace Engineering Limited (GACAEL) amounting to Rs. 335.45 crores as at 31 March 2020. GACAEL is engaged in the business of Maintenance Repair and Overhaul and Cargo Handling services at the Rajiv Gandhi International Airport, Hyderabad. As at 31 March 2020, GACAEL has accumulated losses of Rs. 467.01 crores resulting in complete erosion of its net worth. Equity investments in subsidiaries are measured at cost less impairment. As at 31 March 2020, management has assessed that the recoverable amount is higher than the carrying value of the investment in GACAEL, based on the valuation derived with the help of management's valuation specialist and considered for the purpose of stake sale in GMR Airports Limited ("Holding Company") by the GMR Group during the current year ended 31 March 2020. Due to the impairment indicators present during the year ended 31 March 2020 and owing to the materiality of the amounts involved, this matter was identified as a key audit matter for the current year's audit. This matter was qualified by the predecessor auditor and joint auditor in the previous year ended 31 March 2019.	Our audit procedures in relation to assessing the carrying value of investment in the subsidiary included but were not limited to, the following: • Obtained an understanding of management's processes and controls for determining the value in use of investments; • Evaluated the design of and tested the operating effectiveness of the key controls around determining the value in use; • Evaluated the appropriateness of the valuation methodology including allocation to GACAEL used to arrive at the estimated fair value of the investments using auditor's valuation specialist; • Traced the valuation of GACAEL from the valuation report considered for the stake sale of GMR Airports Limited undertaken by the GMR Group during the current year; • Reviewed the key assumptions used in the cash flow projections, such as growth rates, discount rate, etc. considering our understanding of the business, industry and relevant market factors; and • Evaluated the appropriateness and adequacy of the related disclosures made in the standalone financial statements in accordance with the applicable accounting standards.

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

8. 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.

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

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

10. In preparing the financial statements, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

Other Matter

17. The financial statements of the Company for the year ended 31 March 2019 were audited by the Joint auditors K. S. Rao & Co., and predecessor auditor, S. R. Batliboi & Associates LLP, who have expressed a qualified opinion on those financial statements vide their audit report dated 29 April 2019. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

19. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

20. Further to our comments in Annexure A, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated June 15, 2020 as per Annexure B expressed an unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 35(I) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

        ii. the Company has made provision as at 31 March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

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

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

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

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAABN6657

Place: Hyderabad
Date: June 15, 2020

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 20233734AAAACW3088

Place: Bengaluru
Date: June 15, 2020

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

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

Annexure I to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited, on the standalone financial statements for the year ended 31 March 2020

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

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

(b) The Company has a regular program of physical verification of its PPE under which PPE are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, physical verification was conducted during the year by engaging an outside expert, and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

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

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

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

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

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	**Nature of the dues**	**Amount (₹ in crores)**	**Period to which the amount relates**
Andhra Pradesh Municipalities Act, 1965	Penal interest on property tax	3.38	April 2013 to September 2017

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

Statement of Disputed Dues

Name of the statute	**Nature of dues**	**Amount (₹ in crores)**	**Amount paid under Protest (₹ in crores)**	**Period to which the amount relates**	**Forum where dispute is pending**
Finance Act, 1994	Reversal of Cenvat credit including penalty	24.84	8.28	Various dates	Hon'ble High Court of Telangana
	Penalty equivalent to service tax on User Development Fee	7.43	Nil	April 2008 to December 2008	Hon'ble Supreme Court
	Non-payment of service tax for supply of water and electricity to concessionaires and irregular availment of CENVAT	3.20	0.15	October 2008 to June 2010	CESTAT, Hyderabad
Income Tax Act, 1961	Disallowance of certain expenses	3.38	Nil	Assessment year (AY) 2013-14	Hon'ble Hight Court of Karnataka
		3.76	Nil	AY 2014-15	Income Tax Appellate Tribunal, Bengaluru
		6.46	Nil	AY 2016-17	
Building and Other Construction Workers' Welfare Cess Act, 1996	Cess on Building	25.20	Nil	Various dates	Hon'ble High of Telangana

(viii) The Company has no loans or borrowings payable to a financial institution. The Company has not defaulted in repayment of loans or borrowings to any bank or government or any dues to bond holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAABN6657

Place: Hyderabad
Date: June 15, 2020

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 20233734AAAACW3088

Place: Bengaluru
Date: June 15, 2020

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Block III, White House
Kundan Bagh, Begumpet,
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K. S. Rao & Co.,
Chartered Accountants
2nd Floor, 10/2, Khivraj Mansion,
Kasturba Road, Bengaluru 560001,
Karnataka, India

Annexure II to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited, on the standalone financial statements for the year ended 31 March 2020

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')

1. In conjunction with our audit of the standalone financial statements of GMR Hyderabad International Airport Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting 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 Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAABN6657

Place: Hyderabad
Date: June 15, 2020

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 20233734AAAACW3088

Place: Bengaluru
Date: June 15, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Balance Sheet as at March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
1. Non-current assets			
Property, plant and equipment	3	2,268.32	2,009.60
Capital work-in-progress	30	1,208.31	365.10
Right of use asset	4.1	74.41	-
Intangible assets	4.2	8.11	2.81
Investments in subsidiaries and joint venture	5.1	669.36	626.24
Financial assets			
- Loans	6	98.86	96.60
- Other financial assets	7	865.02	249.86
Non current tax assets (net)	8.1	9.81	0.26
Deferred tax asset (net)	27	251.30	252.23
Other non-current assets	9	719.26	547.27
		6,172.76	**4,149.97**
2. Current assets			
Inventories	10	6.36	5.95
Financial assets			
- Investments	5.2	1,162.41	454.15
- Trade receivables	11	119.00	143.55
- Cash and cash equivalents	12	247.99	380.68
- Bank balances other than cash and cash equivalents	13	655.65	77.34
- Loans	6	249.06	5.69
- Other financial assets	7	141.23	23.83
Current tax assets (net)	8.1	-	12.93
Other current assets	9	21.84	9.80
		2,603.54	**1,113.92**
Total Assets		**8,776.30**	**5,263.89**
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	378.00	378.00
Other equity	14.1		
- Capital reserve		107.00	107.00
- Retained earnings		1,671.08	1,149.09
- Cash flow hedge reserve		165.06	31.72
Total equity		**2,321.14**	**1,665.81**
LIABILITIES			
1. Non-current liabilities			
Financial liabilities			
- Borrowings	15	5,168.24	2,691.98
- Lease liabilities	34	82.70	-
- Other financial liabilities	16	230.06	248.48
Government grants	17	35.59	40.87
Other non-current liabilities	18	16.99	18.78
		5,533.58	**3,000.11**
2. Current liabilities			
Financial liabilities			
- Short term borrowings	15	19.92	9.94
- Trade payables	19		
- Total outstanding dues of micro and small enterprises		10.78	-
- Total outstanding dues of creditors other than micro and small enterprises		95.19	72.06
- Other financial liabilities	16	700.14	431.82
Government grants	17	5.27	5.27
Other current liabilities	18	36.03	27.57
Provisions	20	18.38	14.57
Current tax liability (net)	8.2	35.87	36.74
		921.58	**597.97**
Total liabilities		**6,455.16**	**3,598.08**
Total equity and liabilities		**8,776.30**	**5,263.89**
Significant accounting policies	**2.3**		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: June 15, 2020

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

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

Place: Bengaluru
Date: June 15, 2020

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
H.J Dora
Director
DIN: 02385290

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: June 15, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from contracts with customers	21	1,525.76	1,452.25
Other income	22	114.30	117.18
Total income		**1,640.06**	**1,569.43**
EXPENSES			
Concession fee	44	64.95	61.53
Employee benefits expense	23	117.93	96.82
Depreciation and amortization expenses	24	170.71	139.01
Finance costs	25	240.53	198.09
Other expenses	26	351.81	301.38
Total expenses		**945.93**	**796.83**
Profit before tax		**694.13**	**772.60**
Tax expense	27		
Current tax - Minimum alternate tax		118.18	162.95
Minimum alternate tax credit entitlement		(51.70)	(136.31)
Deferred tax expense/(credit)		(9.16)	13.21
Total tax expense		**57.32**	**39.85**
Profit after tax for the year		**636.81**	**732.75**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (loss) /gain on defined benefit plans	28	(1.23)	(0.68)
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	28	195.12	34.02
Less: Deferred tax expense	28	(61.78)	(17.04)
Total Other Comprehensive income for the year		**132.11**	**16.30**
Total Comprehensive income for the year		**768.92**	**749.05**
Earnings per equity share:			
Basic and diluted (in Rs.)	29	16.85	19.38
Significant accounting policies	**2.3**		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: June 15, 2020

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

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

Place: Bengaluru
Date: June 15, 2020

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
H.J Dora
Director
DIN: 02385290

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary
Place: Hyderabad
Date: June 15, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Statement of Changes in Equity for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

a. Equity share capital:

	No.	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2018	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2019	**378,000,000**	**378.00**
As at April 1, 2019	**378,000,000**	**378.00**
Issue of shares	-	-
As at March 31, 2020	**378,000,000**	**378.00**

b. Other equity

	Reserves and surplus		Other reserves	Total
	Capital reserve*	Retained earnings	Cash flow hedge reserve	
As at April 1, 2018	**107.00**	**622.68**	**14.74**	**744.42**
Depreciation charge to retained earnings	-	(21.11)	-	(21.11)
Adjustment in retained earnings on account of transition to Ind AS 115	-	(2.27)	-	(2.27)
Profit for the year	-	732.75	-	732.75
Remeasurement of post-employment benefits obligations	-	(0.68)	-	(0.68)
Cash flow hedge reserve (net of tax)	-	-	16.98	16.98
Less: Interim dividend	-	(151.20)	-	(151.20)
Less: Dividend distribution tax	-	(31.08)	-	(31.08)
As at March 31, 2019	**107.00**	**1,149.09**	**31.72**	**1,287.81**
As at April 1, 2019	**107.00**	**1,149.09**	**31.72**	**1,287.81**
Profit for the year	-	636.81	-	636.81
Remeasurement of post-employment benefits obligations	-	(1.23)	-	(1.23)
Cash flow hedge reserve (net of tax)	-	-	133.34	133.34
Less: Interim dividend	-	(94.50)	-	(94.50)
Less: Dividend distribution tax	-	(19.09)	-	(19.09)
As at March 31, 2020	**107.00**	**1,671.08**	**165.06**	**1,943.14**

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

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

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

Sd/-

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: June 15, 2020

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

Sd/-

Hitesh Kumar P
Partner
Membership No.: 233734

Place: Bengaluru
Date: June 15, 2020

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

Sd/-

GBS Raju
Managing Director
DIN: 00061686

Sd/-

H.J Dora
Director
DIN: 02385290

Sd/-

Pradeep Panicker
Chief Executive Officer

Sd/-

Anand Kumar P
Chief Financial Officer

Sd/-

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: June 15, 2020

GMR Hyderabad International Airport Limited

CIN:U62100TG2002PLC040118

Cash flow statements for the year ended March 31, 2020

(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	**694.13**	**772.60**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	170.71	139.01
Provision for bad debts / bad debts written off	0.56	4.27
Interest receivable from PSF (SC) fund written off	15.08	-
Fixed assets written off	0.81	-
Loss on liquidation/sale of investment	2.68	4.34
Profit on sale of property, plant and equipment	(0.42)	(0.12)
Dividend from a subsidiary	(1.08)	(0.36)
Interest income	(84.12)	(56.13)
Interest on borrowings	183.50	161.16
Other borrowing cost	36.49	4.35
Interest-others	20.70	32.92
Gain on sale of financial assets (mutual funds)	(15.48)	(35.79)
Provision no longer required, written back	(2.93)	(0.52)
Unrealised foreign exchange loss	0.14	0.11
(Reversal) / provision for impairment in value of investments	0.05	-
Income from government grants	(5.28)	(5.26)
Amortisation of deferred income	(7.00)	(18.60)
Income from straightlinig of lease revenue	(2.09)	-
Income from significant financing component	(1.10)	(1.10)
Interest income arising from fair valuation of financial guarantee	(0.82)	(2.55)
Operating profit before working capital changes	**1,004.53**	**998.33**
Working capital changes:		
Changes in trade payables	36.47	(8.99)
Changes in other liabilities	13.96	12.41
Changes in other financial liabilities	(12.37)	53.86
Changes in provisions	2.59	4.31
Changes in trade receivables	23.99	(40.40)
Changes in inventories	(0.41)	0.13
Changes in other assets	(96.05)	(2.99)
Changes in other financial assets	(92.03)	0.79
Changes in loans	(5.58)	(14.80)
Cash generated from operations	**875.10**	**1,002.65**
Direct taxes paid (net)	(115.68)	(149.57)
Net cash flow generated from operating activities (A)	**759.42**	**853.08**
Cash flows from investing activities		
Purchase of property plant and equipment, including CWIP, capital advances and intangible assets	(1,063.21)	(938.77)
Payment of lease rental	(1.60)	-
Proceeds from sale of property,plant and equipment	0.42	0.12
Purchase of non-current investments	(48.50)	(69.04)
Share application money in subsidiary (Investment)	-	(10.00)
Loans to subsidiary companies	(55.56)	(32.00)
Repayment of loans by subsidiary / joint venture company	17.32	3.55
Loans to group company	(200.00)	-
Purchase of current investments	(11,636.85)	(7,616.77)
Sale of current investments	10,410.32	8,047.73
Movement in margin money deposits, net	(2.65)	(25.98)
Dividend income	1.65	0.36
Interest received	113.19	33.97
Net cash flow used in investing activities (B)	**(2,465.47)**	**(606.83)**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Cash flow statements for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from financing activities		
Proceeds from long-term borrowings	2,067.15	-
Repayment of long-term borrowings	(0.47)	-
Proceeds from short-term borrowings, net	9.98	9.94
Dividend paid	(94.50)	(151.20)
Dividend distribution tax paid	(19.09)	(31.08)
Upfront fee paid	(31.50)	(63.00)
Other borrowing costs paid	(30.44)	-
Interest paid	(327.77)	(201.51)
Net cash flow generated from/(used in) financing activities (C)	**1,573.36**	**(436.85)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(132.69)**	**(190.60)**
Cash and cash equivalents at the beginning of the year	380.68	571.28
Cash and cash equivalents at the end of the year	**247.99**	**380.68**
Components of cash and cash equivalents		
With banks		
- on current accounts	57.82	30.62
- on deposit accounts	190.15	350.00
Cash on hand	0.02	0.06
Total cash and cash equivalents	**247.99**	**380.68**

Changes in liabilities arising from financing activities

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Opening Balance	**2,714.89**	**2,567.37**
Cash Flows		
Proceeds	2,077.13	9.93
Repayments	(0.47)	-
Non Cash Flows		
Adjustment against investments in subsidiary company on its liquidation	(12.50)	-
Foreign Exchange Movements	430.65	133.53
Movement in borrowing cost	(21.54)	4.07
Closing Balance	**5,188.16**	**2,714.89**

As per our report of even date.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: June 15, 2020

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

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

Place: Bengaluru
Date: June 15, 2020

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
H.J Dora
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DIN: 02385290

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: June 15, 2020

1. Corporate information

GMR Hyderabad International Airport Limited ("GHIAL" or "the Company"), was incorporated in 2002 under the provisions of the Companies Act, 1956 having their registered office at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108. The Company is engaged in the business of providing Airport Management Services on a Build, Owned, Operate and Transfer, and only operate model. Presently, the Company is managing the operations of Rajiv Gandhi International Airport ("RGIA") at Hyderabad, India and the Airport in Bidar in Karnataka, India.

The Company had entered into a Concession Agreement with Ministry of Civil Aviation ("MoCA"), Government of India, which gives the Company an exclusive right of the Development, Construction, Operation and Maintenance of the RGIA on revenue share model for an initial term of 30 years, which can be extended by another 30 years at the option of the Company, which has been exercised by the Company.

The standalone financial statements were authorized for issue in accordance with a resolution of the directors passed in the Board meeting held on June 15, 2020.

2. Basis of preparation

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

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

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

The financial statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest Crore, except per share data, per unit data and when otherwise indicated.

2.1 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

With the recent and rapid development of the COVID-19 outbreak, many countries have implemented travel restrictions and quarantine measures to contain the spread of the virus. As a precautionary measure, Government of India has also imposed a countrywide lockdown with effect from March 25, 2020 which is extended until June 30, 2020. However, restrictions on operation of domestic flights were partially lifted from May 25, 2020 and would be ramped up in phased manner, in accordance with the Government directives. As a result, the airport's operations were closed from March 25, 2020 to May 24, 2020 except for cargo and evacuation / rescue flights for passengers, which in turn has materially impacted the business of the Company.

The Company has made detailed assessment of its liquidity position for the next one year and has met and expect to meet all its obligations pertaining to debt repayments, the ongoing capital expansion and any other financial obligations. Further, due care has been exercised to determine the recoverability of the carrying values of its assets and based on current estimates, including sensitivity analysis, the Company expects to fully recover the carrying amount of all of its assets.

For this assessment, Management believes that it has taken into account the possible impact of known events arising from the COVID-19 pandemic. The unprecedented nature of the pandemic makes the future business environment uncertain, however, the Company will continue to carry out the impact assessment on its assets and closely monitor any material changes to future economic conditions.

2.2 Changes in accounting policies

Ind AS 116 Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116 - Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance under Ind AS 17.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Lessor accounting under Ind AS 116 is substantially unchanged from requirement under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the company is the lessor, except for recording the lease rent on systematic basis or straight line basis as against Ind AS 17 wherein, there was an exemption for not providing straight lining in case the escalations are in line with the inflation. For the year ended on March 31, 2020, the total income and consequently the profit before tax has increased by Rs. 2.09.

Company as a Lessee:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below Rs. 0.005). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Company has a policy of leasing motor vehicles for not more than five years and, hence, not exercising any renewal options.

Transition provision:
Using the modified retrospective method, the Company has adopted and applied Ind AS 116 'Leases' to all lease contracts existing as on April 1, 2019. The Company elected to use the transition practical expedient allowing the standard to be applied to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. On 1 April 2019, the Company has recognised lease liability measured at the present value of the remaining lease payments and right-of-use (ROU) asset at an amount equal to lease liability. Accordingly, comparatives financial information has not been retrospectively adjusted.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

(All amounts in Rupees Crores, unless otherwise stated)

Leases previously accounted for as operating leases
The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and right-of-use (ROU) asset at an amount equal to lease liability.

The Company also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 April 2019:

- Right-of-use assets of Rs. 77.16 were recognised and presented separately in the Balance Sheet.
- Lease liabilities of Rs. 76.54 were recognized and presented separately in the Balance Sheet
- Prepayments of Rs. 0.62 outstanding as at April 1, 2019 were derecognized.

The effect of adoption of Ind-AS 116 is not material to the profit for the year and earning per share.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

Particulars	**Amount**
Operating lease commitments as at March 31, 2019	762.28
Weighted average incremental borrowing rate as at April 1, 2019	10.73%
Discounted operating lease commitments at April 1, 2019	76.70
Less:	
Commitments relating to short-term leases	(0.16)
Commitments relating to leases of low-value assets	-
Add:	
Commitments relating to leases previously classified as finance leases	-
Payments in optional extension periods not recognized as at March 31, 2019	-
Lease liabilities as at 1 April 2019	**76.54**

2.3 Changes in estimates

Depreciation:
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 by AERA in case of airport assets and as prescribed under Schedule II of the Companies Act, 2013 in case of other assets. The management believes that the estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in

Economic Regulation of Major Airports wherein it, inter-alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector.

Pursuant to the above, the Authority has issued order no. 35/2017-18 on January 12, 2018 followed by amendment no. 1 to the order no. 35 /2017-18 on April 9, 2018 in the matter of Determination of Useful Life of Airport Assets, which was effective from April 1, 2018 ("AERA Order"). Accordingly, the Company has revised the estimated useful lives of its airport assets to be in-line with the AERA Order effective April 1, 2018. Net block of the airport assets whose useful life was nil as at April 1, 2018 as per the AERA Order aggregating to Rs. 21.11, was adjusted to opening retained earnings as at April 1, 2018.

2.4 Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when:

i) It is expected to be realised or intended to be sold or consumed in normal operating cycle;
ii) It is held primarily for the purpose of trading;
iii) It is expected to be realised within twelve months after the reporting period; or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle;
ii) It is held primarily for the purpose of trading;
iii) It is due to be settled within twelve months after the reporting period; or
iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

c) Property, plant and equipment

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

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

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

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

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

All spare parts, stand-by and servicing equipment qualify as property, plant and equipment (PPE) if they meet the definition of PPE i.e. if the company intends to use these during more than a period of 12 months.

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.

d) 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 by AERA in case of airport assets (refer note 2.3 above) and as prescribed under Schedule II of the Companies Act, 2013 in case of other assets, except as stated below.

The components identified by the Company are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. Capitalized spares parts are depreciated over their estimated useful lives of 5 years as determined by the management.

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.

(All amounts in Rupees Crores, unless otherwise stated)

The following useful lives for various categories of property, plant and equipment's are adopted by the Company:

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

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

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

Leasehold Improvements and buildings on leasehold land are amortized over shorter of estimated useful lives or lease period.

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

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.

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.

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 year. Cost relating to software licenses, which are acquired, are capitalized and amortized on a straight – line basis over their useful life not exceeding six years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

g) Impairment of non-financial assets

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

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

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

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

h) Inventories

Stores and spares, consumables are valued at lower of cost and net realisable value. However, stores and spare items held for use in providing the service are not written down below cost if the services are expected to be provided at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition. Net realizable value is the estimated current procurement price in the ordinary course of business.

i) 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.

j) Revenue recognition

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

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

1) Income from service:

Revenue from Aeronautical and Non-Aeronautical operations are recognized on accrual basis net of goods and service tax and applicable discounts, when services are rendered and it is probable that an economic benefit will be received which can be quantified reliably.

Revenue from Aeronautical Operations includes landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.
Further, Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in non-aeronautical revenue in the statement of profit or loss due to its operating nature.

2) Interest income:

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

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

3) Dividends:

Revenue is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

4) Significant Financing Components

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

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

k) Provisions, contingent liabilities and commitments

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

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed in the case of:

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

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

l) Retirement and other Employee Benefits

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

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

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

Short term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short- term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long- term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Company presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

m) 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.

A. Financial assets

i. 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.

ii. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI) other than equity investments mentioned in note (v) below.

Debt instruments at amortised cost:

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

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

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:

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

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL:
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iii. Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

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

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

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

iv. 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:

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

b. Financial assets that are debt instruments and are measured as at FVTOCI.

c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115.

d. Loan commitments which are not measured as at FVTPL.

e. Financial guarantee contracts which are not measured as at FVTPL.

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

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

  For assessing 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.

v. 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 AS 103 applies are classified as at FVTPL with all changes recognized in the statement of profit and loss. 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 statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

B. 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 cash credit, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss:

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

Financial liabilities 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:
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.

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.

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 and hedge accounting
The Company uses derivative financial instruments, such as cross currency swaps, coupon only swaps and call option spreads, to hedge its foreign currency risks and interest rate risks 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, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non- financial liability.

For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges
The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

Cash flow hedges

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

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in recognised liability and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

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

n) 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.

o) Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

p) Foreign currency transactions:

Functional and presentation currency

The financial statements are presented in INR (Indian Rupees), which is also the company's functional currency and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- certain debt instruments classified as measured at FVOCI; and
- qualifying cash flow hedges, to the extent that the hedges are effective.

q) 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:

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 management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

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

The management, in conjunction with the 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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
a) Disclosures for valuation methods, significant estimates and assumptions
b) Quantitative disclosures of fair value measurement hierarchy
c) Financial instruments (including those carried at amortised cost)

r) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense.

When the grant is in the nature of capital subsidy it is treated as capital reserve.

The Company has deferred payment arrangement on the concession fee payable to Ministry of Civil Aviation (MoCA) without interest. The effect of this assistance is treated as a government grant. The assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the assistance and the fair value. The grant is subsequently measured as per the accounting policy applicable to financial liabilities.

s) Taxes on income

Tax expense comprises of 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. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised either in equity.

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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

i. temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;

ii. temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and

iii. taxable temporary differences arising upon the initial recognition of goodwill.

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

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

The Company is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

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

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

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

t) Segment information:

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

u) Earnings per share

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

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

GMR Hyderabad International Airport Limited
Notes to the Standalone financial statements for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

3 Property, Plant and Equipment (PPE)

	Leasehold improvements	Freehold land	Runways	Roads	Buildings on leasehold land	Buildings on freehold land	Electrical installations	Plant and equipments	Office equipments	Computer equipments	Furniture and fixtures	Vehicles	Total
Gross carrying amount													
As at April 1, 2018	**91.55**	**16.13**	**342.30**	**99.63**	**925.77**	**62.31**	**148.75**	**417.38**	**4.01**	**27.54**	**34.96**	**4.70**	**2,175.03**
Additions	-	-	158.80	25.52	201.76	-	29.25	136.85	5.21	24.88	13.95	1.62	597.84
Disposals	-	-	-	-	-	-	-	-	-	-	-	(1.01)	(1.01)
As at March 31, 2019	**91.55**	**16.13**	**501.10**	**125.15**	**1,127.53**	**62.31**	**178.00**	**554.23**	**9.22**	**52.42**	**48.91**	**5.31**	**2,771.86**
Additions	0.32	-	371.04	0.20	19.54	-	40.64	27.54	3.60	24.34	3.45	3.29	493.96
Disposals	-	-	-	-	(3.70)	-	(0.03)	(3.23)	(0.08)	(0.67)	(2.51)	(0.24)	(10.46)
Adjustments*	-	-	(26.18)	(2.68)	(30.43)	-	(1.36)	(3.03)	(0.12)	(0.65)	(0.32)	-	(64.77)
As at March 31, 2020	**91.87**	**16.13**	**845.96**	**122.67**	**1,112.94**	**62.31**	**217.25**	**575.51**	**12.62**	**75.44**	**49.53**	**8.36**	**3,190.59**
Accumulated depreciation													
Up to April 1, 2018	**11.95**	**-**	**44.79**	**95.84**	**120.96**	**3.91**	**126.46**	**161.43**	**1.29**	**12.15**	**23.50**	**1.50**	**603.78**
Charge for the year	3.98	-	18.41	2.18	44.35	1.44	5.61	48.05	1.26	7.67	4.86	0.57	138.38
Disposals	-	-	-	-	-	-	-	0.05	-	-	(0.05)	(1.01)	(1.01)
Adjustments**	-	-	-	-	16.01	1.29	-	2.43	-	-	1.38	-	21.11
Up to March 31, 2019	**15.93**	**-**	**63.20**	**98.02**	**181.32**	**6.64**	**132.07**	**211.96**	**2.55**	**19.82**	**29.69**	**1.06**	**762.26**
Charge for the year	3.99	-	24.27	3.46	51.02	1.33	8.43	53.85	2.12	12.74	4.93	0.70	166.84
Disposals	-	-	-	-	(0.78)	-	(0.03)	(2.53)	(0.08)	(0.67)	(2.50)	(0.24)	(6.83)
Up to March 31, 2020	**19.92**	**-**	**87.47**	**101.48**	**231.56**	**7.97**	**140.47**	**263.28**	**4.59**	**31.89**	**32.12**	**1.52**	**922.27**
Net book value													
As at March 31, 2019	**75.62**	**16.13**	**437.90**	**27.13**	**946.21**	**55.67**	**45.93**	**342.27**	**6.67**	**32.60**	**19.22**	**4.25**	**2,009.60**
As at March 31, 2020	**71.95**	**16.13**	**758.49**	**21.19**	**881.38**	**54.34**	**76.78**	**312.23**	**8.03**	**43.55**	**17.41**	**6.84**	**2,268.32**

* Includes reversal of input credit of GST amounting to Rs. 63.12 (March 31, 2019: Rs. Nil) and reversal of project creditors liability amounting to Rs. 1.65 (March 31, 2019: Rs. Nil) pertaining to construction works which were earlier capitalised (Refer note 48).

** Represents the depreciation charged on account of change in useful life of assets as per the Airport Economic Regulatory Authority's (AERA) order no. 35/2017-18 dated January 12, 2018 and amended on April 09, 2018 in the matter of Determination of useful life of Airport Assets and is effective from April 1, 2018 (Refer note 2.3).

(All amounts in Rupees Crores, except otherwise stated)

4.1 Right of use asset

Particulars	Land and building	Total
Gross block (at cost)		
As at April 1, 2019	**-**	**-**
Additions	77.16	77.16
As at March 31, 2020	**77.16**	**77.16**
Accumulated depreciation		
Up to April 1, 2019	**-**	**-**
Charge for the year	2.75	2.75
Up to March 31, 2020	**2.75**	**2.75**
Net block		
As at March 31, 2019	**-**	**-**
As at March 31, 2020	**74.41**	**74.41**

4.2 Intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
As at April 1, 2018	**2.67**	**2.67**
Additions	2.03	2.03
As at March 31, 2019	**4.70**	**4.70**
Additions	6.48	6.48
Adjustments	(0.06)	(0.06)
Disposals	(0.04)	(0.04)
As at March 31, 2020	**11.08**	**11.08**
Accumulated depreciation		
Up to April 1, 2018	**1.26**	**1.26**
Charge for the year	0.63	0.63
Up to March 31, 2019	**1.89**	**1.89**
Charge for the year	1.12	1.12
Disposals	(0.04)	(0.04)
Up to March 31, 2020	**2.97**	**2.97**
Net block		
As at March 31, 2019	**2.81**	**2.81**
As at March 31, 2020	**8.11**	**8.11**

(All amounts in Rupees Crores, except otherwise stated)

5.1 **Investments**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Non-current investments: (At Cost)				
Investment in equity instruments (unquoted)				
Investment in subsidiaries				
GMR Hyderabad Aerotropolis Limited	90,500,000	90.50	57,500,000	57.50
Hyderabad Airport Security Services Limited*	-	-	12,500,000	12.50
GMR Hyderabad Aviation SEZ Limited	51,600,000	51.60	51,600,000	51.60
GMR Hospitality and Retail Limited#	155,998,710	156.00	155,998,710	156.00
GMR Hyderabad Airport Power Distribution Limited	50,000	0.05	50,000	0.05
Less:- Impairment in value of investment	-	(0.05)	-	-
GMR Air Cargo and Aerospace Engineering Limited				
(Formely known as GMR Aerospace Engineering Limited) (Refer note 45)				
Equity Shares	455,812,130	320.66	241,650,006	241.65
Preference Shares Series A	18,000	6.76	-	-
Preference Shares Series B	18,735	0.02	-	-
GMR Hyderabad Airport Cargo and Logistics Private Limited				
(Formerly known as Hyderabad Menzies Air Cargo Private Limited)				
(Refer note 45)				
Equity Shares	-	-	1,020,000	53.51
Preference Shares- Series A	-	-	18,000	6.76
Preference Shares- Series B	-	-	18,735	0.02
Investment in Joint Venture				
Laqshya Hyderabad Airport Media Private Limited	9,800,000	9.80	9,800,000	9.80
Investment in Associates				
Digi Yatra Foundation	148	0.00	-	-
		635.34		**589.39**
Other Investments				
On account of fair valuation of financial gurantees given to subsidaries				
GMR Hyderabad Aviation SEZ Limited		1.95		1.82
GMR Hospitality and Retail Limited		5.75		5.75
GMR Air Cargo and Aerospace Engineering Limited		8.01		8.01
GMR Hyderabad Aerotropolis Limited		0.86		0.57
		16.57		**16.15**
On account of fair valuation of loans given to subsidaries/joint venture below market rate				
GMR Hospitality and Retail Limited		11.86		11.86
Hyderabad Airport Security Services Limited		-		3.25
Laqshya Hyderabad Airport Media Private Limited		5.59		5.59
		17.45		**20.70**
Total Investments carried at Cost		**669.36**		**626.24**

Note : Face value of all investments in equity shares of subsidiary and joint venture is Rs. 10 per share and fully paid-up. With respect to investments in preference shares, Series - B preference shares has a face value of Rs. 10 per share fully paid-up and Series - A preference shares has a face value of Rs. 10,000 per share, fully paid-up. Further, the Company holds 100% stake in all its subsidiaries and holds 49% stake in the joint venture, Laqshya Hyderabad Airport Media Private Limited.

* The Hyderabad Airport Security Service Limited (HASSL) got voluntary liquidated under Insolvency and Bankruptcy Code, 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and the Companies Act, 2013 on August 14, 2019 by the Official Liquidator. NCLT vide its order dated September 13, 2019 passed the dissolution of HASSL w.e.f. September 13, 2019. Form No. INC 28 was filed with the Registrar of Companies ("ROC"), Hyderabad on September 17, 2019 which was approved by the ROC on September 20, 2019 and accordingly HASSL stands dissolved from that date.

# Shares pledged with the bankers against the loan taken by the below subsidiaries	**No. of Shares (March 31, 2020)**	**No. of Shares (March 31, 2019)**
GMR Hospitality and Retail Limited	32,897,675	32,897,675

(All amounts in Rupees Crores, except otherwise stated)

5.2 **Investments**

	As at March 31, 2020		As at March 31, 2019	
	No. of Units	Amount	No. of Units	Amount
Investments in mutual funds (unqouted) at FVTPL				
Birla Sunlife Cash Plus Institutional Premium - Growth	1,895,485.46	60.24	-	-
Axis Liquid Institutional - Growth Option	-	-	116,381.32	24.03
ICICI Prudential Liquid Regular Plan - Growth	2,059,658.70	60.25	908,843.70	25.02
UTI Liquid Cash Plan Institutional - Growth Option	211,028.90	68.32	88,654.91	27.04
UTI Liquid Fund - Growth	83,076.10	27.02	-	-
Tata Liquid Fund Plan A Growth	-	-	33,644.82	9.86
Sundaram Money Fund Regular Growth	1,156.15	0.00	1,405,024.91	5.51
Sundaram Money Fund Direct Growth	12,782,692.63	53.53	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	39,845.56	12.33	-	-
		281.69		**91.46**
Investment in Commerical Paper (unqouted) at Amortised cost*				
SREI Infrastructure Finance Limited	2,500	114.83	4,500	215.25
SREI Equipment Finance Limited	5,600	268.04	-	-
Bharti Realty Limited	4,096	199.97	-	-
Edelweiss Financial Services Limited	500	24.46	-	-
Piramal Enterprises Limited	5,500	273.42	3,000	147.44
		880.72		**362.69**
		1,162.41		**454.15**

Note : Face value of all commercial paper investments is at Rs. 500,000 (March 31, 2019: Rs. 500,000) per unit.

6 **Loans**

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured, considered good				
Security deposits	14.95	19.43	16.84	4.00
Less: Provision for doubtful deposit	(0.20)	(0.20)	-	-
	14.75	19.23	16.84	4.00
Loans to employees	1.78	1.60	0.22	1.37
Loans to related parties (refer details below)	82.33	75.77	232.00	0.32
	98.86	**96.60**	**249.06**	**5.69**

Break up of Loans to related parties				
GMR Hospitality and Retail limited	42.33	42.33	-	-
GMR Hyderabad Aerotropolis Limited	40.00	33.44	32.00	-
Laqshya Hyderabad Airport Media Private Limited	-	-	-	0.32
GMR Infrastructure Limited	-	-	200.00	-
	82.33	**75.77**	**232.00**	**0.32**

7 **Other financial assets**

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Carried at amortised cost				
Share application money paid pending allotment	-	10.00	-	-
Non-trade receivables	-	-	32.47	10.15
Unbilled revenue	-	-	9.82	2.88
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on others	-	-	8.34	0.54
Interest accrued on fixed deposits	-	-	11.76	2.55
Interest accrued on investments	-	-	15.80	7.67
Margin money deposits *	-	0.62	-	-
Other receivables (refer note 52)			63.00	-
Derivative instrument carried at fair value through OCI				
Derivative asset (refer note 38)	865.02	239.24	-	-
	865.02	**249.86**	**141.23**	**23.83**

* Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.

Break up of share application money paid pending allotment				
GMR Air Cargo and Aerospace Engineering Limited	-	10.00	-	-
Total	**-**	**10.00**	**-**	**-**

8.1 **Tax asset**

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance income tax (net of provision for current tax)	9.81	0.26	-	12.93
	9.81	**0.26**	**-**	**12.93**

8.2 **Tax liability**

	Current	
	March 31, 2020	March 31, 2019
Provision for tax (net of advance tax)	35.87	36.74
	35.87	**36.74**

(All amounts in Rupees Crores, except otherwise stated)

9 **Other assets**

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Capital advances				
Unsecured, considered good	448.62	406.37	-	-
(A)	**448.62**	**406.37**	**-**	**-**
Advances other than capital advances				
Passenger Service Fee (Security Component)	10.56	25.64	-	-
Others	5.11	5.11	3.71	4.54
	15.67	**30.75**	**3.71**	**4.54**
Less: Provision for doubtful advances	(0.04)	(0.04)	-	-
(B)	**15.63**	**30.71**	**3.71**	**4.54**
Prepaid expenses	3.80	3.08	5.72	3.40
Upfront fee on borrowings*	-	94.50	-	-
Lease equilisation reserve	2.09	-	-	-
Balance with statutory/government Authorities [Including deposits refer note 35 I(B)]	249.12	12.61	12.41	1.86
(C)	**255.01**	**110.19**	**18.13**	**5.26**
Total (A+B+C)	**719.26**	**547.27**	**21.84**	**9.80**

*The above amount represents the upfront fee paid on rupee term facility amounting to Rs. 4,200.00 tied up by the Company with a bank to meet their capital commitment in respect of the aiport expansion plan.

10 **Inventories (valued at lower of cost or net realizable value)**

	March 31, 2020	March 31, 2019
Stores and spares	6.53	6.12
Less: Provision for non moving spares	(0.17)	(0.17)
	6.36	**5.95**

11 **Trade receivables**

	Current	
	March 31, 2020	March 31, 2019
From related parties	13.58	21.18
From other customers	105.42	122.37
	119.00	**143.55**
Break up of trade receivables:		
Secured reicevables, considered good	53.57	58.35
Unsecured reicevables, considered good	65.43	85.20
Unsecured reicevables, with significant increase in credit risk	0.31	1.09
	119.31	**144.64**
Impairment allowance (allowance for credit loss)		
Less: Allowance for trade receivable	(0.31)	(1.09)
	119.00	**143.55**

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

12 **Cash and cash equivalents**

	March 31, 2020	March 31, 2019
- Balances with Banks		
- In current accounts	57.82	30.62
- Deposits with original maturity of less than three months	190.15	350.00
- Cash on hand	0.02	0.06
	247.99	**380.68**

Cash balances in current accounts does not earn interest. Term deposits are made for varying periods from seven days to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective term deposit rates.

13 **Bank balances other than cash and cash equivalent**

	Current	
	March 31, 2020	March 31, 2019
Deposits with original maturity of more than 3 months but less than 12 months	605.00	29.96
Margin money deposits *	50.65	47.38
	655.65	**77.34**

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

(All amounts in Rupees Crores, except otherwise stated)

14 **Equity**

	March 31, 2020	March 31, 2019
Authorized share capital		
400,000,000 (March 31, 2019: 400,000,000) equity shares of Rs. 10 each	400.00	400.00
Issued, subscribed and fully paid-up shares		
378,000,000 (March 31, 2019: 378,000,000) equity shares of Rs. 10 each fully paid-up	378.00	378.00
Total	**378.00**	**378.00**

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

	March 31, 2020		March 31, 2019	
Equity Shares	Number	Amount	Number	Amount
At the beginning of the year	378,000,000	378.00	378,000,000	378.00
Outstanding at the end of the year	**378,000,000**	**378.00**	**378,000,000**	**378.00**

(b) Terms/ rights attached to equity shares

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

(c) Shares held by holding / intermediate holding company

	March 31, 2020		March 31, 2019	
Name of Shareholder	Number	Amount	Number	Amount
GMR Airports Limited (GAL), holding company	238,139,000	238.14	238,139,000	238.14
GMR Infrastructure Limited, GAL's holding company	1,000	0.00	1,000	0.00
	238,140,000	**238.14**	**238,140,000**	**238.14**

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

	March 31, 2020		March 31, 2019	
Name of Shareholder	Number	% holding	Number	% holding
Equity shares of Rs. 10 each, fully paid-up				
GMR Airports Limited, holding company	238,139,000	63.00%	238,139,000	63.00%
Airports Authority of India	49,140,000	13.00%	49,140,000	13.00%
Government of Telangana	49,140,000	13.00%	49,140,000	13.00%
MAHB (Mauritius) Private Limited	41,573,540	11.00%	41,573,540	11.00%

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

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

(f) Shares reserved for issue under options

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

14.1 **Other Equity**

	March 31, 2020	March 31, 2019
Capital reserve	**107.00**	**107.00**
Retained Earnings		
Opening Balance	1,149.09	622.68
Adjustment in retained earnings on account of transition to Ind AS 115	-	(2.27)
Depreciation charge to retained earnings	-	(21.11)
Add: Profit for the year	636.81	732.75
Remeasurement of post-employment benefits obligations	(1.23)	(0.68)
Less: Appropriations		
Interim dividend of Rs. 2.50 per share (March 31, 2019: Rs. 4.00 per share)	(94.50)	(151.20)
Dividend distribution tax	(19.09)	(31.08)
Closing balance	**1,671.08**	**1,149.09**
Other Comprehensive Income		
Cash flow hedge reserve		
Balance as per last financial statements	31.72	14.74
Gain / (losses) arising during the year on derivative instruments	195.12	34.02
Deferred taxes on above	(61.78)	(17.04)
Closing balance	**165.06**	**31.72**
Total Equity	**1,943.14**	**1,287.81**

(All amounts in Rupees Crores, except otherwise stated)

15

Financial liabilities - Borrowings	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Bonds				
1,750 units 4.25% Senior Secured Notes of USD 200,000 each (secured)	2,609.03	2,376.93	-	-
1,500 units 5.375% Senior Secured Notes of USD 200,000 each (secured)	2,244.16	-	-	-
Term loans				
From Others				
Government of Telangana (unsecured)	315.05	315.05	-	-
Loans from related parties (unsecured)	-	-	-	12.97
Working capital loans from banks (unsecured)	-	-	19.92	9.94
	5,168.24	**2,691.98**	**19.92**	**22.91**
The above amount includes:				
Secured borrowings	4,853.19	2,376.93	-	-
Unsecured borrowings	315.05	315.05	19.92	22.91
	5,168.24	**2,691.98**	**19.92**	**22.91**
Amount disclosed under the head "other current financial liabilities" (Refer note 16)	-	-	-	(12.97)
Net Amount	**5,168.24**	**2,691.98**	**19.92**	**9.94**

i) 4.25% Senior Secured Notes

4.25% senior secured notes were issued on October 27, 2017 to refinance secured Rupee Term Loans and Foreign Currency Loans and fund the airport expansion project works. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. on October 27, 2027 (bullet repayment).

ii) 5.375% Senior Secured Notes

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

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

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

iv) Interest free unsecured loan was received from its erstwhile wholly owned subsidiary (Hyderabad Airport Security Services Limited) and was repayable on demand.

v) Working capital loans represents commercial credit card facility availed from banks and carry an interest rate of 15.05% p.a. (March 31, 2019: 15.05% p.a.) and are repayable in 25 days from the end of the month.

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Other financial liabilities	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
At Amortised cost				
Retention money	3.72	7.04	9.17	4.00
Deposit from concessionaires	49.78	43.86	26.89	36.78
Security deposits	-	-	0.60	0.73
Concession fee payable	171.96	192.55	92.11	84.06
Current maturities of long term borrowings	-	-	-	12.97
Non trade payables	-	-	30.36	14.09
Capital creditors*	-	-	371.45	192.34
Interest accrued but not due on borrowings	-	-	168.72	86.05
Total other financial liabilities at amortised cost	**225.46**	**243.45**	**699.30**	**431.02**
Financial guarantee contracts	4.60	5.03	0.84	0.81
Total other financial liabilities	**230.06**	**248.48**	**700.14**	**431.83**

*Includes amounts payable to parties registered under the Micro, Small and Medium Enterprises Development Act, 2006 of Rs. 16.07 (March 31, 2019: Rs. Nil)

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial guarantee contracts				
GMR Hospitality and Retail Limited	1.38	1.54	0.15	0.15
GMR Hyderabad Aviation SEZ Limited	0.77	0.74	0.09	0.07
GMR Hyderabad Aerotropolis Limited	0.65	0.44	0.08	0.05
GMR Air Cargo and Aerospace Engineering Limited	1.80	2.31	0.52	0.54
Total financial guarantee contracts	**4.60**	**5.03**	**0.84**	**0.81**

(All amounts in Rupees Crores, except otherwise stated)

17 **Government grants**

	March 31, 2020	March 31, 2019
Opening Balance	46.14	51.40
Grant during the year	-	-
Less: Recognised in the statement of profit and loss	(5.28)	(5.26)
	40.86	**46.14**
Non Current	35.59	40.87
Current	5.27	5.27

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

18 **Other liabilities**

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances received from customers	4.17	6.49	4.48	1.96
Deferred income	12.82	12.29	6.62	5.56
Service tax payable	-	-	0.01	0.01
Goods and service tax payable	-	-	8.93	14.56
Tax deducted at source	-	-	15.05	4.69
Other statutory dues	-	-	0.94	0.79
	16.99	**18.78**	**36.03**	**27.57**

19 **Trade payables**

	March 31, 2020	March 31, 2019
Trade Payables		
Total outstanding dues of micro and small enterprises*	10.78	-
Total outstanding dues of creditors other than micro and small enterprises	95.19	72.06
	105.97	**72.06**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as at March 31, 2020 and March 31, 2019 (along with micro and small enterprises under capital creditors under the head other financial liabilities):

Particulars	March 31, 2020	March 31, 2019
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	26.85	-
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

20 **Provisions**

	Short term	
	March 31, 2020	March 31, 2019
Provision for employee benefits		
Provision for compensated absences	14.04	12.15
Provision for superannuation fund	0.20	0.20
Provision for gratuity (note 31)	4.14	2.22
	18.38	**14.57**

(All amounts in Rupees Crores, except otherwise stated)

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Revenue from contracts with customers	For the year ended March 31, 2020	For the year ended March 31, 2019
Aeronautical		
Landing and parking charges	139.91	136.94
User Development Fee (UDF) and Passenger Service Fee (PSF)	709.51	710.28
Common Infrastructure Charges	61.90	63.40
Fuel Farm (Refer note 43)	139.29	144.27
Ground Handling (Refer note 43)	34.81	12.29
Cargo (Refer note 43)	17.74	18.00
Others (Refer note 43)	28.20	22.72
Revenue from Aeronautical services (A)	**1,131.36**	**1,107.90**
Non-Aeronautical		
Duty free	53.38	47.51
Retail	52.26	40.18
Advertisement	38.13	36.11
Food and beverages	50.08	47.03
Parking	80.76	66.56
Land and space — Rentals	53.13	48.07
Others	58.19	53.02
Total Non-Aeronautical (B)	**385.93**	**338.48**
Revenue from commercial property development (C)	8.47	5.87
Revenue from operations (A+B+C)	**1,525.76**	**1,452.25**

Note:
(i) The company earned entire income from operations from India.
(ii) Timing of rendering of services is as under:

For the year ended March 31, 2020

Particulars	Aeronautical	Non-Aeronautical	Others	Total
Services rendered at a point in time	1,047.27	-	-	**1,047.27**
Services rendered over time	84.09	385.93	8.47	**478.49**
Total revenue from contracts with customers	**1,131.36**	**385.93**	**8.47**	**1,525.76**

For the year ended March 31, 2019

Particulars	Aeronautical	Non-Aeronautical	Others	Total
Services rendered at a point in time	1,052.20	-	-	**1,052.20**
Services rendered over time	55.70	338.48	5.87	**400.05**
Total revenue from contracts with customers	**1,107.90**	**338.48**	**5.87**	**1,452.25**

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue as per contracted price	1,524.66	1,451.15
Adjustments:		
Significant financing component	1.10	1.10
Revenue from contract with customers	**1,525.76**	**1,452.25**

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

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

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Other income	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on:		
Bank deposits	24.98	25.40
Loans to subsidiaries and joint venture	7.82	8.23
Others	51.32	22.50
Dividend from investment in subsidiary	1.08	0.36
Net gains on fair value changes	15.48	35.80
Amortisation of deferred income	0.52	14.08
Income from government grant	5.28	5.26
Provisions no longer required, written back	2.93	0.52
Profit on sale of assets	0.42	0.12
Other miscellaneous income	4.47	4.91
	114.30	**117.18**

(All amounts in Rupees Crores, except otherwise stated)

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Employee benefits expense	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	103.65	85.10
Contribution to provident and other funds [note 31 and note 35 (I) (B) (xi)]	7.70	6.13
Gratuity expense (note 31)	1.25	0.82
Staff welfare expenses	5.33	4.77
	117.93	**96.82**

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Depreciation and amortisation expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (note 3)	166.84	138.38
Amortisation of intangible assets (note 4.2)	1.12	0.63
Amortisation of ROU assets (note 4.1)	2.75	-
	170.71	**139.01**

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Finance costs	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	100.95	83.97
Premium on derivative instruments	82.55	77.19
Interest on deposit from concessionaire	4.45	21.64
Interest on concession fee, lease liability and others	16.09	10.94
Other borrowing cost	36.49	4.35
	240.53	**198.09**

*includes interest expense of Rs. 0.80 (March 31, 2019: Rs. 1.01) pertaining to significant financing component in accordance with Ind AS 115.

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Other expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
Operator fee	1.32	1.32
Operating and maintenance expenses	22.25	17.42
Power and fuel	18.70	19.79
Manpower outsourcing charges	43.73	34.90
House keeping charges	17.49	14.01
Consumption of stores & spares	7.16	5.98
Repairs and maintenance		
Buildings	8.50	8.13
Plant and Machinery	25.09	23.42
IT Services	17.22	12.67
Other	5.46	3.42
Insurance	2.78	2.28
Security expenses	23.39	19.89
Bus hire charges	0.89	0.71
Health and safety expenses	0.57	0.22
Rent	2.27	6.88
Rates and taxes	6.63	5.87
Advertising and business promotion	7.49	5.69
Collection charges	6.65	7.24
Travelling and conveyance	26.80	17.93
Communication costs	4.45	2.74
Office maintenance expense	0.53	0.54
Legal and professional fees	32.69	11.37
Management fees	32.05	29.96
Recruitment and training charges	2.65	1.82
Printing and stationery	0.58	0.89
Directors' sitting fees (refer Note 32)	0.23	0.25
Payment to auditors (refer note A below)	0.60	0.47
Contribution to political parties	-	25.00
Donation	-	1.70
CSR expenditure (refer note B below)	10.59	7.17
Bank charges	0.05	0.04
Loss on account of foreign exchange fluctuations (net)	0.33	0.22
Interest receivable from PSF (Security Component) Fund written off	15.08	-
Provision for bad and doubtful debts	0.15	0.52
Bad debts written off	0.41	3.75
Fixed assets written off	0.81	-
Provision for impairment of value of Investments in shares of subsidiary company	0.05	-
Loss on liquidation/sale of investment in subsidiaries	2.68	4.34
Miscellaneous expenses	3.49	2.83
	351.81	**301.38**

A. Payment to Auditors (Included in other expenses above)	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor		
Audit fee	0.42	0.33
Other services		
Other services (including certification fee)*	0.11	0.08
Reimbursement of expenses	0.07	0.06
	0.60	**0.47**

*excludes Rs. 0.99 (March 31, 2019: Rs. Nil) towards assurance related services for issuance of senior secured notes which are adjusted against borrowings.

B. Details of CSR expenditure (Included in other expenses above)	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	10.59	7.17
b) Amount spent in cash during the year		
i) Construction / acquisition of any asset	3.64	4.55
ii) on purposes other than (i) above	6.95	2.62
c) Total amount spent during the year		
i) Construction / acquisition of any asset	3.64	4.55
ii) on purposes other than (i) above	6.95	2.62

(All amounts in Rupees Crores, except otherwise stated)

27 Income Tax

A. The major components of income tax expenses are:

Statement of profit and loss:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax:		
Current income tax charge	67.56	30.68
Deferred tax:		
Relating to origination and reversal of temporary differences	(9.16)	13.21
Income tax expense for the year	**58.40**	**43.89**
Less: Adjustments relating to previous year	(1.08)	(4.04)
Income tax expense reported in the statement of profit or loss	**57.32**	**39.85**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit	694.13	772.60
Tax at the applicable tax rate of 34.94% (March 31, 2019: 34.61%)	242.56	269.95
Tax effect of income that are not taxable in determining taxable profit / allowable expenditure that are not part of Book profit:		
Income claimed as deduction u/s 80IA	208.34	240.98
Dividend Income exempt U/s 10(34)	0.58	0.13
Ind AS adjustments	5.86	10.74
Others	0.15	0.04
Tax effect of expenses that are not deductible in determining taxable profit:		
Amount of disallowances U/s 14A	0.05	0.02
Donations, contribution to political parties & CSR Expenditure	3.70	2.59
Interest on delayed payment of income tax	-	0.53
Provision for doubtful debt	0.05	0.18
Loss on sale of investment carried forward	0.02	1.52
Disallowance due to non-deduction of TDS u/s 40a(ia)	-	0.53
Ind AS adjustments	10.73	10.50
Reversal of deferred tax during tax holiday period u/s 80IA	8.43	9.97
Income tax expense reported in the statement of profit and loss	**50.62**	**43.89**

C. Deferred tax:

	Statement of profit or loss		Balance sheet	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	18.16	13.34	158.22	140.07
Cash flow hedge	61.78	17.04	78.82	17.04
Gross deferred tax liability	**79.94**	**30.37**	**237.04**	**157.10**
Deferred tax asset				
On account of income reduced from capital work in progress	(27.31)	(0.13)	31.23	3.92
	(27.31)	**(0.13)**	**31.23**	**3.92**
Charge / (credit) during the year	**52.63**	**30.24**		
Net deferred tax (liability)/Asset (net)			**(205.81)**	**(153.18)**
Minimum Alternative Tax credit entitlement			457.11	405.41
Deferred tax asset (unutilised tax credit)			**457.11**	**405.41**
Net deferred tax asset / (liability)			**251.30**	**252.23**

D. Reconciliations of deferred tax liabilities/assets(net)

	March 31, 2020	March 31, 2019
Opening balance	252.23	146.17
Tax credit during the year recognised in profit or loss	60.85	123.10
Tax expense during the year recognised in the OCI	(61.78)	(17.04)
Closing balance	**251.30**	**252.23**

i) Deferred tax on adjustments recognised on account of adoption of Ind AS are not considered as these adjustments get reversed in the subsequent periods and have no impact on the accounting or tax profit.

(All amounts in Rupees Crores, except otherwise stated)

28 Components of Other Comprehensive Income

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

For the year ended March 31, 2020

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve (net)	625.77	-	625.77
Less: Restatement of borrowings	(430.65)	-	(430.65)
Less: Deferred tax	(61.78)	-	(61.78)
Remeasurement gain on defined benefit plans	-	(1.23)	(1.23)
Closing Balance	**133.34**	**(1.23)**	**132.11**

For the year ended March 31, 2019

	Cash Flow Hedge Reserve	Retained earnings	Total
Cash flow hedge reserve (net)	167.55	-	167.55
Less: Restatement of borrowings	(133.53)	-	(133.53)
Less: Deferred tax	(17.04)	-	(17.04)
Remeasurement gain on defined benefit plans	-	(0.68)	(0.68)
Closing Balance	**16.98**	**(0.68)**	**16.30**

(All amounts in Rupees Crores, unless otherwise stated)

29. Earnings Per Share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2020	March 31, 2019
Profit attributable to equity holders for basic and diluted earnings	636.81	732.75
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted)	37.80	37.80
Earnings Per Share (Basic and diluted) (Rs.)	16.85	19.38
Face value per share (Rs.)	10	10

30. Capital work-in-progress

The breakup of capital work-in-progress is as below:

Particulars	March 31, 2020	March 31, 2019
Capital expenditure incurred on property, plant and equipment	983.35	282.08
Legal and professional expense	105.16	64.94
Employee benefits expense	0.75	0.35
Travelling and conveyance	1.24	0.46
Finance costs	214.79	29.74
Total (i)	**1,305.30**	**377.57**
Less:-		
Interest income from bank deposit	(95.75)	(1.93)
Net gain on sale of current investments	-	(10.54)
Interest income on security deposit paid	(1.24)	-
Total (ii)	**(96.99)**	**(12.47)**
Net capital work-in-progress (i-ii)	**1,208.31**	**365.10**

During the year ended March 31, 2020 the following expenses of revenue nature are capitalized to the capital work-in-progress (CWIP). Consequently, expenses disclosed under the other expenses are net of amounts capitalized by the Company.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance (A)	**83.02**	**51.52**
Revenue expense:		
Legal and professional expense	83.75	44.07
Employee benefit expense	0.40	-
Travelling and conveyance	0.78	0.40
Finance cost	231.53	39.26
Total (B)	**316.56**	**83.73**
Less: Income		
Interest income from bank deposit	(95.75)	(3.71)
Net gain on sale of current investment	-	(10.62)
Interest income on security deposit paid	(1.24)	-
Total (C)	**(96.99)**	**(14.33)**
Net (D=B-C)	**219.57**	**69.40**
Less: Capitalised during the year (E)	**(77.64)**	**(37.90)**
Closing balance (F=A+D-E)	**224.95**	**83.02**

(All amounts in Rupees Crores, unless otherwise stated)

31. Retirement and other employee benefits:

a) Defined contribution plan:

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	5.02	3.81
Contribution to ESI and Labour welfare fund	0.19	0.19
Contribution to superannuation fund	2.49	2.13
Total	**7.70**	**6.13**

b) Defined benefit plans:

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life insurance Corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service subject to a maximum limit of Rs. 0.20 (March 31, 2019: 0.20).

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

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	1.13	0.82
Interest cost on net Defined Benefit Obligation (DBO)	0.12	0.00
Net benefit expense (note 23)	**1.25**	**0.82**

Amount recognized in other comprehensive income:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gain)/loss due to DBO experience	(0.56)	0.61
Actuarial (gain)/loss due to DBO assumption changes	0.65	-
Return on plan assets (greater)/less than discount rate	1.14	0.07
Actuarial (gains)/ losses recognized in OCI	**1.23**	**0.68**

Balance sheet:

	March 31, 2020	March 31, 2019
Fair value of plan assets	7.25	7.50
Defined benefit obligation	(11.39)	(9.72)
Plan (liability)/ asset	**(4.14)**	**(2.22)**

(All amounts in Rupees Crores, unless otherwise stated)

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

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	9.72	6.99
Interest cost	0.70	0.50
Current service cost	1.13	0.82
Benefits paid	(0.95)	(0.81)
Past service cost -Plan amendments	-	-
Actuarial losses /(gains) on obligation	(0.56)	0.62
Acquisition cost	0.70	1.60
Actuarial losses/ (gain) on Financial Assumption	0.65	-
Closing defined benefit obligation	**11.39**	**9.72**

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

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	7.50	6.06
Expected return on plan assets	0.58	0.50
Contributions by employer	0.56	0.74
Return on plan assets greater/(lesser) than discount rate	(1.14)	(0.07)
Acquisition adjustment	0.70	1.08
Benefits paid	(0.95)	(0.81)
Closing fair value of plan assets	**7.25**	**7.50**

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

	March 31, 2020	March 31, 2019
Investments with insurer	100%	100%

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

	March 31, 2020	March 31, 2019
Discount rate	6.80%	7.60%
Rate of compensation increase	6.00%	6.00%
Employee turnover	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption is shown below:

	March 31, 2020	March 31, 2019
Discount rate		
Effect due to 1% increase in discount rate	(0.80)	(0.68)
Effect due to 1% decrease in discount rate	0.92	0.78
Attrition rate		
Effect due to 1% increase in attrition rate	0.05	0.09
Effect due to 1% decrease in attrition rate	(0.06)	(0.10)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	0.77	0.68
Effect due to 1% decrease in salary increase rate	(0.70)	(0.62)

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

(All amounts in Rupees Crores, unless otherwise stated)

The following payments are expected contributions to the defined benefit plan in the future year as at March 31, 2020:

	March 31, 2020
March 31, 2021	1.43
March 31, 2022	0.88
March 31, 2023	1.26
March 31, 2024	0.93
March 31, 2025	1.73
March 31, 2026 to March 31, 2030	8.59

The following payments are expected contributions to the defined benefit plan in the future year as at March 31, 2019:

	March 31, 2019
March 31, 2020	0.81
March 31, 2021	1.12
March 31, 2022	1.05
March 31, 2023	1.25
March 31, 2024	0.96
March 31, 2025 to March 31, 2029	8.25

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2019: 10 years).

32. Details of transactions with Related parties:

A. Name of related parties and description of relationship:

Relationship	**Related party Name**
Holding company	GMR Airports Limited (GAL)
GAL's holding company	GMR Infrastructure Limited (GIL)
Ultimate holding company	GMR Enterprises Private Limited (GEPL)
Subsidiary Companies	GMR Hyderabad Aerotropolis Limited
	GMR Hyderabad Aviation SEZ Limited
	GMR Hospitality and Retail Limited
	GMR Air Cargo and Aerospace Engineering Limited (formerly GMR Aerospace Engineering Limited) (Refer note 45(a))
	GMR Aero Technic Limited (Refer note 45(a))
	GMR Logistics Park Private Limited (incorporated wef December 20, 2018)&
	Hyderabad Airport Security Services Limited (HASSL)*
	GMR Hyderabad Airport Power Distribution Limited@
	Asia Pacific Flight Training Academy Limited$
Fellow Subsidiary Companies	GMR Aviation Private Limited
	Delhi International Airport Limited
	GMR Energy Trading Limited
	GMR Highways Limited
	GMR Corporate Affairs Private Limited
	GMR Airport Developers Limited
	Kakinada SEZ Limited
	GMR Aerostructure Services Limited
	GMR Hyderabad Vijayawada Expressways Private Limited

Relationship	Related party Name
	GMR Business Process and Services Private Limited
	GMR Vemagiri Power Generation Limited
	GMR Goa International Airport Limited
	Raxa Security Services Limited
Shareholders having significant influence	Government of Telangana
	Airports Authority of India
	Malaysia Airports Holdings Berhad
	MAHB (Mauritius) Private Limited, Mauritius
Key management personnel	Mr. G M Rao, Executive Chairman (Chairman till May 31, 2018 and Executive Chairman w.e.f June 1, 2018)
	Mr. GBS Raju – Managing Director (w.e.f June 1, 2018)
	Mr. SGK Kishore – Chief Executive Officer
	Mr. Rajesh Arora – Chief Financial Officer (till May 31, 2019)
	Mr. Anand Kumar Polamada - Chief Financial Officer (w.e.f June 1, 2019)
	Mr. Anup Kumar Samal - Company Secretary
	Mr. Srinivas Bommidala – Director (Managing Director till May 31, 2018 and Director w.e.f June 1, 2018)
	Mr. HJ Dora – Director
	Mr. Kiran Kumar Grandhi – Director
	Mr. C Prasanna – Director
	Mr. Venkataramana Hegde – Director
	Mr. IN Murthy – Director
	Mr. K Ramakrishna Rao IAS – Director
	Mr. Jayesh Ranjan IAS – Director
	Mr. Raja Azmi bin Raja Nazuddin – Director (w.e.f September 10, 2018 till February 10, 2020)
	Mr. RSSLN Bhaskarudu- Independent Director
	Mr. NC Sarabeswaran- Independent Director
	Mr. Vijay Bhaskar – Director (till May 4, 2018)
	Mr. Datuk Badlisham Bin Ghazali – Director (till June 23, 2018)
	Mrs. Vissa SivaKameswari -Independent Director
	Mr. Madhu Ramachandra Rao – Independent Director (w.e.f July 2, 2018)
Joint Venture	Laqshya Hyderabad Airport Media Private Limited
Associate of GIL	GMR Rajahmundry Energy Limited
Enterprises where key Directors and their relatives exercise significant influence	GMR Varalakshmi Foundation
Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India Private Limited

[&] Subsequent to the year end, pursuant to the Subscription Agreement and Shareholders' Agreement both dated January 08, 2020 executed by and amongst GMR Logistics Park Private Limited (GLPPL), GMR Hyderabad Aerotropolis Limited (GHAL) and ESR Hyderabad 1 Pte. Limited, Singapore (ESR), GLPPL allotted 4,13,35,182 equity shares of Rs. 10/ - each at par to ESR and 16,965,078 equity shares of Rs. 10/ - each at par to GHAL on private placement basis by passing a circular resolution dated April 16, 2020. Now, the percentage of shareholding of ESR and GHAL in GLPPL is 70 and 30 respectively. Consequent to the said allotment, GLPPL has ceased to be a wholly owned subsidiary of GHAL with effect from April 16, 2020.

(All amounts in Rupees Crores, unless otherwise stated)

*Hyderabad Airport Security Services Limited ("HASSL") got voluntary liquidated under section 59 and other applicable provisions of the Insolvency and Bankruptcy Code of India 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and the Companies Act, 2013, as per the order from National Company Law Tribunal (NCLT) vide its order dated September 13, 2019. Subsequently, Form No. INC 28 was filed with the ROC on September 17, 2019 which was approved by the ROC on September 20, 2019 and accordingly HASSL got dissolved from that date.

@ The Board of Directors of the Company in its meeting held on January 18, 2020 had approved the proposal for closure of GMR Hyderabad Airport Power Distribution Limited (GHAPDL) by making an application to ROC seeking removal of GHADPL from ROC Records, and filed an application Form STK-2 for Striking Off GMR Hyderabad Airport Power Distribution Limited with ROC/ MCA.

$ Asia Pacific Flight Training Academy Limited (APFTAL) ceased to be a subsidiary of GHIAL with effect from March 01, 2019 as the Company has sold its 100% stake in APFTAL for a nominal sale consideration of Rs. 100.

B. Remuneration paid to Key Managerial Remuneration:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short term employee benefits	14.20	12.32
Sitting fees	0.23	0.23

C. Summary of Transactions with related parties during the year is as follows:

Related Party Transactions	March 31, 2020	March 31, 2019
Services received:		
Raxa Security Services Limited	24.88	18.86
GMR Hospitality and Retail Limited	0.38	0.55
Airports Authority of India	0.03	0.03
GMR Aviation Private Limited	5.84	9.07
GMR Airport Developers Limited	26.41	21.51
GMR Infrastructure Limited	10.35	7.04
GMR Airports Limited	22.57	23.88
Laqshya Hyderabad Airport Media Private Limited	0.23	0.14
GMR Corporate Affairs Private Limited	0.39	-
GMR Family Fund Trust	-	0.29
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.22
Government of Telangana	-	3.59
Investment made during the year:		
GMR Air Cargo and Aerospace Engineering Limited	25.50	73.25
Asia Pacific Flight Training Academy Limited	-	0.79
GMR Hyderabad Aerotropolis Limited	33.00	-
Bad Debts written off during the year		
Asia Pacific Flight Training Academy Limited	-	3.75

(All amounts in Rupees Crores, unless otherwise stated)

Related Party Transactions	March 31, 2020	March 31, 2019
Conversion of interest free unsecured loan to investment in equity share during the year		
GMR Hospitality and Retail Limited	-	29.39
Investment made in subsidiary during the year on account of amortization of financial guarantee given:		
GMR Hyderabad Aerotropolis Limited	0.29	-
GMR Hyderabad Aviation SEZ Limited	0.12	-
GMR Hospitality and Retail Limited	-	1.74
GMR Air Cargo and Aerospace Engineering Limited	-	0.07
Advance / (Advance return) towards share application money:		
GMR Air Cargo and Aerospace Engineering Limited	-	18.50
GMR Hyderabad Aerotropolis Limited	-	6.00
Conversion of Share application money to unsecured loan		
GMR Hyderabad Aerotropolis Limited	-	6.00
Security Deposit (paid) /received:		
GMR Air Cargo and Aerospace Engineering Limited	(0.10)	(0.10)
Laqshya Hyderabad Airport Media Private Limited	-	0.16
GMR Hospitality and Retail Limited	-	(0.08)
GMR Airport Developers Limited	-	(15.00)
Income from operations:		
GMR Air Cargo and Aerospace Engineering Limited	24.52	24.43
GMR Hospitality and Retail Limited	57.82	51.39
Airports Authority of India	0.43	3.24
GMR Aviation Private Limited	0.02	0.02
GMR Infrastructure Limited	0.01	0.01
GMR Hyderabad Aviation SEZ Limited	2.67	2.50
Laqshya Hyderabad Airport Media Private Limited	34.01	32.19
Kakinada SEZ Private Limited	0.23	0.24
GMR Airport Developers Limited	0.17	0.15
GMR Hyderabad Aerotropolis Limited	0.95	0.68
GMR Airports Limited	0.27	0.26
Asia Pacific Flight Training Academy Limited	-	0.56
Raxa Security Services Limited	0.01	0.01
Geokno India Private Limited	0.10	0.15
GMR Energy Trading Limited	-	0.00
GMR Highways Limited	0.25	0.25
GMR Varalakshmi Foundation	0.38	0.37
GMR Business Process and Services Private Limited	3.16	2.75

(All amounts in Rupees Crores, unless otherwise stated)

Related Party Transactions	March 31, 2020	March 31, 2019
Delhi International Airport Limited	0.01	-
Dividend income received from subsidiary Company:		
GMR Air Cargo and Aerospace Engineering Limited	1.08	0.36
Unsecured loan adjusted against the investment on liquidation:		
Hyderabad Airport Security Services Limited	12.50	-
Unsecured loan repaid during the year:		
Hyderabad Airport Security Services Limited	0.47	-
Unsecured loan given:		
GMR Hyderabad Aerotropolis Limited	55.56	25.00
GMR Infrastructure Limited	200.00	-
Unsecured loan received back:		
Laqshya Hyderabad Airport Media Private Limited	0.32	2.55
GMR Hyderabad Aerotropolis Limited	17.00	-
Interest on unsecured loan given:		
GMR Hospitality and Retail Limited	4.24	4.32
GMR Hyderabad Aerotropolis Limited	3.59	0.69
GMR Infrastructure Limited	7.90	-
Interest on amortization of interest free unsecured loan given:		
Laqshya Hyderabad Airport Media Private Limited	-	0.22
GMR Hospitality and Retail Limited	-	3.01
Interest on delayed payments from customers		
GMR Energy Trading Limited	0.01	-
Laqshya Hyderabad Airport Media Private Limited	0.15	0.00
GMR Aviation Private Limited	0.00	0.00
Purchase of Asset / Services for Capital work-in-progress:		
GMR Hospitality and Retail Limited	0.11	0.01
GMR Airport Developers Limited	52.41	45.29
Airports Authority of India	0.02	-
Geokno India Private Limited	-	0.28
GMR Hyderabad Aviation SEZ Limited	-	14.95
Pledge / (release of pledge) of equity shares by the Company with banks against the loan taken by the Subsidiary Companies:		
GMR Air Cargo and Aerospace Engineering Limited	-	(135.86)
GMR Hospitality and Retail Limited	-	(5.08)
Corporate guarantee given/(released) by the Company on behalf of its subsidiary companies with banks against the loan taken:		

Related Party Transactions	March 31, 2020	March 31, 2019
GMR Hyderabad Aviation SEZ Limited	15.00	-
GMR Hyderabad Aviation SEZ Limited	(0.67)	(0.60)
GMR Hospitality and Retail Limited	(3.74)	(3.13)
GMR Hyderabad Aerotropolis Limited	25.00	-
GMR Hyderabad Aerotropolis Limited	(2.09)	(2.45)
(Release of) / Issue of bank guarantee by the Company on behalf of its subsidiary companies with banks as required under the loan covenants:		
GMR Hospitality and Retail Limited	-	(7.38)
CSR Expenditure		
GMR Varalakshmi Foundation	10.59	7.17
Reimbursement of expenses claimed by the Company during the year from its related parties:		
GMR Infrastructure Limited	0.01	0.01
Laqshya Hyderabad Airport Media Private Limited	1.10	0.95
Kakinada SEZ Limited	0.06	0.06
Delhi International Airport Limited	1.63	0.40
GMR Hyderabad Aviation SEZ Limited	15.31	7.49
GMR Airports Limited	0.14	0.14
GMR Hospitality and Retail Limited	7.88	7.12
GMR Air Cargo and Aerospace Engineering Limited	4.92	6.89
Airports Authority of India	3.43	2.92
GMR Hyderabad Aerotropolis Limited	7.37	6.28
Asia Pacific Flight Training Academy Limited	-	0.11
GMR Airport Developers Limited	1.30	0.93
GMR Highways Limited	0.05	0.05
Raxa Security Services Limited	0.00	0.00
GMR Energy Trading Limited	-	0.00
GMR Varalakshmi Foundation	0.07	0.08
Geokno India Private Limited	0.00	0.06
GMR Business Process and Services Private Limited	0.59	0.48
GMR Goa International Airport Limited	0.02	-
Reimbursement of expenses claimed from the Company during the year by its related parties:		
GMR Hospitality and Retail Limited	0.03	0.14
GMR Airports Limited	0.21	0.06
Delhi International Airport	0.11	-
GMR Air Cargo and Aerospace Engineering Limited	0.01	-

(All amounts in Rupees Crores, unless otherwise stated)

Related Party Transactions	March 31, 2020	March 31, 2019
Corporate Guarantee commission income on account of Ind-AS Adjustments:		
GMR Hospitality and Retail Limited	0.15	1.84
GMR Air Cargo and Aerospace Engineering Limited	0.54	0.59
GMR Hyderabad Aerotropolis Limited	0.06	0.05
GMR Hyderabad Aviation SEZ Limited	0.07	0.07
Straight lining of lease rental as per IND AS 116		
GMR Hospitality and Retail Limited	1.54	-
GMR Air Cargo and Aerospace Engineering Limited	0.01	-
Laqshya Hyderabad Airport Media Private Limited	0.02	-
GMR Business Process & Services Private limited	0.04	-
GMR Highways Limited	0.00	-
GMR Airport Developers Limited	0.01	-
GMR Varalakshmi Foundation	0.04	-
Raxa Security Services Limited	0.00	-
Depreciation and interest cost as per IND AS 116		
GMR Family Fund Trust	0.35	-
Government of Telangana	8.52	-
Sri Varalakshmi Jute Twine Mills Private Limited	0.24	-
Income on amortization of deposit received:		
GMR Air Cargo and Aerospace Engineering Limited	0.05	0.05
Asia Pacific Flight Training Academy Limited	-	0.01
GMR Infrastructure Limited	0.00	0.00
GMR Hospitality and Retail Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.05	0.03
GMR Varalakshmi Foundation	0.02	0.01
Interest expense on amortization of deposit received:		
GMR Air Cargo and Aerospace Engineering Limited	0.04	0.04
Asia Pacific Flight Training Academy Limited	-	0.01
GMR Infrastructure Limited	-	0.00
GMR Hospitality and Retail Limited	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
Interest income on amortization of deposit paid:		
GMR Airport Developers Limited	-	0.02
Raxa Security Services Limited	0.15	0.22
Sri Varalakshmi Jute Twine Mills Private Limited	0.01	0.01
GMR Family Fund Trust	0.03	0.04

(All amounts in Rupees Crores, unless otherwise stated)

Related Party Transactions	March 31, 2020	March 31, 2019
Amortisation of expense on deposit paid:		
GMR Airport Developers Limited	-	0.01
Raxa Security Services Limited	0.14	0.23
Sri Varalakshmi Jute Twine Mills Private Limited	-	0.01
GMR Family Fund Trust	-	0.05
Dividend Paid		
GMR Airport Limited	59.53	95.26
GMR Infrastructure Limited	0.00	0.00
MAHB (Mauritius) Private Limited	10.39	16.62
Malaysia Airports Holdings Berhad	0.00	0.00
Government of Telangana	12.29	19.66
Airports Authority of India	12.29	19.66

D. Outstanding balances at the end of the year:

Particulars	March 31, 2020		March 31, 2019	
	Non-Current	Current	Non-Current	Current
Balance Recoverable / (Payable):				
GMR Air Cargo and Aerospace Engineering Limited	-	2.91	-	8.51
GMR Aerostructure Services Limited	-	0.03	-	0.03
Raxa Security Services Limited	-	(4.79)	-	0.00
Airports Authority of India	-	5.02	-	2.97
GMR Infrastructure Limited	-	(2.32)	-	0.27
Delhi International Airport Limited	-	1.66	-	0.08
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Airports Limited	-	(5.90)	-	(3.71)
GMR Hospitality and Retail Limited	-	3.85	-	4.41
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	0.01	-	(0.99)
GMR Hyderabad Aviation SEZ Limited	-	15.29	-	(5.22)
GMR Airport Developers Limited	-	(10.83)	-	(15.20)
Laqshya Hyderabad Airport Media Private Limited	-	0.86	-	1.49
Kakinada SEZ Limited	-	0.69	-	0.42
GMR Energy Trading Limited	-	-	-	0.02
GMR Hyderabad Aerotropolis Limited	-	1.75	-	0.78
GMR Varalakshmi Foundation	-	(0.03)	-	(1.00)

(All amounts in Rupees Crores, unless otherwise stated)

Government of Telangana	-	(3.87)	-	(3.69)
GMR Vemagiri Power Generation Limited	-	0.00	-	0.00
GMR Highways Limited	-	0.26	-	0.30
GMR Corporate Affairs Private Limited	-	-	-	(0.10)
Geokno India Private Limited	-	0.81	-	0.71
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Business Process and Services Private Limited	-	1.66	-	-
GMR Goa International Airport Limited	-	0.02	-	-
Security deposit received from / (paid) to related parties recognised at amortised cost:				
GMR Air Cargo and Aerospace Engineering Limited	0.17	0.13	0.25	0.11
GMR Infrastructure Limited	-	0.04	-	0.03
GMR Hospitality and Retail Limited	0.00	0.01	0.00	0.01
Laqshya Hyderabad Airport Media Private Limited	0.34	0.02	0.15	0.29
GMR Varalakshmi Foundation	0.10	-	0.09	-
Raxa Security Services Limited	-	(1.70)	(1.55)	-
Sri Varalakshmi Jute Twine Mills Private Limited	(0.09)	-	(0.08)	-
GMR Family Fund Trust	(0.33)	-	(0.30)	-
GMR Airport Developers Limited	(4.64)	(8.92)	(8.72)	(3.81)
Deferred income on deposits received recognized at amortised cost:				
GMR Air Cargo and Aerospace Engineering Limited	0.12	0.05	0.16	0.05
GMR Hospitality and Retail Limited	0.00	0.00	0.00	0.00
Laqshya Hyderabad Airport Media Private Limited	0.12	0.04	0.06	0.03
GMR Varalakshmi Foundation	0.03	0.01	0.05	0.01
Prepaid expenses on deposits paid recognised at amortised cost:				
Raxa Security Services Limited	-	0.05	0.05	0.14
Sri Varalakshmi Jute Twine Mills Private Limited	-	-	0.01	0.01
GMR Family Fund Trust	-	-	0.05	0.03
GMR Airport Developers Limited	0.90	0.89	1.65	0.83
Advance towards share application money:				
GMR Air Cargo and Aerospace Engineering Limited	-	-	10.00	-
Loans given:				
GMR Hospitality and Retail Limited	42.33	-	42.33	-
GMR Hyderabad Aerotropolis Limited	40.00	32.00	33.44	-
GMR Infrastructure Limited	-	200.00	-	-

(All amounts in Rupees Crores, unless otherwise stated)

Laqshya Hyderabad Airport Media Private Limited	-	-	-	0.32
Borrowings:				
Hyderabad Airport Security Services Limited	-	-	-	(12.97)
Government of Telangana	(315.05)	-	(315.05)	-

E. Outstanding guarantees / pledge of equity shares at the end of the year:

Related Party Transactions	March 31, 2020	March 31, 2019
Pledge of equity shares (face value) by the Company with banks against the loan taken by the subsidiary companies:		
GMR Hospitality and Retail Limited	32.90	32.90
Corporate guarantee given by the Company on behalf of its subsidiary companies with banks against the loan taken:		
GMR Hospitality and Retail Limited	115.63	119.37
GMR Air Cargo and Aerospace Engineering Limited	275.00	275.00
GMR Hyderabad Aviation SEZ Limited	73.43	59.10
GMR Hyderabad Aerotropolis Limited	64.01	41.10
Bank guarantee given by the Company on behalf of its subsidiary companies with banks, as required under the loan covenants:		
GMR Hyderabad Aerotropolis Limited	1.53	1.53

Note: The Company has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements.

33. Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The entity has only a single geographical segment operating in India. As per the evaluation carried out by CODM, the Company has only one reportable business segment, i.e. operation of airport and providing allied services. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment. The information relating to different products and services regarding Revenue from contracts with customers are given in Note 21.

Major Customers: Revenue from one customer of the Company is approximately Rs. 323.44 out of total revenue of the Company for the year ended March 31, 2020 (March 31, 2019: Rs. Rs. 293.10)

34. Leases

Operating lease commitments:

Company as lessee:

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

(All amounts in Rupees Crores, unless otherwise stated)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Category of ROU asset		Total
	Land	Building	
Balance as at April 1, 2019	-	-	-
Reclassification on account of adoption of Ind AS 116	67.43	9.73	77.16
Additions	-	-	-
Deletion	-	-	-
Depreciation	1.38	1.37	2.75
Balance as at March 31, 2020	**66.05**	**8.36**	**74.41**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	As at March 31, 2020
Current lease liabilities	-
Non-Current lease liabilities	82.70
Total	**82.70**

The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	As at March 31, 2020
Lease liability recorded on adoption of Ind-AS 116	76.54
Additions	
Finance cost accrued during the year	7.76
Deletions	-
Payment of lease liabilities	(1.60)
Balance at the end	**82.70**

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

Particulars	For the year ended March 31, 2020
Depreciation/amortisation on right to use asset	2.75
Interest on lease liability	7.76
Expenses related to short term lease (included under other expenses)	2.27
Total amount recognized in the statement of profit and loss	**12.78**

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

	March 31, 2020
Within one year	9.41
After one year but not more than five years	23.55
More than five years	727.57

Company as lessor:

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

(All amounts in Rupees Crores, unless otherwise stated)

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

	March 31, 2020
Within one year	37.11
After one year but not more than five years	106.45
More than five years	109.20

35. Commitments and Contingencies

I. Litigations and Contingent Liabilities

A. Pending litigations – Direct taxes:

a) During the previous years, the Revenue have filed Appeals before the Hon'ble High Court of Karnataka against the orders passed by Income Tax Appellate Authority (ITAT), Bengaluru dated October 13, 2017 knocking down the assessment orders passed under section 143(3) read with section 153A thereby deleting certain disallowances amounting to Rs. 34.87 & Rs. 16.65 confirmed by Commissioner of Income tax (Appeals) [CIT (A)], Bengaluru in relation to assessment years (AY's) 2008-09 & 2009-10 respectively, resulting in a reduction in tax losses.

b) During the current year, the ITAT, Bengaluru, in an appeal filed by the Company against the order passed by the CIT (A), Bengaluru dated October 31, 2016 confirming certain disallowances amounting to Rs. 6.85 in relation to AY 2009-10, resulting in a reduction in tax losses, has passed an order dated July 10, 2019 setting aside the order passed by the CIT (A) and restoring the matters back to the assessing officer for fresh verification.

c) During the previous years, the Revenue have filed Appeals before the Hon'ble High Court of Karnataka against the orders passed by ITAT, Bengaluru dated October 13, 2017 deleting certain disallowances amounting to Rs. 7.34, Rs. 11.25, Rs. 18.27 & Rs. 20.04, resulting in a reduction in tax losses, confirmed by CIT (A), Bengaluru in relation to AY's 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

d) During the previous years, the Company had filed appeals before ITAT, Bengaluru against the orders passed by the CIT (A), Bengaluru dated December 29, 2016 confirming certain disallowances amounting to Rs. 13.00, Rs. 9.14, Rs. 0.86 and Rs. 4.29, resulting in a reduction in tax losses, in relation to AY's 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

e) During the previous years, the Company had filed appeal before ITAT, Bengaluru against the orders passed by the CIT (A), Bengaluru dated July 10, 2018 confirming certain disallowances amounting to Rs. 3.38, resulting in a reduction in tax losses, in relation to AY 2014-15.

f) During the previous years, the Revenue have filed appeals before the ITAT, Bengaluru against the orders passed by CIT(A), Bengaluru dated July 10, 2018 deleting certain disallowances amounting to Rs. 22.03 & Rs. 22.23, resulting in a reduction in tax losses, in relation to AY's 2014-15 & 2015-16 respectively.

g) During the previous years, the Revenue have filed appeals before ITAT, Bengaluru against the order passed by CIT(A), Bengaluru dated July 13, 2018 deleting certain disallowances amounting to Rs. 24.46 in relation to AY 2016-17.

h) During the previous years, the Revenue have filed appeals before the Hon'ble High Court of Karnataka against orders passed by the ITAT, Bengaluru deleting certain disallowances in the computation of income as per Section 115 JB of the Income-tax Act, 1961 amounting to Rs. 16.89 in relation to AY 2013-14 which could result in an additional Minimum Alternate Tax of Rs. 3.38.

i) During the previous years, the Revenue have filed appeals before the ITAT, Bengaluru against orders passed by the CIT (A), Bengaluru in Company's favour in relation to certain disallowances in the computation of income as per Section 115 JB of the Income-tax Act, 1961 amounting to Rs. 17.93, Rs. 17.10 and Rs. 20.37 in relation to AY 2014-15, AY 2015-16 and AY 2016-17, respectively. In connection to this, tax deducted at source amounting to Rs. 3.76, Rs. Nil and Rs. 6.46 for AY 2014-15, AY 2015-16 and AY 2016-17, respectively was withheld by the Authorities.

Note: Aforementioned amounts do not include additions across AY 2009-10 to AY 2016-17 amounting to Rs. 31.87 pertaining to PSF (SC) accounts.

B. Pending litigations – Other matters:

i. The Company had received an order dated March 14, 2019 from the Central Excise & Service tax Appellate Tribunal (CESTAT), Hyderabad against the order from the Office of Commissioner of Customs, Central Excise and Service Tax dated January 29, 2010 on irregular availment of the Cenvat amounting to Rs. 24.54 excluding penalty of Rs. 31.11. The said Order has allowed the Cenvat credit of Rs. 12.12, disallowed and remanded credit totaling to Rs. 12.42 (includes remanded cenvat credit of Rs. 4.01) and accordingly, penalty amount got reduced to Rs. 12.42. In addition, the order also allowed cenvat credit of Rs. 6.56 which was capitalized earlier. However, the same has not been given effect to in the financial statements pending final outcome since during the year the department has filed an appeal against the above order from the CESTAT. Apart from this, the Company has also filed an appeal against the disallowance of Rs. 8.41, with the Hon'ble High Court of Telangana on September 09, 2019.

ii. The Company had received final order passed by the CESTAT, Hyderabad on September 16, 2019 allowing the appeal filed against levy of penalty of Rs. 7.43 (March 31, 2019: Rs. 7.43) on delay in payment of service tax on the UDF. Further, the Company had received the refund towards service tax of Rs. 12.17 (including interest of Rs. 4.74) pertaining to the period from April, 2008 to December, 2008. However, the Company has not recognized the above refund amount of Rs. 12.17 as an income since the department had filed an appeal with the Hon'ble Supreme Court against the order of CESTAT and the same has been shown as a liability. Subsequent to the year end, the Company has received the refund of service tax paid amounting to Rs. 10.02 for the balance subsequent period from January, 2009 to October, 2009.

iii. The Company had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated November 25, 2013 on non-payment of service tax on recovery of electricity and water charges from its concessionaires and irregular availment of Cenvat amounting to Rs. 1.53 (March 31, 2019: Rs. 1.53), including penalty of Rs 1.67 (March 31, 2019: Rs. 1.67). The Company had received stay order from CESTAT subject to pre-deposit of Rs. 0.15 and accordingly, the Company had deposited same with the service tax department within the stipulated time.

iv. The Company received an Order dated December 27, 2017 from the Office of Assistant Commissioner of Central Tax on non- payment of service tax on import of services amounting to Rs. 0.25 (March 31, 2019: Rs. 0.25). The Order also includes the interest payable thereon and penalty of Rs. 0.26 (March 31, 2019: Rs.0.26). The Company had filed an appeal with CESTAT on January 16, 2019 against the order passed by Commissioner (Appeals) confirming the demand of Rs. 0.26. During the year the Company has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 0.05 and received the discharge certificate in Form SVLDRS 4.

v. The Company has received an order dated March 23, 2018 from the Office of Commissioner of Central Tax on irregular availment of exemption on sale of space for advertisement undervaluation of security services received from CISF, irregular availment of Cenvat credit on capital goods & inputs and non-payment of service tax on notice pay from the Office of Commissioner of Central Tax amounting to Rs. 2.39 (March 31, 2019: Rs. 2.39). The order also includes a penalty of Rs. 1.80 (March 31, 2019: Rs. 1.80) and interest as applicable. The Company has filed an appeal before the CESTAT and deposited an amount of Rs. 0.18 as required to file the appeal. During the year, the Company has has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 1.02 and also received the discharge certificate in Form SVLDRS 4.

vi. The Company had received an order (Show Cause Notice dated April 23, 2014) from the Office of Commissioner of Customs, Central Excise and Service tax dated June 11, 2015 on Irregular availment of Cenvat credit amounting to Rs. 0.62 (March 31, 2019: 0.62). The order also includes penalty of Rs. 0.62 (March 31, 2019: Rs. 0.62). The Company has filed the appeal before the Customs, Excise and Service Tax Appellate Tribunal and deposited an amount of Rs. 0.05 with the service tax department as required to file the appeal. During the year, the Company has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 0.04. Subsequent to the year end the Company has received the discharge certificate in Form SVLDRS 4.

vii. The Company had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 (March 31, 2019: Rs. 25.20). The Company had received the stay order from Hon'ble Hight Court of Telangana against the said order in the earlier years.

viii. The Company had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. The Company had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2020 amounts to Rs. 4.96 (March 31, 2019: Rs. 4.62).

ix. Recovery from PSF (SC) Escrow account:

a) The Ministry of Civil Aviation (MoCA) had issued orders dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) escrow account opened and maintained by the Airport Operator in a fiduciary capacity, towards procurement and maintenance of security systems/equipment and on creation of fixed assets, together with interest, since inception. The Company had incurred Rs.142.00 towards capital expenditure (including the cost of land, construction cost and related finance cost as mentioned in note b below), excluding related maintenance expense, other costs and interest thereon till March 31, 2018 which is unascertainable, out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

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

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

x. Fuel surcharge adjustments (FSA) for the period from April 2008 to March 2010 amounting to Rs. 2.05 (March 31, 2019: Rs. 2.05).

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

Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (B) above, no further provision is required to be made as at March 31, 2020.

II. Guarantees including Financial Guarantees:

a) In case of the Company, bank guarantees outstanding in respect of Customs Duty and others Rs. 48.95 (March 31, 2019: Rs. 48.95).

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

b) Corporate guarantees amounting to Rs. 528.07 (March 31, 2019: Rs. 494.57).

III. Commitments

a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) amounting to Rs. 2,596.07 (March 31, 2019: Rs. 2,756.43).

b) Other commitments

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

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

36. Significant accounting judgments, estimates and assumptions

a. Judgements

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

Discounting rate

The Company has considered incremental borrowing rate of Airport sector i.e. 11.44% as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost. However, for the transactions undertaken from April 1, 2019 incremental borrowing rate of Airport sector i.e. 10.73% has been considered.

Non applicability of Service Concession Agreement (SCA)

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

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

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

Concession fee:

As per the Concession Agreement (CA) entered into by the Company with Ministry of Civil Aviation (MoCA) in December, 2004, the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of the Company with certain specified exclusions.

Management is of the view that certain income / credits arising on adoption of Ind AS and also mark to market gain on valuation of derivative contracts and gain on reinstatement of 4.25% & 5.375% Senior Secured Notes (SSNs) was not in contemplation of parties in December 2004 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, are not treated as "Gross Revenue" for calculation of Concession fee payable to MoCA. Also, incomes generated on investment of part proceeds of SSNs earmarked for airport expansion project and adjusted from the value of capital work-in-progress amounting to Rs. 95.75 (March 31, 2019: Rs. 15.04) do not represent receipts from business operations and the same is also not considered for computation of concession fee to MoCA. Accordingly, the Company, based on Legal Opinion, has provided the concession fee to MoCA based on Gross Revenue as per the financial statements after adjusting such incomes/credits (Refer Note 44).

b. Estimates and Assumptions

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

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

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

Contingent liabilities
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. Refer clause I of Note 35 for further disclosures.

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 Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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. Refer Note 37, 38 and 39 for further disclosures.

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

37. Fair values

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

(All amounts in Rupees Crores, unless otherwise stated)

Break up of financial assets and financial liabilities

	Carrying value as at March 31		Fair value as at March 31	
	2020	2019	2020	2019
Financial Assets				
At fair value through Profit or loss				
Investments in mutual funds	281.69	91.46	281.69	91.46
At fair value through Other Comprehensive income (derivative designated as cash flow hedge)				
Cross Currency Swap*	702.08	239.24	702.08	239.24
Coupon only swap*	31.92	-	31.92	-
Call spread option*	131.02	-	131.02	-
At amortized cost				
Investments in commercial paper	880.72	362.69	880.72	362.69
Loans	347.92	102.29	347.92	102.29
Bank balances other than cash and cash equivalents	655.65	77.96	655.65	77.96
Other financial assets	141.23	33.83	141.23	33.83
Trade receivables	119.00	143.55	119.00	143.55
Cash and cash equivalents	247.99	380.68	247.99	380.68
Total	**3,539.22**	**1,431.70**	**3,539.22**	**1,431.70**
Financial liabilities				
At amortized cost				
Borrowings	5,188.16	2701.92	4,119.03	2,546.60
Other financial liabilities	930.20	680.31	929.90	680.50
Lease liability	82.70	-	82.70	-
Trade payables	105.97	72.06	105.97	72.06
Total	**6,307.03**	**3,454.29**	**5,237.60**	**3,299.16**

* includes interest accrued of Rs. 36.27 (March 31, 2019: Rs. 39.81), Rs. 2.83 (March 31, 2019: Rs. Nil) and Rs. 18.13 (March 31, 2019: Rs. Nil) for cross currency swap, coupon only swap and call option spread, respectively.

Break up of financial assets and liabilities:
The management assessed the cash and cash equivalent, trade receivables, trade payables, other bank balance and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Hence, the fair value is considered to be the same as its carrying value.

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

i. Cross currency swap, coupon only swap and call option spread ("Derivatives"): -The fair value of Derivatives is calculated as the present value of the estimated future cash flows based on observables yield curve.
ii. The fair values of quoted mutual funds are based on price quotations at the reporting date.
iii. The fair value of borrowings is based on the traded price of the bond and the prevailing exchange rate.

(All amounts in Rupees Crores, unless otherwise stated)

38. Fair Value Hierarchy:

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

	Date of valuation	Total	Fair value measurement using*		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			Level 1	Level 2	Level 3
Assets measured					
At FVTPL					
Investment in mutual funds	March 31, 2020	281.69	281.69	-	-
	March 31, 2019	91.46	91.46	-	-
At FVTOCI					
Derivatives	March 31, 2020	865.02	-	865.02	-
	March 31, 2019	239.24	-	239.24	-

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

***Valuation Techniques used to determine the Fair Value:**

Specific valuation techniques used to value financial instruments include:

i. The use of quoted market price of mutual funds.

ii. The Company enters into derivative financial instruments with various counterparties, principally financial institutions and banks. Derivatives are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates, yield curve of the respective currencies, interest rate curves and forward rate curves of the underlying instrument.

39. Financial risk management objectives and policies:

The Company's activities expose it to variety of finance risk, market risk, credit risk and liquidity risk. The Company's focus is to foresee such risks and seek to minimize potential adverse impact on its financial performance.

Financial risk

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

The Company's management oversees the mitigation of the risks. The Company's management is supported by its strategic planning, treasury and Finance department that advises on market risk, financial risk and the appropriate financial risk governance framework for the Company. The Finance department provides assurance to the Company's senior management 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. The same is further reviewed and reassured to the management by the internal assurance team. 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 management / board reviews and agrees policies for managing these risks.

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 Demand risk. Financial instruments affected by market risk include loans and borrowings, Investments carried at FVTPL and deposits.

However, it may be noted that as part of one of principle source of revenue i.e. aeronautical charges which are regulated, the risks are mitigated to a larger extent in case of any movement as the same are allowed as true up through determination of aeronautical tariff for the next control period.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis for borrowings have been not prepared as the amount of debt is fully hedged at the fixed currency exchange rate, therefore there is no impact on account of foreign exchange fluctuation.

The analysis 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 as at March 31, 2020 and March 31, 2019.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates as the Company's long-term debt obligations are in the form of Senior Secured Notes with fixed interest rate of 4.25% p.a. and 5.375% p.a. on total amount of USD 350 million and USD 300 million, respectively. The 4.25% Senior Secured Note has been swapped for 8.65% p.a. (weighted average of all Cross Currency Swap (CCS) contracts) on INR notional of Rs. 2,229.95 (March 31, 2019 Rs. 2,229.95) (total of all CCS contracts) and the interest obligation on 5.375% Senior Secured Note has been swapped for 6.0542% p.a. (weighted average of all Coupon Only Swap (COS) contracts) on INR notional of Rs. 2,094.48 (March 31, 2019: Rs. Nil) (total of all COS contracts).

The Company manages its interest rate risk by having a portfolio of fixed rate borrowings. As on March 31, 2020, approximately 100% (March 31, 2019: 100% after taking into account the effect of interest rate swaps) of the Company's borrowings are at a fixed rate of interest.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period for actual outstanding balances as at year end is Nil as the Company fixed interest bearing borrowings. Therefore, any change in interest rate will not impact the profit.

Foreign currency risk:
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's borrowings. To manage the risk the Company has entered into

cross currency swaps, call option spread and coupon only swap and designated the same as cash flow hedge.

Cash flow hedges

i. Cross Currency Swaps (CCS) measured at fair value and designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 4.25% Senior Secure Notes (SSN) amounting to USD 350 million (i.e. INR 2,229.85) currently carried at INR 2,648.27 (March 31, 2019: 2,420.42). CCS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. It can be seen as exchange of payments of two currencies. The Company pays fixed interest on the INR notional as determined in the swap contract and receives fixed coupon on USD notional. The Company pays INR notional of the swap and receives the USD Notional of the CCS. Critical terms of the swap contract (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover the Company from risk of movement in the foreign currency.

   The SSN have a fixed coupon rate of 4.25% p.a. on total amount of USD 350 million which has been swapped for 8.27%.p.a (weighted average of all cross currency swap and coupon rate) on INR notional of Rs. 2,229.85 (total of all cross currency swap and coupon rate).

ii. During the current year, the Company has issued 5.375% senior secured notes (2024 SSN) through overseas market equivalent to USD 300 million (i.e. Rs. 2,067.15), currently carried at Rs. 2,269.95. The 2024 SSN were listed on Singapore Stock Exchange on April 10, 2019. The 2024 SSN are repayable after 5 years on April 10, 2024. The proceeds from 2024 SSN is proposed to be utilized for capital expenditure with respect to Airport Activities (as defined in the Concession Agreement) as part of expansion.

   GHIAL has entered into Call Spread (CS) arrangement in order to hedge principal portion and Coupon Only Swap (COS) in order to protect interest component of 2024 SSN. CS and COS is measured at fair value and are designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 2024 SSN amounting to USD 300 million. COS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. GHIAL pays fixed interest on the INR notional as determined in the COS contract and receives fixed coupon on USD notional. Critical terms of the COS and CS contracts (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover the Company from risk of movement in the foreign currency.

   The SSN have a fixed coupon rate of 5.375% p.a. on total amount of USD 300 million which has been swapped for 10.27% p.a. (weighted average of all Call Spread and COS contracts) on INR notional of Rs. 2,094.48 (total of all Call Spread and COS contracts).

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

Payable on	March 31, 2020		March 31, 2019	
Foreign Currency	Foreign Currency	Rs. (in Crore)	Foreign Currency	Rs. (in Crore)
EUR	(434,624)	(3.60)	(179,314)	(1.39)
CHF	(11,160)	(0.09)	(11,160)	(0.08)
GBP	-	-	(79,683)	(0.72)
USD	(635,933)	(4.81)	(119,826)	(0.83)

(All amounts in Rupees Crores, unless otherwise stated)

Foreign currency sensitivity

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

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2020	March 31, 2019
USD	Change in fair valuation of financial liabilities	5%	0.24	0.04
EUR		5%	0.18	0.07
CHF		5%	0.00	0.00
GBP		5%	-	0.04

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

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

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

Financial instruments (security deposits) and cash deposits
Credit risk on cash and cash equivalents as we generally invest in deposits with banks. Investments primarily include investment in liquid mutual fund units and commercial papers. These investments are made in instruments assigned high credit ratings by international and domestic credit rating agencies. Exposure to credit risk also includes bank guarantees provided to subsidiary companies.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts of trade receivables and bank guarantees provided to subsidiary companies.

Liquidity risk
The Company monitors its risk of a shortage of funds using a rolling cash flow forecasts.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities and bank loans. The Company's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. Approximately, 0.37% of the Company's debt will mature in less than one year at March 31, 2020 (March 31, 2019: 0.49%) based on the outstanding amount of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

(All amounts in Rupees Crores, unless otherwise stated)

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

	Up to 1 year	1 to 5 years	> 5 years	Total
Year ended March 31, 2020				
Borrowings	19.92	2,585.00	2,648.28	5,253.20
Lease liabilities	9.41	23.55	727.57	760.53
Trade payables	105.97	-	-	105.97
Other financial liabilities	707.66	182.22	90.11	979.99
Corporate guarantee	528.07	-	-	528.07
Total	**1,371.03**	**2,790.77**	**3,465.96**	**7,627.76**
Year ended March 31, 2019				
Borrowings	22.91	-	2,735.48	2,758.39
Trade payables	72.06	-	-	72.06
Other financial liabilities	438.03	165.68	116.44	720.15
Corporate guarantee	494.57	-	-	494.57
Total	**1,027.57**	**165.68**	**2,851.92**	**4,045.17**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

40. Capital management

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

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

Gearing Ratio:

Particulars	March 31, 2020	March 31, 2019
Borrowings	5,188.16	2,714.89
Total Debts(A)	**5,188.16**	**2,714.89**
Share Capital	378.00	378.00
Other equity	1,943.14	1,287.81
Total Equity (B)	**2,321.14**	**1,665.81**
Total equity and total debt(C=A+B)	**7,509.30**	**4,380.70**
Gearing ratio (A/C)	**69.09%**	**61.97%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

(All amounts in Rupees Crores, unless otherwise stated)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

41. The Company has recognized, Minimum Alternate Tax (MAT) credit entitlement (i.e. deferred tax asset) of Rs. 457.11 (March 31, 2019: Rs. 405.41) as at March 31, 2020. The Company based on the future taxable income expects to adjust this amount after expiry of the tax holiday period. The ultimate realisation of MAT assets is dependent upon the generation of future taxable income projected by considering the anticipated tariff orders for the control period commencing from April 1, 2021, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income, any changes in such future taxable income could impact its recoverability. However, management, based on sensitivities performed, believes that any reasonable possible change in the key assumptions would not effect the Company's ability to recover the MAT Credit asset within the specified period as per the provisions of Income Tax Act, 1961.

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

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

During the year, the Company has withdrawn the aforesaid writ petition vide Order dated February 25, 2020 from the Hon’ble High Court. Accordingly, AERA has determined the Aeronautical tariff in respect of second control period vide its Order no: 34/2019-20/HIAL dated March 27, 2020 and the same is valid for the balance unexpired control period of one year effective from April 01, 2020 onwards.

43. During the year, in order to align the classification of major revenue streams as per the Aeronautical Tariff Order dated March 27, 2020, the Company has reclassified the following revenue streams as aeronautical revenue which hitherto were classified as non-aeronautical revenue:

Revenue stream	For the year ended March 31, 2020	For the year ended March 31, 2019
Fuel farm	139.29	144.27
Ground Handling	34.81	12.29
Cargo	17.74	18.00
Rentals (including CAM) from Cargo and Ground Handling	26.48	21.76
Ground Power Unit	1.72	1.16

(All amounts in Rupees Crores, unless otherwise stated)

44. As detailed in Note 36, to the standalone financial statements, certain incomes /credits are not considered by the Company for computation of concession fee payable to MoCA basis a legal opinion obtained. Accordingly, the following sources of income have not been considered for accrual of the concession fees:

Description	Incomes forming part of	For the year ended March 31, 2020	For the year ended March 31, 2019
Discounting on fair valuation of deposit received from concessionaries	Income from operations	6.48	4.53
Income recognised on advance from customers under Ind AS 115	Income from operations	1.10	1.10
Income recognised under Ind AS 116	Income from Services	2.09	-
Discounting of Interest free loan given to subsidiaries	Finance income	-	3.22
Income arising from fair valuation of financial guarantee	Finance income	0.82	2.55
Discounting on fair valuation of deposit paid to vendors	Finance Income	0.23	0.31
Income from government grant	Other income	5.28	5.26
Amortisation of deferred income	Other income	0.52	14.08

45. GMR Air Cargo and Aerospace Engineering Limited:

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

(b) The standalone financial statements includes investment, including share application money amounting to Rs. 335.45 (March 31, 2019: Rs. 259.66) made in a wholly owned subsidiary company, GACAEL. GACAEL has accumulated losses of Rs. 467.01 (March 31, 2019: Rs. 481.70), which exceeded its net worth as at March 31, 2020 and March 31, 2019. Management has undertaken several initiatives to improve its income from operations and establish profitable operations including consolidation of the group structure as stated in note (a) above.

Further, during the year, GMR Group ("Group") has entered into a definitive agreement with Aeroports De Paris ("ADP") dated February 20, 2020, for acquisition of 49% stake by ADP in GMR Airports Limited (Holding Company) ("GAL") on fully diluted basis. In accordance with which the first tranche of the consideration has been received by the Group. The second tranche of the consideration is subject to regulatory approvals, lender consents and other approvals which are currently in progress and the Group Management is confident of obtaining the requisite approvals to achieve an expeditious closure of the transaction.

(All amounts in Rupees Crores, unless otherwise stated)

GACAEL is part of the airports business. To assess whether investment in GACAEL is impaired, the Management of the Company has reckoned the values attributed to GACAEL which are higher than its carrying value, on the basis of an independent valuation of the Airport business carried out as part of entering the aforesaid agreement.

46. The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 21. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

Contract balances

Particulars	**March 31, 2020**	**March 31, 2019**
Trade receivables *	119.00	143.55
Contract assets**	9.82	2.88
Contract liabilities***	8.65	8.45

* Trade receivables, beyond the credit period as per the contracts with the customers, are interest bearing. In March 31, 2020, Rs. 0.31 (March 31, 2019 Rs. 1.09) was recognized as provision for expected credit losses on trade receivables

** Contract asset includes unbilled revenue.

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

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

Particulars	**March 31, 2020**	**March 31, 2019**
Opening balance	1.09	0.57
Add: Provision made during the year	0.56	4.27
Less: Bad Debts written off	(1.34)	(3.75)
Closing balance	**0.31**	**1.09**

47. The Taxation Laws (Amendment) Ordinance, 2019 was issued by the Ministry of Finance, Government of India on 20 September 2019. Pursuant to the said ordinance, the Company is entitled to avail revised tax rates from the financial year commencing 1 April 2019. However, on the basis of a detailed analysis of the provisions of the Ordinance, management has concluded that the Company shall avail revised tax rates after utilization of various tax credits that the Company is currently entitled for. Accordingly, these standalone financial statements for the year ended March 31, 2020 do not include any adjustments on account of changes in the corporate tax rates.

48. During the year ended March 31, 2020, the Company relying on the judgement passed by the Hon'ble Orissa High Court in the case of Safari Retreats Private Limited vs Chief Commissioner of Central Goods and Service tax, has recognized input tax credit on civil and related work aggregating to Rs. 256.68 (including Rs.92.80 pertaining to earlier year).

(All amounts in Rupees Crores, unless otherwise stated)

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

With effect from July 01, 2019, levy of PSF (SC) was replaced with Aviation Security Fee (ASF) vide AIC No. 15/2019 dated June 19, 2019 issued by the Director General of Civil Aviation basing on an order issued by MoCA vide order no. AV 13024/659/2015-AS dated June 13, 2019.

In connection to this, MoCA has formed a Trust for operating and maintenance of ASF Fund namely National Aviation Security Fee Trust (NASFT). Further, NASFT has issued detailed Standard Operating Procedures (SOP) dated November 21, 2019 for operation and maintenance of the ASF. As per the SOPs, billing of ASF would be under the name of NASFT and accordingly all the risk and rewards would remain with the NASFT. In respect of expenses, cost of deployment of Central Industrial Security Force (CISF) would be paid directly by the NASFT. However, the other security related expenses for CISF are to be first incurred by the Airport Operator which would be reimbursed through a tax invoice raised on the NASFT. Accordingly, PSF (SC) Fund ceased to operate with effect from July 01, 2019.

50. Reimbursement of expenses claimed by the Company have been reduced from the respective expense head as mentioned in the table below:

Expense Head	For the year ended March 31, 2020	For the year ended March 31, 2019
Electricity and water charges	58.43	45.08
Salaries, wages and bonus	6.91	3.66
Staff welfare expenses	3.28	0.82
Insurance	0.05	0.02
Rates and taxes	0.25	0.21
Bank charges	-	0.28
Miscellaneous expenses	0.44	0.19
Rent	0.48	-
Travelling and conveyance	1.30	0.33
Repairs and maintenance	3.45	2.51
Office Maintenance	0.19	0.74
Total	**74.78**	**53.84**

(All amounts in Rupees Crores, unless otherwise stated)

51. Utilisation of money raised through issue of Senior Secured Notes (SSN):

During current year, Company raised USD 300 million (INR 2,067.15) through issue of 5.375% Senior Secured Notes (SSN) from overseas market for capital expenditures with respect to Airport activities as part of the expansion.

The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 5 years i.e. April 10, 2024.

	For the year ended March 31, 2020	For the year ended March 31, 2019*
Unutilised amount at the beginning of the year	-	407.33
Amount raised during the year	2,067.15	-
Less: Utilized for capital project works	(1,413.67)	(422.37)
Add: Income on temporary cash investment	95.75	15.04
Unutilised amount at the end of the year	**749.23**	**-**

*Represents the unautilized amount out of USD 350 million (Rs. 2,273.74) raised through 4.25% of Senior Secured Notes (SSN) repayable after 10 years i.e. October 07, 2027 raised during FY 2017-18 and utilized in FY 2018-19 for capital expenditure of Airport activities.

Details of temporary cash investment made from unutilized portion of Senior Secured Notes raised during the year ended as at March 31, 2020:

	March 31, 2020	March 31, 2019
Funds parked in:		
- Current accounts	43.02	-
- Fixed deposits*	706.21	-
Total	**749.23**	**-**

* including accrued interest of Rs. 11.21 (March 31, 2019: Nil)

52. Based on the ongoing discussions with Yes Bank Limited ("YBL") regarding the sanctioned undrawn facility of Rs. 4,200, the Company and YBL has mutually agreed to terminate the undrawn facility subject to refund of upfront fee of Rs. 63.00 paid to YBL. In the accompanying standalone financial statements, the upfront fee of Rs. 63.00, is considered as recoverable pursuant to the in-principle approval for refund received from YBL vide letter dated June 09, 2020 and the legal opinion obtained from an independent lawyer regarding the Company's right to receive the amount. Further, the syndication fee of Rs. 31.50 paid in relation the aforementioned facility is fully charged-off in the statement of profit and loss.

53. Corresponding previous year figures have been reclassified / regrouped wherever necessary.

This is the Significant Accounting Policies and Other Explanatory Information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration
Number: 001076N/N500013

Sd/-

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: June 15, 2020

For K S Rao & Co.,
Chartered Accountants
ICAI Firm Registration
Number: 003109S

Sd/-

Hitesh Kumar P
Partner
Membership No.:233734

Place: Bengaluru
Date: June 15, 2020

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

Sd/-

GBS Raju
Managing Director
DIN.: 00061686

Sd/-

H.J Dora
Director
DIN.: 02385290

Sd/-

Pradeep Panicker
Chief Executive Officer

Sd/-

Anand Kumar P
Chief Financial Officer

Sd/-

Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: June 15, 2020

Walker Chandiok & Co LLP
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7th Floor, Block III, White House
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K. S. Rao & Co.,
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Independent Auditor's Report

To the Members of GMR Hyderabad International Airport Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the separate financial statements and on the other financial information of the subsidiaries and joint venture the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its joint venture, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 and 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - PSF(SC) Fund

4. We draw attention to Note 37(I)(B)(xxii) to the consolidated financial statements, which describes the uncertainty relating to outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF(SC) Fund up to 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Covid-19

5. We draw attention to Note 2.3 of the accompanying consolidated financial statements which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of the impact on the consolidated financial statements of the Company as at the balance sheet date. Our opinion is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

7. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. Utilisation of Minimum Alternate Tax (MAT) credit *Refer to Note 2.6(u) for the accounting policy and note 43 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company is under tax holiday period until financial year 2021-22 and has accumulated MAT credit asset of ₹457.11 crores (31 March 2019: ₹405.41 crores). Recognition of MAT credit asset requires significant judgement regarding the likelihood of its realization within the specified period through estimation of future taxable profits of the Company and consequently there is a risk that the MAT credit asset may not be realized within the specified period, if these future projections are not met. In order to assess the utilization of MAT credit, the Holding Company has prepared	Our audit procedures in relation to assessment of MAT credit recognition and its utilization as at reporting date, included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Company's controls over recognition of the MAT credit. • Understood the process and tested the internal controls over preparation of the taxable profit forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future taxable profits; • Understood and tested the controls surrounding management's evaluation of litigations and contingent liabilities; • Challenged the judgements exercised by the management and tested the key assumptions used including the impact of COVID-19 based on our knowledge of the industry, publicly

revenue and profit projections which involved judgements and estimations such as estimating aeronautical tariff [which is determined by Airport Economic Regulatory Authority ("AERA")], revenue growth, passenger growth, profit margins, tax adjustments under the Income-tax Act, 1961. Further, as explained in note 46, the Holding Company had filed an appeal, challenging various aspects of the aeronautical tariff order passed by AERA in respect of first control period from 1 April 2011 to 31 March 2016. During the current year, Telecom Disputes Settlement Appellate Tribunal (TDSAT) has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing from 1 April 2021. We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved and inherent subjectivity involved in the determination of utilization of MAT credit through estimation of future taxable profits and projected aeronautical tariff revenue which involved determination by AERA and being a subject matter of litigations.	available information and Company's strategic plans; • Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process; • Tested the appropriateness of the forecasted tax liability computation as per the provisions of the IT Act, including assessment of the eligibility of various tax exemptions availed and MAT liability computation as per Section 115JB of the IT Act; • Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the future taxable profits; • Obtained and reviewed the documents with respect to the litigations during the year with AERA and the related order issued by TDSAT; and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	**How our audit addressed the key audit matter**
2. Valuation of derivative financial instruments *Refer to Note 2.6 (n)(E) for the accounting policy and note 40 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company has entered into derivative financial instruments, i.e. cross currency swap, coupon only swap and call spread options to hedge its foreign currency risks relation to the long-term debt issued in foreign currency. Management has designated these derivative financial instruments and the aforesaid debt at initial recognition as cash flow hedge relationship as per Ind AS 109, Financial Instruments.	Our audit procedures to test the valuation of derivative financial instruments included, but were not limited to the following: • Assessed and tested the design and operating effectiveness of the Company's controls over derivative financial instruments and the related hedge accounting; • Reviewed the management documentation for the designated hedge instrument which defines the nature of hedge relationship; • Considered consistent application of the accounting policies and assessed the hedge accounting methodologies applied; and compared these to the Company's accounting policies and requirements under Ind AS 109, Financial Instruments.

The valuation of hedging instrument is complex and necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. Since valuation of hedging instruments and consideration of hedge effectiveness involves both significant assumptions and judgements such as such as forward exchange spot, forward rates, currency yield curves, interest rate curves and forward rate curves and involvement of management's valuation specialist, and therefore, is subject to an inherent risk of error. We have identified valuation of hedging instruments as a key audit matter in view of the aforesaid significant judgements, estimates and complexity involved.	• Evaluated the management's valuation specialist's professional competence, expertise and objectivity; • involved a specialist for testing the accuracy and reasonableness of the input data, assumptions used and testing the fair values of derivative financial instruments and compared the results to management's results; • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	**How our audit addressed the key audit matter**
3. Testing of capital-work-in-progress *Refer to Note 2.6 (e) for the accounting policy and notes 3 and 32 for the financial disclosures in the accompanying consolidated financial statements.* The Holding Company is in the process of expansion of Rajiv Gandhi International Airport, Hyderabad. Determining whether expenditure meets the capitalization criteria in line with Ind AS 16, Property, Plant and Equipment and the Company's accounting policy, specifically with regard to whether they are operational or capital in nature, involves significant management judgement. Further, the tariff determination by AERA for different control periods with respect to the aeronautical services is linked to the Regulated Asset Base, which is based on the fixed asset balance and considering these additions are significant to the asset base of the Company, we have assessed inappropriate capitalization as a significant risk as part of our audit strategy. Such aforementioned capital expenditure has been funded from the specific borrowings raised for such purpose. Accordingly, the borrowing cost incurred	Our audit procedures to assess appropriate capitalisation of such expenditure included, but were not limited to the following: • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalisation policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment. • Compared the additions with the budgets and the orders given to the vendors. • Ensured that the borrowing cost capitalized is as per Ind AS 23 Borrowing Costs. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.

on such borrowings have been included as a capital expenditure in accordance with the provisions of Ind AS 23, Borrowing Costs. Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.	

Key audit matter	How our audit addressed the key audit matter
4. **Assessment of impairment in the carrying value of the Maintenance, Repair and Overhauling division (MRO) – Cash Generating Unit ("MRO CGU")** *Refer to Note 2.6 (i) for the accounting policy and notes 53 for the financial disclosures in the accompanying consolidated financial statements.* The auditors of GMR Air Cargo and Aerospace Engineering Limited ("GACAEL"), a wholly owned subsidiary of the Holding Company have reported as follows: At each reporting period, the subsidiary assesses the carrying value of CGU to determine whether there is any indication that the MRO CGU has suffered an impairment loss. If any indication exists, the subsidiary estimates the recoverable amount. As indicated in Note 53 of the consolidated financial statements, owing to the past accumulated losses of the MRO CGU and occurrence of the Covid-19 pandemic, the management has assessed the impairment of the carrying value of the MRO CGU as at 31 March 2020. Basis ADP deal, the Management has determined the recoverable amount of MRO CGU. Additionally, the Management has used value-in-use approach and has applied significant judgements, assumptions related to capacity utilization, revenue growth, margins and selection of discount rates.	The auditor's of GACAEL, have reported as follows: Our audit procedures in relation to assessing the carrying value of the MRO CGU included but were not limited to, the following: • Evaluated the design and implementation and operating effectiveness of internal controls relating to the Management's assessment of the impairment workings of MRO CGU; • Assessed the reasonableness of the key business assumptions such as capacity utlisation, revenue growth rate and margins by understanding the Management's plan and by performing retrospective testing; • Assessed the reasonableness of the valuation model using market assumptions namely the discount rate adopted for the valuation with the assistance of our internal valuation experts (including for COVID19 impact); • Performed sensitivity analysis around the key assumptions and stress-tested for various scenarios (considering COVID19 impact) to determine if any changes to key assumptions would impact the recoverable amounts; • In respect of the agreement between GMR Group and ADP, discussed with the Management and GMR Group to understand the implications insofar as the MRO CGU is concerned. Verified certain key terms of the agreement/documents in public domain. Compared and correlated the value attributed to the MRO CGU with the carrying value, to determine if there is impairment; • In respect of COVID-19 impact, performed corroborative enquiries with the Management

We have identified the estimation of the recoverable amount of MRO CGU as a key audit matter because these assumptions are of particular importance due to the level of uncertainties and the judgements involved, thus changes in these assumptions could have a significant impact on the recoverable amount of MRO CGU.	to understand the impact and how this affected the projections; • We have assessed the disclosures made by GACAEL in relation to this matter; and • The results of impairment testing were also approved by the Board of Directors.

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

8. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Financial Statements

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

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

17. Due to the Covid-19 related lock-down restrictions, auditors of GACAEL and GMR Hospitality & Retail Limited ("GHRL") (collectively referred as "Subsidiary Auditors") were not able to physically observe the stock verification that was carried out by the management. Consequently, the subsidiary auditors, have performed alternative procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue unmodified opinion on the financial statements of GACAEL and GHRL. Our opinion is not modified in respect of this matter.

18. We did not audit the financial statements of three (3) subsidiaries, whose financial statements reflects total assets of ₹703.08 crores and net assets of ₹25.95 crores as at 31 March 2020, total revenues of ₹564.46 crores and net cash inflows amounting to ₹7.66 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹4.52 crores for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of its joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, are based solely on the reports of the other auditors.

19. We did not jointly audit the financial statements of three (3) subsidiaries, whose financial statements reflects total assets of ₹497.92 crores and net assets of ₹183.22 crores as at 31 March 2020, total revenues of ₹37.66 crores and net cash inflows amounting to ₹76.47 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited solely K.S Rao & Co., ('KSR') one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP's ("WCC") opinion so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and WCC's report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports issued by KSR in its individual capacity.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters in paragraph 18 and 19 with respect to our reliance on the work done by and the reports of the other auditors.

20. The consolidated financial statements of the Company for the year ended 31 March 2019 were audited by the Joint auditors K. S. Rao & Co., and predecessor auditor, S. R. Batliboi & Associates LLP, who have expressed a qualified opinion on those financial statements vide their audit report dated 23 July 2019. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

21. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 18 and 19, on separate financial statements of the subsidiaries and joint venture, we report that the Holding Company, 6 subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to 1 subsidiary companies and 1 joint venture company covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

22. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report (s) of the other auditor(s) on separate financial statements and other financial information of the subsidiaries and joint venture, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies covered under the Act, none of the directors of the Group companies and joint venture company covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint venture as detailed in Note 37(I) to the consolidated financial statements;

ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture company covered under the Act, during the year ended 31 March 2020; and

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

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAACK1922

Place: Hyderabad
Date: 22 July 2020

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

Sd/-
Hitesh Kumar P
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Annexure 1
List of subsidiaries and joint venture included in the Statement

Subsidiaries
1. GMR Hospitality and Retail Limited
2. GMR Air Cargo and Aerospace Engineering Limited
3. GMR Hyderabad Aerotropolis Limited
4. GMR Hyderabad Aviation SEZ Limited
5. GMR Logistics Park Private Limited
6. GMR Aero Technic Limited

Joint venture
1. Laqshya Hyderabad Airport Media Private Limited

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Annexure A to the Independent Auditor's Report of even date to the members of GMR Hyderabad International Airport Limited on the consolidated financial statements for the year ended 31 March 2020

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

1. In conjunction with our audit of the consolidated financial statements of GMR Hyderabad International Airport Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its joint venture as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and joint venture company, the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria established considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to three (3) subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹703.08 crores and net assets of ₹25.95 crores as at 31 March 2020, total revenues of ₹564.46 crores and net cash inflows amounting to ₹7.66 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹4.52 crores for the year ended 31 March 2020, in respect of a joint venture company, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and joint venture company have been audited by other auditors whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i)

of the Act in so far as it relates to such subsidiary companies and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. We did not jointly audit the internal financial controls with reference to financial statements insofar as it relates to three (3) subsidiary companies, which are companies covered under the Act, whose financial statements reflects total assets of ₹497.92 crores and net assets of ₹183.22 crores as at 31 March 2020, total revenues of ₹37.66 crores and net cash inflows amounting to ₹76.47 crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited solely by K.S Rao & Co., ('KSR') one of the joint auditors of the Holding Company, whose reports have been furnished to us by the management and Walker Chandiok & Co LLP's ("WCC") opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports issued by KSR in its individual capacity. WCC's opinion is not modified in respect of this matter with respect to reliance on the work done by and on the reports issued by KSR.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAACK1922

Place: Hyderabad
Date: 22 July 2020

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

Sd/-
Hitesh Kumar P
Partner
Membership No.: 233734
UDIN: 20233734AAAAEM2786

Place: Bengaluru
Date: 22 July 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Balance Sheet as at March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
1. Non-current assets			
Property, plant and equipment	3	2,707.86	2,464.10
Capital work-in-progress	32	1,335.26	436.12
Right of use asset	4.1	74.47	-
Intangible assets	4.2	61.92	56.42
Intangible assets under development		1.24	1.25
Investment in joint venture	5.1	19.25	14.75
Financial assets			
- Loans	6	17.37	21.56
- Other financial assets	7	865.00	239.85
Non-current tax assets	8.1	51.88	28.96
Deferred tax asset (net)	29	252.83	252.49
Other non-current assets	9	739.30	554.58
		6,126.38	**4,070.08**
2. Current assets			
Inventories	10	81.85	56.18
Financial assets			
- Investments	5.2	1,241.10	475.10
- Trade receivables	11	178.77	180.55
- Cash and cash equivalents	12	270.98	395.08
- Bank balances other than cash and cash equivalents	13	680.93	115.05
- Loans	6	217.13	55.79
- Other financial assets	7	147.63	32.28
Current tax assets	8.1	1.71	17.11
Other current assets	9	55.33	18.98
		2,875.43	**1,346.12**
Assets held for sale	61	58.45	-
Total Assets		**9,060.26**	**5,416.20**
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	378.00	378.00
Other equity	15		
- Capital reserve		107.00	107.00
- Retained earnings		1,214.29	668.43
- Cash flow hedge reserve		165.06	31.72
Total equity attributable to equity holders of the parent		**1,864.35**	**1,185.15**
LIABILITIES			
1. Non-current liabilities			
Financial liabilities			
- Borrowings	16.1	5,685.81	3,176.53
- Lease liabilities		83.05	-
- Other financial liabilities	17	229.92	246.09
Government grants	18	35.59	40.87
Long term provisions	21	1.47	1.36
Deferred tax liability (net)	29	6.54	5.01
Other non-current liabilities	19	68.43	63.63
		6,110.81	**3,533.49**
2. Current liabilities			
Financial liabilities			
- Borrowings	16.2	19.92	37.94
- Trade payables	20		
-Total outstanding dues of micro and small enterprises		11.58	0.70
-Total outstanding dues of creditors other than micro and small enterprises		157.17	133.27
- Other financial liabilities	17	731.60	422.55
Government grants	18	5.27	5.27
Other current liabilities	19	59.35	42.84
Short term provisions	21	22.99	18.25
Current tax liability (net)	8.2	35.87	36.74
		1,043.75	**697.56**
Liabilities classified as held for sale	61	41.35	-
Total liabilities		**7,195.91**	**4,231.05**
Total Equity and Liabilities		**9,060.26**	**5,416.20**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

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

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

Place: Bengaluru
Date: July 22, 2020

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
H.J Dora
Director
DIN: 02385290

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Incomes			
Revenue from contracts with customers	22	2,012.47	1,876.05
Other income	23	122.55	126.05
Total income		**2,135.02**	**2,002.10**
Expenses			
Concession fee		68.50	61.53
Purchase of traded goods		82.92	59.65
Changes in inventory of traded goods	24	(15.63)	1.82
Employee benefits expense	25	225.50	191.91
Finance costs	26	286.63	248.75
Depreciation and amortization expenses	27	216.49	181.04
Other expenses	28	554.88	483.04
Total expenses		**1,419.29**	**1,227.74**
Profit before share of profit in joint venture and tax		**715.73**	**774.36**
Share of profit in joint venture		4.50	3.76
Profit before tax		**720.23**	**778.12**
Tax expense	29		
Current tax		118.20	168.70
Deferred tax expense/ (credit)		(7.43)	15.34
Minimum alternate tax credit entitlement		(51.70)	(136.31)
Total tax expense		**59.07**	**47.73**
Profit for the year		**661.16**	**730.39**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		(1.91)	(1.13)
Share of other comprehensive income in joint venture		0.02	(0.04)
Income tax relating to items that will not be reclassified to profit or loss		0.18	0.08
Items that will be reclassified to profit or loss			
Cash flow hedge reserve	30	195.12	34.02
Income tax relating to items that will be reclassified to profit or loss		(61.78)	(17.04)
Total Other Comprehensive income for the period		**131.63**	**15.89**
Total comprehensive income for the period, net of tax		**792.79**	**746.28**
Profit attributable to			
Equity holders of the parent		661.16	724.00
Non controlling interest		-	6.39
to			
Equity holders of the parent		131.63	15.94
Non controlling interest		-	(0.05)
Total comprehensive income attributable to			
Equity holders of the parent		792.79	739.94
Non controlling interest		-	6.34
Earnings per equity share			
Basic and diluted	31	17.49	19.15

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

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

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

Place: Bengaluru
Date: July 22, 2020

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
H.J Dora
Director
DIN: 02385290

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Cash Flow Statement for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	**720.23**	**778.12**
Adjustment to reconcile profit before tax to net cash flows:		
Share of profit in joint venture	(4.50)	(3.76)
Depreciation and amortization expenses	216.49	181.04
Bad debts written off	0.69	0.44
Impairment of goodwill	-	2.26
Inventories written off	0.26	0.33
Amortisation of deferred income	(0.85)	(14.52)
Provision for doubtful advances / debts	0.00	0.73
Unrealised foreign exchange loss	(2.66)	1.16
Loss / (gain) on sale / discard of property plant and equipment	1.45	1.67
Interest on financial assets at amortised cost	(82.70)	(51.54)
Interest receivable from PSF (Security Component) Fund written off	15.08	-
Gain on sale of financial assets (mutual funds)	(17.44)	(43.60)
Provision no longer required	(3.09)	(0.72)
Finance costs	286.63	248.75
Income from government grants	(5.28)	(5.26)
Gain on fair valuation of financial assets (mutual funds)	(1.13)	(0.10)
Operating profit before working capital changes	**1,123.18**	**1,095.00**
Working capital adjustments:		
Changes in trade payables	40.09	(1.08)
Changes in other liabilities	21.94	27.15
Changes in other financial liabilities	50.16	41.96
Changes in provisions	2.94	4.41
Changes in trade receivables	1.09	(53.76)
Changes in inventories	(25.93)	(0.78)
Changes in other assets	(186.45)	(10.44)
Changes in other financial assets	(90.29)	(18.78)
Changes in loans	(7.47)	(2.90)
Cash generated from operations	**929.26**	**1,080.78**
Direct taxes paid (net)	(127.80)	(161.95)
Net cash flow generated from operating activities (A)	**801.46**	**918.83**
Cash flows from investing activities		
Purchase of property plant and equipment, including capital work in progress, capital advances and intangible assets under development	(1,092.40)	(1,028.95)
Proceeds from sale of property, plant and equipment	0.47	0.18
Purchase of non-current investments	-	(59.75)
Cashoutflow on sale of investment in APFTAL	-	(0.45)
Loans to group companies	(199.68)	-
Repayment of loans by joint venture	-	2.33
Purchase of financial assests (mutual funds)	(11,609.42)	(7,889.48)
Sale of financial assets (mutual funds)	10,905.38	8,421.21
Interest received	110.61	30.94
Recovery/(Investments) in inter corporate deposits	50.00	(50.00)
Movement in other bank balances	(565.88)	(42.76)
Net cash flow used in investing activities (B)	**(2,400.92)**	**(616.73)**

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Cash Flow Statement for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from financing activities		
Proceeds from long-term borrowings	2,106.56	120.94
Repayment of long-term borrowings	(6.52)	(123.65)
Repayment of short term borrowings, net	(18.02)	-
Interest paid including borrowing cost	(433.23)	(318.31)
Interest expense on lease liabilities	(1.46)	-
Dividend paid	(94.50)	(153.06)
Dividend distribution tax paid	(19.09)	(31.45)
Net cash flow generated from / (used in) financing activities (C)	**1,533.74**	**(505.52)**
Net decrease in cash and cash equivalents (A + B + C)	(65.72)	(203.42)
Cash and cash equivalents at the beginning of the year	395.08	598.55
Effects of exchange differences on cash & cash equivalents held in foreign currency	0.06	(0.05)
Cash and cash equivalents at the end of the year	**329.42**	**395.08**
Components of cash and cash equivalents		
Cash on hand and in transit	0.57	1.87
Balances with banks		
- in current account	69.59	40.20
- in exchange earner foreign currency account	8.67	2.99
- in deposit account	192.15	350.02
Cash and cash equivalents classified under asset held for sale (Refer note: 61)	58.44	-
Total cash and cash equivalents	**329.42**	**395.08**

Changes in liabilities arising from financing activities

Particulars		
Opening Balance	3,221.50	3,079.77
Cash flows		
Repayments of borrowings	(24.54)	(123.65)
Proceeds from borrowings	2,106.56	120.94
Non Cash flows		
Adjustment against investments in subsidiary company on its liquidation	(12.50)	-
Foreign exchange movements	430.65	150.55
Movement in borrowing cost	(8.36)	(6.11)
Closing balance	**5,713.32**	**3,221.50**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

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

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

Place: Bengaluru
Date: July 22, 2020

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
H.J Dora
Director
DIN: 02385290

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

GMR Hyderabad International Airport Limited
CIN:U62100TG2002PLC040118
Consolidated Statement of Changes in Equity for the year ended March 31, 2020
(All amounts in Rupees Crores, except otherwise stated)

a. Equity share capital:

	No.	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2018	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2019	**378,000,000**	**378.00**

	No.	Amount
As at April 1, 2019	378,000,000	378.00
Issue of shares	-	-
As at March 31, 2020	**378,000,000**	**378.00**

b. Other equity

	Attributable to the equity holders of the parent				Non-controlling interest	Total equity
	Reserves and surplus		Other reserves	Total		
	Capital reserve*	Retained earnings	Cash flow hedge reserve			
As at April 1, 2018	**107.00**	**148.56**	**14.74**	**270.30**	**58.27**	**328.57**
Profit for the year	-	724.00	-	**724.00**	6.39	730.39
Other comprehensive income	-	(1.04)	16.98	**15.94**	(0.05)	15.89
Total comprehensive income	**-**	**722.96**	**16.98**	**739.94**	**6.34**	**746.28**
Less: Interim dividend	-	(151.20)	-	**(151.20)**	(1.86)	(153.06)
Less: Dividend distribution tax	-	(31.15)	-	**(31.15)**	(0.30)	(31.45)
Add: Gain on acquisition of Non controlling interest	-	2.64	-	**2.64**	-	2.64
Less: Acquisition of Non controlling interest	-	-	-	**-**	(62.45)	(62.45)
Less: Depreciation charge to retained earnings	-	(21.11)	-	**(21.11)**	-	(21.11)
Less: Adjustment in retained earnings on account of adoption of Ind AS 115	-	(2.27)	-	**(2.27)**	-	(2.27)
As at March 31, 2019	**107.00**	**668.43**	**31.72**	**807.15**	**-**	**807.15**
Profit for the year	-	661.16	-	**661.16**	-	661.16
Other comprehensive income	-	(1.71)	133.34	**131.63**	-	131.63
Total comprehensive income	**-**	**659.45**	**133.34**	**792.79**	**-**	**792.79**
Less: Cash dividends	-	(94.50)	-	**(94.50)**	-	(94.50)
Less: Dividend distribution tax	-	(19.09)	-	**(19.09)**	-	(19.09)
As at March 31, 2020	**107.00**	**1,214.29**	**165.06**	**1,486.35**	**-**	**1,486.35**

*GMR Hyderabad International Airport Limited ("the Company") has received a contribution of Rs. 107.00 crore from its shareholder i.e. Government of Telangana as per the terms of State Support Agreement for construction of Airport. This contribution received from Government of Telangana has been recognised as capital contribution from a shareholder of the Company.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

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

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

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

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

Place: Bengaluru
Date: July 22, 2020

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

Sd/-
GBS Raju
Managing Director
DIN: 00061686

Sd/-
H.J Dora
Director
DIN: 02385290

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

1. Corporate information

GMR Hyderabad International Airport Limited ('GHIAL', 'Company' or 'the Holding Company') is a Public Limited Company domiciled in India, its subsidiaries and joint venture herein are collectively referred as "the Group". GHIAL was incorporated in 2002 under the provisions of the Companies Act, 1956 having their registered office at GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108. The Holding Company is engaged in the business of providing Airport Management Services on a Build, Owned, Operate and Transfer, and only operate model. Presently, the Company is managing the operations of Rajiv Gandhi International Airport ("RGIA" or "Airport") at Hyderabad, India and the airport in Bidar in Karnataka, India.

The Group is engaged in operation of airport infrastructure and other allied service such as cargo handling, development of airport city and SEZ area near airport, trading of goods in duty free area of airport, security services, hospitality services, development of logistics park and maintenance, repair and overhaul facility (MRO) of aircraft near and around the RGIA.

The Consolidated Financial Statements are authorized for issue in accordance with a resolution of the directors passed in the Board meeting held on July 22, 2020.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of schedule III to the Companies Act 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

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

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

The Consolidated Financial Statements are presented in Indian Rupees ("Rs.") and all the values are rounded to the nearest Crore, except per share data, per unit data and when otherwise indicated.

2.2 Basis of Consolidation

(i) Subsidiary

Subsidiary includes the entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiary is fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date when control ceases.

(ii) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

(All amounts in Rupees Crores, except otherwise stated)

Joint ventures are accounted for from the date on which Group obtains joint control over the joint venture.

(iii) Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The Consolidated financial statements of subsidiary are fully consolidated on a line-by-line basis. Intragroup balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint venture is accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investee. Any excess of the cost over the Group's share of net assets in its joint venture at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions (including sale of business) with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

Entities considered in the Consolidated Financial Statements as Subsidiaries are listed below:

Name	Principal activities	Place and Country of operation	% equity interest as March 31	
			2020	2019
GMR Hyderabad Airport Cargo and Logistics Private Limited (formerly known as Hyderabad Menzies Air Cargo Private Limited) (GHACLPL)#	Cargo handling operations at airport	Hyderabad, India	-	100%
Hyderabad Airport Security Services Limited (HASSL)*	Operation of airport allied services	Hyderabad, India	-	100%
GMR Hyderabad Aerotropolis Limited (GHAL)##	Development of commercial property	Hyderabad, India	100%	100%
GMR Hyderabad Aviation SEZ Limited (GHASL)	Development of SEZ	Hyderabad, India	100%	100%
GMR Hyderabad Airport Power Distribution Limited (GHAPDL)@	Development of power distribution facility	Hyderabad, India	-	100%
GMR Air Cargo and Aerospace Engineering Limited (GACAEL)(formerly GMR Aerospace Engineering Limited (GAEL)#	Cargo handling operations and operation of maintenance, repair and overhaul (MRO) of aircrafts at Airport	Hyderabad, India	100%	100%
GMR Hospitality and Retail Limited (GHRL)	Operation of business hotel and duty free	Hyderabad, India	100%	100%
GMR Aero Technic Limited (GATL)#	Operation of MRO	Hyderabad, India	100%	100%
GMR Logistics Park Private Limited (GLPPL)##	Development of logistics park	Hyderabad, India	100%	100%

(All amounts in Rupees Crores, except otherwise stated)

Asia Pacific Flight Training Academy Limited (APFTAL)$	Flight Training	Hyderabad, India	-	-

The Hon'ble National Company Law Tribunal, Hyderabad Bench vide its Order dated July 26, 2019 has approved the composite scheme of arrangement [amongst M/s GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACLPL" or "Transferor Company"), GMR Aero Technic Limited ("GATL" or "Demerged Company"), GMR Aerospace Engineering Limited ("GAEL" or "Transferee / Resulting Company") and their respective Shareholders and Creditors] whereby GHACLPL has merged with GAEL and Maintenance, Repair and Overhauling ("MRO") business of GATL have been demerged and merged with GAEL from August 23, 2019 (being the "effective date" but with effect from April 01, 2018 as "Appointed Date"). Further, the name of GMR Aerospace Engineering Limited has been changed to GMR Air Cargo and Aerospace engineering Limited ("GACAEL") w.e.f. September 25, 2019.

* Hyderabad Airport Security Services Limited ("HASSL") got voluntary liquidated under section 59 and other applicable provisions of the Insolvency and Bankruptcy Code of India 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and the Companies Act, 2013, as per the order from National Company Law Tribunal (NCLT) vide its order dated September 13, 2019. Subsequently, Form No. INC 28 was filed with the ROC on September 17, 2019 which was approved by the ROC on September 20, 2019 and accordingly HASSL got dissolved from that date.

On December 20, 2018, GHAL has incorporated a wholly owned subsidiary GMR Logistics Park Private Limited. Subsequent to the year end, pursuant to the Subscription Agreement and Shareholders' Agreement dated January 08, 2020 executed by and amongst GMR Logistics Park Private Limited (GLPPL), GMR Hyderabad Aerotropolis Limited (GHAL) and ESR Hyderabad 1 Pte. Limited, Singapore (ESR), GLPPL allotted 4,13,35,182 equity shares of Rs. 10 each at par to ESR and 16,965,078 equity shares of Rs. 10 each at par to GHAL on private placement basis by passing a circular resolution dated April 16, 2020. Consequently, the percentage shareholding of ESR and GHAL in GLPPL stands at 70 and 30 respectively, as a result of which, GLPPL has ceased to be a wholly owned subsidiary of GHAL with effect from April 16, 2020.

@ The Board of Directors of the GHAPDL in their meeting held on January 18, 2020 have approved the proposal for voluntary liquidation of GHAPDL by making an application to the Registrar of Companies ("RoC") seeking removal of GHADPL from their Records, and filed an application Form STK-2 for Striking Off GMR Hyderabad Airport Power Distribution Limited with RoC/ Ministry of Corporate Affairs.

$ The Holding Company has sold its 100% stake in Asia Pacific Flight Training Academy Limited pursuant to which it ceased to be a subsidiary with effect from March 01, 2019.

Information about joint venture

Name	**Principal activities**	**Country of Incorporation**	**% equity interest as at March 31**	
			2020	**2019**
Laqshya Hyderabad Airport Media Private Limited (LHAMPL)	Advertisement	India	49%	49%

2.3 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

With the recent and rapid development of the COVID-19 outbreak, many countries have implemented travel restrictions and quarantine measures to contain the spread of the virus. As a precautionary measure, Government of India has also imposed a countrywide lockdown with effect from March 25, 2020 which is extended until June 30, 2020. However, restrictions on operation of domestic flights were partially lifted from May 25, 2020 and are being ramped up in phased manner, in accordance with the Government directives. As a result, the airport's operations (including the duty free and hotel operations) were closed from March 25, 2020 to May 24, 2020 except for cargo and evacuation / rescue flights for passengers, which in turn has materially impacted the business of the Group. The MRO and air cargo business remains relatively less affected from demand point of review as MRO demand increased due to downtime of aircrafts, and air cargo business was classified as essential services. The Group had to face some issues related to non-availability of manpower and supply chain disruptions to cater to such demand. Presently, the Group has resumed the operations and are adhering to strict safety measures and Government guidelines.

The Group has made detailed assessment of its liquidity position for the next one year and has met and expect to meet all its obligations pertaining to debt repayments, the ongoing capital expansion and any other financial obligations. Further, due care has been exercised to determine the recoverability of the carrying values of its assets and based on current estimates, including sensitivity analysis, the Group expects to fully recover the carrying amount of all of its assets.

For this assessment, Management believes that it has taken into account the possible impact of known events arising from the COVID-19 pandemic. The unprecedented nature of the pandemic makes the future business environment uncertain, however, the Group will continue to carry out the impact assessment on its assets and closely monitor any material changes to future economic conditions.

2.4 Changes in accounting policies

Ind AS 116 Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116 - Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance under Ind AS 17.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Group as a Lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Lessor accounting under Ind AS 116 is substantially unchanged from requirement under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor, except for recording the lease rent on systematic basis or straight line basis as against Ind AS 17 wherein, there was an exemption for not providing straight lining in case the escalations are in line with the inflation. For the year ended on March 31, 2020, the total income and consequently the profit before tax has increased by Rs. 2.09.

Group as a Lessee:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below Rs. 0.005). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Group has a policy of leasing motor vehicles for not more than five years and, hence, not exercising any renewal options.

Transition provision:

Using the modified retrospective method, the Group has adopted and applied Ind AS 116 'Leases' to all lease contracts existing as on April 1, 2019. The Group elected to use the transition practical expedient allowing the standard to be applied to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. On 1 April 2019, the Group has recognised lease liability measured at the present value of the remaining lease payments and right-of-use (ROU) asset at an amount equal to lease liability. Accordingly, comparatives financial information has not been retrospectively adjusted.

(All amounts in Rupees Crores, except otherwise stated)

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

Leases previously accounted for as operating leases
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and right-of-use (ROU) asset at an amount equal to lease liability.

The Group also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 April 2019:

- Right-of-use assets of Rs. 77.37 were recognised and presented separately in the Balance Sheet.
- Lease liabilities of Rs. 76.54 were recognized and presented separately in the Balance Sheet
- Prepayments of Rs. 0.83 outstanding as at April 1, 2019 were derecognized.

The effect of adoption of Ind-AS 116 is not material to the profit for the year and earning per share.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

Particulars	**Amount**
Operating lease commitments as at March 31, 2019	762.28
Weighted average incremental borrowing rate as at April 1, 2019	10.73%
Discounted operating lease commitments at April 1, 2019	76.70
Less:	
Commitments relating to short-term leases	(0.16)
Commitments relating to leases of low-value assets	-
Add:	
Commitments relating to leases previously classified as finance leases	-
Payments in optional extension periods not recognized as at March 31, 2019	-
Lease liabilities as at 1 April 2019	**76.54**

2.5 Changes in estimates

Depreciation
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 (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of 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.

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter-alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector.

Pursuant to the above, the Authority has issued order no. 35/2017-18 on January 12, 2018 followed by amendment no. 1 to the order no. 35 /2017-18 on April 9, 2018 in the matter of Determination of Useful Life of Airport Assets, which was effective from April 1, 2018 ("AERA Order"). Accordingly, the Group has revised the estimated useful lives of its airport assets to be in-line with the AERA Order effective April 1, 2018. Net block of the airport assets whose useful life was nil as at April 1, 2018 as per the AERA Order aggregating to Rs. 21.11, was adjusted to opening retained earnings as at April 1, 2018.

2.6 Statement of significant accounting policies

a. Use of estimates:

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The Group based its assumptions and estimates on parameters available when these Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b. Business combinations and goodwill:

Business combinations other than common control business combinations are accounted for using the acquisition method. The cost of an acquisition other than in a common control business combination is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. Business combination involving entities under common control are accounted for using the pooling of interests method.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

i. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

ii. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

iii. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

iv. Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

c. Investment in joint ventures:

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its jointly controlled entity are accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the jointly controlled entity since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity is eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the jointly controlled entity (which includes any long term interest that, in substance, form part of the Group's net investment in the jointly controlled entity), the entity discontinues recognising its share of further losses. If the jointly controlled entity subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity' in the statement of profit or loss.

d. Current versus Non-current classification:

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

i) It is expected to be realised or intended to be sold or consumed in normal operating cycle
ii) It is held primarily for the purpose of trading
iii) It is expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

e. Property, plant and equipment:

Freehold land is carried at historical cost less impairment loss, if any. 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.

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

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

The Group identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

All spare parts, stand-by and servicing equipment qualify as plant, property and equipment (PPE) if they meet the definition of PPE i.e. if the Group intends to use these during more than a period of 12 months. The spare parts capitalized in this manner are depreciated as per useful life period, not exceeding a period of five years based on management estimate supported by technical evaluation.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

f. Depreciation:

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 (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of 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.

(All amounts in Rupees Crores, except otherwise stated)

The components identified by the Group are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Group has started charging the depreciation on capitalized spares parts. These spare parts are depreciated over their useful lives as determined by the management (i.e 5 years).

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") had issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter-alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector.

Pursuant to the above, the Authority has issued order no. 35/2017-18 on January 12, 2018 followed by amendment no. 1 to the order no. 35 /2017-18 on April 9, 2018 in the matter of Determination of Useful Life of Airport Assets, which will be effective from April 1, 2018.

The following useful lives for various categories of property, plant and equipment's are adopted by the Group:

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

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

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

Leasehold improvements and buildings on leasehold land are amortized over shorter of estimated useful lives or lease period.

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

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.

g. Intangible assets:

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

Goodwill arising on consolidation is not amortized but tested for impairment in accordance with Ind AS 103.

Service concession arrangements:

GACAEL constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix D to Ind AS 115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that GACAEL receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when GACAEL has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If GACAEL performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

The concession arrangement is a service concession arrangement under appendix D to Ind AS 115. Through the Concession Agreement between GHIAL and the Government of Telangana, GHIAL has granted further concession to GACAEL along with sub-leasing of the part of cargo infrastructure facility to GACAEL and since it has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

The intangible asset is amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal.

h. Amortization of intangible assets

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Cost relating to software licenses, which are acquired, are capitalized and amortized on a straight – line basis over their useful life not exceeding six years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Amortization of intangible assets under service concession arrangements:
The intangible asset created as per service concession arrangement are amortized over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the concession period, from the date they are available for use.

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
Impairment losses are recognized in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

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

j. Inventories
Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition. However, stores and spares items held for use in providing the service are not written down below cost if the services are expected to be provided at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

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

l. Provisions, contingent liabilities and commitments:

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

Contingent liability is disclosed in the case of:

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

The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

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

m. Retirement and other employee benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of Superannuation Fund and Employee State Insurance are defined contribution schemes, and the Group recognizes contribution payable to these schemes as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the funds.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income.

Short-term employee benefits
Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Group presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

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

A. Financial assets

i. Initial recognition and measurement:
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii. Subsequent measurement:
For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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

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

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL:
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iii. Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

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

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

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

iv. **Impairment of financial asset**s:
In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115
d. Loan commitments which are not measured as at FVTPL

e. Financial guarantee contracts which are not measured as at FVTPL

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

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

If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the 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, the Group is required to consider:

a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

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

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

v. Equity Investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

B. Financial liabilities

i. Initial recognition and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit, financial guarantee contracts and derivative financial instruments.

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

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

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

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

iii. Loans and borrowings:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iv. Financial guarantee contracts:

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

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

v. Derecognition:

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

C. Reclassification of financial assets:

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

D. Offsetting of financial instruments

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

E. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non- financial liability.

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation. Hedges that meet the strict criteria for hedge accounting are accounted for, as escribed below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

Cash flow hedges

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

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in recognised liability and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

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

o. Cash and cash equivalents:

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

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

p. Cash dividend to equity holders of the parent

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

q. Foreign currency Transactions

The Group's Consolidated Financial Statements are presented in INR, which is also the Group's functional currency and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- certain debt instruments classified as measured at FVOCI; and
- qualifying cash flow hedges, to the extent that the hedges are effective.

r. Fair Value Measurement

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

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

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

The principal or the most advantageous market must be accessible by the group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

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

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

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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

s. Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

1) Income from service:

i. Revenue from Airport Operations i.e. Aeronautical and Non-Aeronautical Operations are recognized on an accrual basis, net of service tax and applicable discounts, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from Aeronautical operations includes landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.
Further, Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in non-aeronautical revenue in the statement of profit or loss due to its operating nature.

ii. In case of cargo handling revenue, revenue from outbound cargo is recognized for non-airline and airline customers at the time of departure of aircraft. Revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers.

iii. Income from the concession arrangements earned under the intangible asset model consists of :
(a) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
(b) payments actually received from the users.

iv. In case of MRO business, revenue is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the Government. An entity shall recognize revenue when the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.
Revenue relating to fixed price contracts is recognized based on percentage of completion method (POC method).

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

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

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

viii. 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.

2) Sale of Goods:

Revenue from sale of goods is recognized at the time of delivery of goods to customers which coincides with transfer of risks and rewards to its customers. Sales are stated net of returns and discounts.

3) Revenues and cost of improvements to concession assets:

In conformity with appendix A of Ind AS 11, GACAEL recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the airports as established by the concession agreement. Revenues represent the value of the exchange between GACAEL and the government with respect to the improvements, given that GACAEL constructs or provides improvements to the airports as obligated under the concession agreement and in exchange, the government grants GACAEL the right to obtain benefits for services provided using those assets.

GACAEL has determined that its obligations per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfill the concession agreement are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit and loss when the expenditures are performed.

The cost for such additions and improvements to concession assets is based on actual costs incurred by GACAEL in the execution of the additions or improvements, considering the requirements in the concession agreement. The amount of revenues for these services is equal to the amount of costs incurred, as GACAEL do not obtain any profit margin for these construction services. The amounts paid are set at market value.

4) Interest income:

i. Interest on all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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

5) Dividend Income

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

6) Significant financing component:

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

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

t. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants related to income are deducted in reporting the related expense. When the grant is in the nature of capital subsidy it is treated as capital reserve.

The Holding Company has deferred payment arrangement on the concession fee payable to Ministry of Civil Aviation ('MoCA') without interest. The effect of this assistance is treated as a government grant. The assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the assistance and the fair value. The grant is subsequently measured as per the accounting policy applicable to financial liabilities.

u. Taxes :

1) Current income tax

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

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

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

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

ii. temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and

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

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

GHIAL and GACAEL are entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the Income-tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

GHASL and GAEL are entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2010-11, under Section 80IAB of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

GATL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2011-12, under Section 10AA of the Income Tax Act, 1961, with regard to income from airport operations. Accordingly, deferred tax on items reversing within the tax holiday period is not considered.

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

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

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

v. Segment Reporting Policies

Identification of Segments:

Based on the “management approach” as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (‘CODM’) has carried out evaluation of the Group’s performance at an overall Group level as one reportable operating segment i.e. ‘Airport and allied services ‘. Accordingly, the amounts appearing in the financial statements relate to the Group’s single business segment.

Segment accounting policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

w. Earnings per share:

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

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

(All amounts in Rupees Crores, except otherwise stated)

3 Property, plant and equipment

	Leasehold improvements	Free hold land	Buildings on leasehold land	Buildings on freehold land	Runways	Roads	Plant & machinery	Furniture & fixtures	Office equipment	Computers	Electrical installations	Vehicles	Total
Gross carrying amount													
As at April 1, 2018	**131.63**	**16.13**	**1,248.58**	**62.31**	**343.14**	**105.58**	**526.19**	**50.46**	**6.27**	**29.55**	**173.28**	**4.52**	**2,697.64**
Additions	8.91	-	241.73	-	155.80	27.81	148.31	16.83	5.47	27.04	37.95	1.62	671.47
Exchange differences	-	-	2.11	-	3.00	-	-	-	-	-	-	-	5.11
Assets transferred on sale of subsidiary	(1.31)	-	-	-	-	-	(1.35)	(0.21)	(0.08)	(0.13)	(0.34)	-	(3.42)
Disposals	(2.36)	-	-	-	-	-	(0.05)	(0.25)	-	(0.01)	(0.10)	(1.01)	(3.78)
As at March 31, 2019	**136.87**	**16.13**	**1,492.42**	**62.31**	**501.94**	**133.39**	**673.10**	**66.83**	**11.66**	**56.45**	**210.79**	**5.13**	**3,367.02**
Additions	2.24	-	34.45	-	371.04	0.20	34.95	5.17	4.85	26.21	45.48	3.45	528.04
Adjustments*	(1.37)	-	(36.16)	-	(26.18)	(3.03)	(3.04)	(0.45)	(0.12)	(0.65)	(1.48)	-	(72.48)
Disposals	-	-	(3.77)	-	-	-	(5.27)	(2.51)	(0.09)	(0.71)	(0.03)	(0.24)	(12.62)
As at March 31, 2020	**137.74**	**16.13**	**1,486.94**	**62.31**	**846.80**	**130.56**	**699.74**	**69.04**	**16.30**	**81.30**	**254.76**	**8.34**	**3,809.96**
Depreciation													
Upto April 1, 2018	**17.91**	**-**	**164.74**	**3.91**	**44.90**	**96.52**	**189.83**	**35.79**	**3.37**	**13.21**	**139.28**	**1.22**	**710.68**
Charge for the year	6.36	-	61.72	1.44	18.44	2.93	58.84	5.67	1.38	8.47	10.41	0.60	176.26
Adjustments **		-	16.01	1.29	-	-	2.43	1.38	-	-	-	-	21.11
Assets transferred on sale of subsidiary	(1.27)	-	-	-	-	-	(1.06)	(0.13)	(0.08)	(0.12)	(0.30)	-	(2.96)
Disposals	(0.91)	-	-	-	-	-	0.03	(0.21)	-	(0.01)	(0.06)	(1.01)	(2.17)
Upto March 31, 2019	**22.09**	**-**	**242.47**	**6.64**	**63.34**	**99.45**	**250.07**	**42.50**	**4.67**	**21.55**	**149.33**	**0.81**	**902.92**
Charge for the year	6.25	-	71.43	1.33	24.30	4.70	64.53	6.22	2.32	14.00	11.24	0.73	207.05
Disposals	-	-	(0.78)	-	-	-	(3.52)	(2.50)	(0.09)	(0.71)	(0.03)	(0.24)	(7.87)
Upto March 31, 2020	**28.34**	**-**	**313.12**	**7.97**	**87.64**	**104.15**	**311.08**	**46.22**	**6.90**	**34.84**	**160.54**	**1.30**	**1,102.10**
Net book value													
As at March 31, 2020	**109.40**	**16.13**	**1,173.82**	**54.34**	**759.16**	**26.41**	**388.65**	**22.82**	**9.40**	**46.46**	**94.22**	**7.04**	**2,707.86**
As at March 31, 2019	**114.78**	**16.13**	**1,249.95**	**55.67**	**438.60**	**33.94**	**423.03**	**24.33**	**6.99**	**34.90**	**61.46**	**4.32**	**2,464.10**

Notes:

*Includes reversal of input credit of GST amounting to Rs.70.83 (March 31, 2019: Rs.Nil) and reversal of project creditors liability amounting to Rs.1.65 (March 31, 2019: Rs.Nil), pertaining to construction works which were earlier capitalized.

** Represents the depreciation charged on account of change in useful life of assets as per Airport Economic Regulatory Authority`s (AERA) order no:35/2017-18 dated January 12, 2018 and amended on April 09, 2018 in the matter of Determination of useful life of Airport Assets and is efective from April 1, 2018.

(All amounts in Rupees Crores, except otherwise stated)

4.1 Right of use asset

	Land and building	Total
Gross block (at cost)		
As at April 1, 2019	**77.37**	**77.37**
Additions	-	-
As at March 31, 2020	**77.37**	**77.37**
Accumulated depreciation		
Upto April 1, 2019	**-**	**-**
Charge for the year	2.90	2.90
Upto March 31, 2020	**2.90**	**2.90**
Net book value		
As at March 31, 2019	**74.47**	**74.47**

4.2 Intangible assets

	Goodwill*	Computer software	Technical knowhow	Right to operate - cargo facility	Total
Gross carrying amount					
As at April 1, 2018	40.41	6.39	8.98	21.03	76.81
Additions	-	2.85	-	5.66	8.51
Disposals	-	-	-	(0.35)	(0.35)
Impairment of goodwill on sale of subsidiary	(4.14)	-	-	-	(4.14)
As at March 31, 2019	36.27	9.24	8.98	26.34	80.83
Additions	-	8.38	-	3.72	12.10
Disposals	-	(0.20)	-	(0.05)	(0.25)
As at March 31, 2020	**36.27**	**17.42**	**8.98**	**30.01**	**92.68**
Amortization					
As at April 1, 2018	-	4.36	8.98	6.57	19.91
Charge for the year	-	0.84	-	3.94	4.78
Disposals	-	-	-	(0.28)	(0.28)
As at March 31, 2019	-	5.20	8.98	10.23	24.41
Charge for the year	-	1.66	-	4.88	6.54
Disposals	-	(0.14)	-	(0.05)	(0.19)
As at March 31, 2020	**-**	**6.72**	**8.98**	**15.06**	**30.76**
Net book value					
As at March 31, 2020	**36.27**	**10.70**	**-**	**14.95**	**61.92**
As at March 31, 2019	**36.27**	**4.04**	**-**	**16.11**	**56.42**

(All amounts in Rupees Crores, except otherwise stated)

5.1 Investment in joint venture

	Non-current	
	March 31, 2020	March 31, 2019
Investment measured at cost (accounted using equity method)		
Unquoted equity shares (Refer note 59)		
Laqshya Hyderabad Airport Media Private Limited ("Laqshya")		
9,800,000 (March 31, 2019: 9,800,000) equity shares of Rs. 10 each fully paid-up	13.66	9.16
Investment in Laqshya arising on account of fair valuation of loan given below market rate	5.59	5.59
	19.25	**14.75**
Aggregate value of investment in joint ventures	**19.25**	**14.75**

5.2 Investments

	As at March 31, 2020		As at March 31, 2019	
	No. of units	Amount	No. of units	Amount
Current				
Investment in mutual funds (unquoted) at FVTPL:				
Birla Sunlife Cash Plus Institutional Premium - Growth	2,011,910.01	63.94	40,524.68	1.21
Birla Sun Life Short Term fund - Regular Growth	64,246.16	2.05	-	-
Aditya Birla Sunlife Liquid Fund - Growth Regular Plan	124,251.90	3.95	252,632.73	7.55
Sundaram Money Fund Regular Growth	1,156.15	0.00	1,662,511.76	6.52
Sundaram Money Fund Direct Growth	12,782,692.63	53.53	-	-
Axis Liquid Institutional - Growth Option	40,007.79	8.78	116,381.32	24.03
ICICI Prudential Liquid Regular Plan - Growth	2,059,658.70	60.25	981,662.94	27.03
SBI Premier Liquid Fund - Regular Plan - Growth	52,765.73	16.53	15,116.58	4.41
Axis mutual fund - Liquid Growth Plan	173,207.00	5.07	23,043.02	4.76
Tata Liquid fund Plan A - Growth	-	-	33,644.82	9.86
UTI Liquid Cash Plan Institutional - Growth Option	211,028.90	68.32	88,654.91	27.04
UTI Liquid Fund - Growth	83,076.10	27.02	-	-
Aditya Birla Sunlife Overnight Fund - Growth - Direct Plan	12,068.36	1.30	-	-
		310.74		**112.41**
Investment in commercial paper (unquoted) at amortised cost *				
SREI Infrastructure Finance Limited	2,500	114.83	4,500	215.25
SREI Equipment Finance Limited	5,600	268.04	-	-
Bharti Realty Limited	4,096	199.97	-	-
Edelweiss Financial Services Limited	500	24.46	-	-
Piramal Enterprises Limited	6,500	323.06	3,000	147.44
* Face value of all commercial paper investments is at Rs. 500,000 (31 March 2019: Rs. 500,000) per unit.				
		930.36		**362.69**
Aggregate value of investments in financial assets		**1,241.10**		**475.10**

6 Loans

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured, considered good				
Security deposits	15.79	20.16	16.91	4.09
Less: Provision for doubtful deposit	(0.20)	(0.20)	-	-
	15.59	**19.96**	**16.91**	**4.09**
Loan to employees	1.78	1.60	0.22	1.38
Inter corporate deposits	-	-	-	50.00
Loans to related parties (refer details below)	-	-	200.00	0.32
	17.37	**21.56**	**217.13**	**55.79**

Break up of Loans to related parties				
Laqshya Hyderabad Airport Media Private Limited, joint venture	-	-	-	0.32
GMR Infrastructure Limited, Intermediate Holding Company	-	-	200.00	-
	-	**-**	**200.00**	**0.32**

(All amounts in Rupees Crores, except otherwise stated)

7 Other financial assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Carried at amortised cost				
Non-trade receivables	-	-	21.26	8.17
Grant receivable from authorities	-	-	0.04	0.04
Interest accrued on fixed deposits	-	-	11.93	3.18
Interest accrued on investments	-	-	15.80	7.67
Interest accrued on others	-	-	8.59	1.04
Unbilled revenue	-	-	18.85	10.48
Margin money deposits *	-	0.62	-	-
Other receivables (Refer note 56)	-	-	71.16	1.70
Derivative instrument carried at fair value through OCI				
Derivative assets (Refer note 40)	865.00	239.23	-	-
	865.00	**239.85**	**147.63**	**32.28**

* Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.

8.1 Tax asset

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance income tax (net of provision for current tax)	51.88	28.96	1.71	17.11
	51.88	**28.96**	**1.71**	**17.11**

8.2 Tax liability

	Current	
	March 31, 2020	March 31, 2019
Provision for tax (net of advance tax)	35.87	36.74
	35.87	**36.74**

9 Other assets

		Non-current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Capital advances					
Unsecured, considered good		459.45	409.13	-	-
	(A)	**459.45**	**409.13**	**-**	**-**
Advances other than capital advances					
Passenger service fee (Security component)		10.56	25.64	-	-
Others		7.79	7.34	6.38	7.89
Doubtful advances		0.04	0.04		
		18.39	**33.02**	**6.38**	**7.89**
Less: Provision for doubtful advances		(0.04)	(0.04)	-	-
	(B)	**18.35**	**32.98**	**6.38**	**7.89**
Other advances					
Prepaid expenses		2.88	3.30	9.04	5.54
Upfront fee on borrowings (Refer note 56)		-	94.50	-	
Lease equilisation reserve		7.37	-	-	-
Balance with statutory / government authorities		251.25	14.67	39.91	5.55
	(C)	**261.50**	**112.47**	**48.95**	**11.09**
Total (A+B+C)		**739.30**	**554.58**	**55.33**	**18.98**

10 Inventories (valued at lower of cost or not relizable value)

	March 31, 2020	March 31, 2019
Traded goods	31.82	16.13
Stores and spares	50.20	40.22
Less: Provision for non moving spares	(0.17)	(0.17)
	81.85	**56.18**

* includes material in transit of Rs. 0.04 (March 31, 2019: Rs. 0.19)

11 Trade receivables

	Current	
	March 31, 2020	March 31, 2019
Break up of trade receivables:		
Secured, considered good	53.57	58.35
Unsecured receivables, considered good	125.20	122.20
Unsecured receivables, with significant increase in credit risk	1.03	1.38
	179.80	**181.93**
Impairment allowance (allowance for credit loss)		
Less: Allowances for doubtful receivables	(1.03)	(1.38)
	178.77	**180.55**

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

(All amounts in Rupees Crores, except otherwise stated)

12 Cash and cash equivalents

	Current	
	March 31, 2020	March 31, 2019
Balances with Banks		
- in current accounts	69.59	40.20
- deposits with original maturity of less than three months	192.15	350.02
- in foreign currency account	8.67	2.99
Cash in transit	-	1.16
Cash on hand	0.57	0.71
	270.98	**395.08**

13 Bank balances other than cash and cash equivalents

	Current	
	March 31, 2020	March 31, 2019
Margin money deposits*	70.95	50.40
Deposits with original maturity of more than 3 months but less than 12 months	609.98	64.65
	680.93	**115.05**

*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Group.

14 Equity

	March 31, 2020	March 31, 2019
Authorized share capital		
400,000,000 (March 31, 2019: 400,000,000) equity shares of Rs. 10 each fully paid up	400.00	400.00
Issued, subscribed and fully paid-up shares		
378,000,000 (March 31, 2019: 378,000,000) equity shares of Rs.10 each fully paid up	378.00	378.00
	378.00	**378.00**

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

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
At the beginning of the year	378,000,000	378.00	378,000,000	378.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**378,000,000**	**378.00**	**378,000,000**	**378.00**

(b) Terms/ rights attached to equity shares

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

(c) Shares held by holding /intermediate holding company

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
GMR Airports Limited ("GAL"), Holding Company	238,139,000	238.14	238,139,000	238.14
GMR Infrastructure Limited, GAL's Holding Company	1,000	0.00	1,000	0.00
	238,140,000	**238.14**	**238,140,000**	**238.14**

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

	March 31, 2020		March 31, 2019	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each, fully paid-up				
GMR Airports Limited, Holding Company	238,139,000	63.00%	238,139,000	63.00%
Airports Authority of India	49,140,000	13.00%	49,140,000	13.00%
Government of Telangana	49,140,000	13.00%	49,140,000	13.00%
MAHB (Mauritius) Private Limited	41,573,540	11.00%	41,573,540	11.00%

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

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

(f) Shares reserved for issue under options

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

(All amounts in Rupees Crores, except otherwise stated)

15 Other equity

	March 31, 2020	March 31, 2019
Capital reserve	**107.00**	**107.00**
Retained earnings		
Opening Balance	**668.43**	**148.56**
Adjustment on account of transition to Ind AS 115	-	(2.27)
Depreciation charge to retained earnings	-	(21.11)
Add: Profit for the year	661.16	724.00
Remeasurement of post-employment benefits obligations	(1.71)	(1.04)
Less: Appropriations		
Interim dividend of Rs. 2.50 per share (March 31, 2019: Rs. 4.00 per share)	(94.50)	(151.20)
Dividend distribution tax	(19.09)	(31.15)
Add: Gain on acquisition on non controlling interest	-	2.64
Closing balance	**1,214.29**	**668.43**
Cash flow hedge reserve		
Opening Balance	31.72	14.74
Gain arising during the year on derivative instruments	195.12	34.02
Deferred taxes on above	(61.78)	(17.04)
	165.06	**31.72**
	1,486.35	**807.15**

16.1 Long-term borrowings

	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Senior Secured Notes / Debentures - Secured				
1,750 units 4.25% Senior Secured Notes of USD 200,000 each	2,609.03	2,376.93	-	-
1,500 units 5.375% Senior Secured Notes of USD 200,000 each	2,244.16	-	-	-
Redeemable Non Convertible Debentures of Rs. 1,000,000 each	274.29	274.13	-	-
Term loans - Secured				
- From banks	162.23	152.95	5.79	2.51
- From financial institutions	81.05	57.47	1.80	4.52
Loans from others				
Government of Telangana (unsecured)	315.05	315.05	-	-
	5,685.81	**3,176.53**	**7.59**	**7.03**
The above amount includes:				
Secured borrowings	5,370.76	2,861.48	7.59	7.03
Unsecured borrowings	315.05	315.05	-	-
	5,685.81	**3,176.53**	**7.59**	**7.03**
Amount disclosed under the head "other current financial liabilities" (Refer note 17)	**-**	**-**	**(7.59)**	**(7.03)**
	5,685.81	**3,176.53**	**-**	**-**

I) Senior Secured Notes

i) 4.25% Senior Secured Notes

GHIAL has issued 4.25% senior secured notes on October 27, 2017 to refinance secured Rupee Term Loans and Foreign Currency Loans and fund the airport expansion project works. The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 10 years i.e. on October 27, 2027 (bullet repayment).

ii) 5.375% Senior Secured Notes

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

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

II) Redeemable Non Convertible Debentures

GACAEL had issued 2,750 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("GACAEL NCDs") of face value of Rs. 1,000,000 each in two tranches of 1,000 and 1,750 GACAEL NCD at interest of 8.55% per annum payable semi-annually. Interest rate on GACAEL NCD's shall reset at the end of 4 years from the date of allotment. GACAEL NCDs are redeemable at the end of 7th year from the date of allotment. GACAEL NCDs are secured by:

(a) First ranking pari passu charge on all movable assets of the MRO division of GACAEL, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.

(b) First ranking pari passu charge on the Transaction Accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future of MRO division of GACAEL.

(c) First ranking pari passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of MRO division of GACAEL in the Project Documents and operation and maintenance related agreements, Clearances Approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents and the insurance Proceeds received by GACAEL.

(d) Unconditional and irrevocable corporate guarantee given by GHIAL as per Deed of guarantee dated October 04, 2017.

(e) Further, 1,000 GACAEL NCDs are secured by way of equitable mortgage of leasehold rights of the land to the extent of 16.46 acres on which MRO facilities are constructed along with the buildings, structures, etc. on the land.

III) Indian rupee term loan from banks (secured)

(i) GHAL has an outstanding term loan of Rs. 38.43 crore (March 31, 2019: Rs. 40.87 crore) availed from State Bank of India under LRDS (Lease Rental Discounting Scheme) at an interest rate of 1 year MCLR plus 1%. The loan is repayable over 144 structure monthly installments beginning from October 2017 and is secured by assignment of lease rental receivables from Amazon India Seller Services Private Limited accruing to GHAL arising from fulfillment center at GMR Hyderabad Airport City as a primary security and colleteral security as exclusive first charge on all the fixed assets leased out to Amazon India Seller Services Private Limited and equitable mortagage of leasehold rights of land measuring 17 acres.

(ii) During the previous year, GHRL has refinanced its existing term loan from an NBFC amounting to Rs. 120.94 as on November 15, 2018 with a term loan from Axis Bank. The loan is repayable in 46 quarterly installments commencing from January 2019 to April 2030. The refinanced rupee term loan is secured by exclusive charge on immovable assets (including assignment of leasehold rights in the case of leasehold land), current assets, fixed assets, cash flows of the hotel division and pledge of 32,897,675 equity shares of GHRL held by GHIAL. Also the loan is secured by an irrecoverable and unconditional corporate guarantee given by GHIAL. This loan carries an interest rate of 8.6% p.a to 9% p.a (March 31, 2019: 9% p.a).

During the current year, GHRL has availed the moraorium facility as announced by RBI for COVID-19 regulatory package (vide notification (No: RBI 2019-20/186: dated March 27, 2020), for deferment of March month interest payment amounting to Rs. 0.85. Subsequently, GHRL has paid the interest accrued on April 30, 2020.

IV) Indian rupee term loan from Financial Institution (secured)

(a) During the previous year, GHAL has taken a term loan of Rs. 25.00 from Aditya Birla Finance Limited at an interest rate of 9.65% p.a., repayable over 32 structured quarterly installments beginning from September 2021 and the same is repayable over 51 structured quarterly installments beginning from September 2017 and is secured by first ranking charge on Leasehold rights, title, interest and benefit in respect of Sub-lease Land of 1.5 acres together with all buildings, structures etc on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. of GHAL.

(b) GHASL has an outstanding term loan of Rs. 72.85 (March 31, 2019: Rs. 58.37) at an interest rate of 9.40% p.a., i.e., 1 year MCLR plus a spread of 1.2%. The same is repayable over 51 structured quarterly installments beginning from September 2017 and is secured by first ranking charge on Leasehold rights, title, interest and benefit in respect of Sub-lease Land together with all buildings, structures etc on the said land, movable assets and intangibles of whatsoever nature in both present and future, revenues, book debts, receivables, bank accounts including TRA, DSRA etc. of GHASL.

V) Loan from Government of Telangana (unsecured)

Interest free loan received by GHIAL from the Government of Telangana is repayable in five equal installments commencing from 16th anniversary of the commercial operations date (March 23, 2008).

16.2 Short-term borrowings

	March 31, 2020	March 31, 2019
Overdraft facility from banks (secured)	-	28.00
Working capital loans from banks (unsecured)	19.92	9.94
	19.92	**37.94**

i. Overdraft facility from banks

Overdraft facility availed from AbuDhabi bank was repayable on demand and carried an interest rate of fixed deposit plus minimum 1% p.a and is secured by fixed deposit placed by GACAEL with the Bank as per terms of the sanction letter. The facility was closed during the current year.

ii. Working capital loans from banks

Represents commercial credit card facility availed by GHIAL from Banks, carrying an interest rate of 15.05% p.a (31 March 2019: 15.05% p.a.) and are repayable in 25 days from the end of the month.

(All amounts in Rupees Crores, except otherwise stated)

17 Other financial liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
At Amortised cost				
Retention money	4.33	7.04	22.23	7.99
Deposit from concessionaires	53.63	46.50	27.73	36.83
Security deposits	-	-	0.89	0.73
Concession fee payable	171.96	192.55	92.11	84.06
Current maturities of long-term borrowings	-	-	7.59	7.03
Non trade payables	-	-	36.32	1.74
Capital creditors*	-	-	375.10	198.06
Interest accrued but not due on borrowings	-	-	169.63	86.11
	229.92	**246.09**	**731.60**	**422.55**

*includes amount payable to parties registered under the Micro, Small and Medium Enterprises Development Act, 2006 of Rs. 16.07 (March 31, 2019: Rs. Nil)

18 Government grants

	March 31, 2020	March 31, 2019
Opening balance	46.14	51.40
Grant received during the year	-	-
Less: Recognised in the statement of profit and loss	(5.28)	(5.26)
	40.86	**46.14**
Non-current	35.59	40.87
Current	5.27	5.27

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

19 Other liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Contract Liabilities	37.75	41.31	10.30	4.26
Deferred income	26.51	22.32	7.37	6.14
Advances from customers	4.17	-	7.61	2.98
Statutory dues	-	-	34.07	29.46
	68.43	**63.63**	**59.35**	**42.84**

20 Trade payables

	March 31, 2020	March 31, 2019
Trade payable		
- Related parties	2.48	9.23
- Total outstanding dues of micro enterprises and small enterprises*	11.58	0.70
- Others	154.69	124.04
	168.75	**133.97**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as at March 31, 2020 and March 31, 2019 (along with micro and small enterprises under capital creditors under the head other financial liabilities):

Particulars	March 31, 2020	March 31, 2019
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	27.65	0.70
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

21 Provisions

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for compensated absences	0.14	-	18.65	15.83
Provision for superannuation fund	-	-	0.20	0.20
Provision for gratuity (Refer note 33)	1.33	1.36	4.14	2.22
	1.47	**1.36**	**22.99**	**18.25**

(All amounts in Rupees Crores, except otherwise stated)

22 Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from services		
Aeronautical (A)		
Landing and parking charges	139.91	136.94
User Development Fee (UDF) and Passenger Service Fee (PSF)	709.51	710.28
Common Infrastructure Charges	61.90	63.40
Fuel Farm (Refer note 47)	139.29	144.27
Ground handling (Refer note 47)	34.43	12.10
Cargo revenues (Refer note 47)	91.21	89.76
Others (Refer note 47)	28.20	22.72
Revenue from Aeronautical services (A)	**1,204.45**	**1,179.47**
Non-aeronautical		
Duty Free	175.26	158.18
Retail	52.26	40.18
Advertisement	38.13	36.11
Food and beverages	50.08	47.03
Parking	81.13	66.93
Land and space - Rentals	47.42	40.98
MRO services and others	269.84	219.23
Revenue from Non-aeronautical services (B)	**714.12**	**608.64**
Revenue from commercial property development	27.72	16.50
Revenue from hospitality services	66.18	71.44
Revenue from non-airport services (C)	**93.90**	**87.94**
Revenue from contracts with customers (D=A+B+C)	**2,012.47**	**1,876.05**

Note:

(i) The company earned entire income from operations from India.

(ii) Timing of rendering of services

For the year ended March 31, 2020:

	Aeronautical	Non-Aeronautical	Non-Airport	Total
Services rendered at a point in time	1,050.61	-	-	**1,050.61**
Services rendered over time	153.84	714.12	93.90	**961.86**
Total revenue from contracts with customers	**1,204.45**	**714.12**	**93.90**	**2,012.47**

For the year ended March 31, 2019:

	Aeronautical	Non-Aeronautical	Non-Airport	Total
Services rendered at a point in time	1,054.89	-	-	**1,054.89**
Services rendered over time	124.58	608.64	87.94	**821.16**
Total revenue from contracts with customers	**1,179.47**	**608.64**	**87.94**	**1,876.05**

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue as per contracted price	2,011.37	1,874.95
Adjustments:		
Significant financing component	1.10	1.10
Revenue from contract with customers	**2,012.47**	**1,876.05**

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Amounts included in contract liabilities at the beginning of the year	2.80	2.80
Performanance obligations satisfied in previous years	-	-
Total	**2.80**	**2.80**

(All amounts in Rupees Crores, except otherwise stated)

23 Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on financial assets at amortised cost:		
Bank deposits and commercial papers	26.75	27.69
Loan to joint venture	0.03	0.41
Others	55.92	23.44
Gain on sale of financial assets (mutual funds)	18.57	43.70
Gain on account of foreign exchange fluctuations (net)	2.83	0.45
Amortisation of deferred income	0.85	14.52
Income from government grant	5.28	5.26
Provisions no longer required, written back	3.09	0.72
Profit on sale of assets	0.42	0.12
Other non-operating income	8.81	9.74
	122.55	**126.05**

24 Changes in inventory of traded goods

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock of traded goods	15.74	17.56
Closing stock of traded goods	31.37	15.74
	(15.63)	**1.82**

25 Employee Benefits Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	195.68	164.84
Contribution to provident and other funds [Refer note 33 (a)]	13.49	10.26
Gratuity expenses [Refer note 33 (b)]	1.78	1.86
Staff welfare expenses	14.55	14.95
	225.50	**191.91**

26 Finance costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	145.62	125.71
Premium on derivative instruments	82.55	77.19
Interest on deposit from concessionaire	4.45	21.64
Interest on concession fee, lease liability and others	16.51	10.94
Other borrowing cost	37.50	13.27
	286.63	**248.75**

27 Depreciation and amortization expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (Refer note 3)	207.05	176.26
Amortisation of ROU assets (Refer note 4.1)	2.90	-
Amortisation of intangible assets (Refer note 4.2)	6.54	4.78
	216.49	**181.04**

(All amounts in Rupees Crores, except otherwise stated)

28 Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Operator fee	5.04	5.37
Operations, maintenance and manpower outsourcing expenses	76.44	65.19
Electricity, Fuel and water charges	32.78	32.52
House keeping charges	18.09	14.42
Consumption of stores and spares	67.70	52.03
Foods and beverages consumed	6.66	6.76
Cargo handling charges	4.77	3.80
Repairs and maintenance		
Plant and machinery	27.21	25.27
Buildings	9.09	9.32
IT Systems	18.08	13.45
Others	16.56	12.18
Insurance	6.70	5.06
Security expenses	25.71	21.38
Health and safety charges	0.57	0.22
Rent	3.83	8.30
Rates and taxes	21.49	20.18
Training cost	3.18	-
Advertising and business promotion	14.37	10.35
Collection charges	6.65	7.24
Travelling and conveyance	33.92	24.98
Bank Charges	0.05	-
Communication costs	5.80	3.95
Office maintenance	0.53	4.32
Legal and professional expenses	54.30	24.78
Technical fees	5.81	4.69
Management fee	35.78	32.30
Printing and stationery	1.41	1.56
Contribution to political parties	-	50.00
Donation	14.80	1.74
CSR expenditure (refer details below)	10.59	7.76
Directors' sitting fees	0.23	0.28
Payments to Auditors (refer details below)	0.60	0.47
Loss on sale of fixed assets (net)	-	1.61
Impairment of goodwill	-	2.26
Inventories written off	0.26	0.33
Bad debts written off	0.69	0.44
Provision for bad debts	0.58	0.73
Fixed assets written off	1.87	0.06
Interest receivable from PSF (Security Component) Fund written off	15.08	-
Miscellaneous expenses	7.66	7.74
	554.88	**483.04**

Payment to Auditors (Included in other expenses above)	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor		
Audit fee	0.42	0.33
Other services*	0.11	0.08
Reimbursement of expenses	0.07	0.06
	0.60	**0.47**

* Excludes Rs. 0.99 (March 31, 2019: Rs. Nil) towards assurance related services for issuance of senior secured notes which are adjusted against borrowings.

Details of CSR expenditure:	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Gross amount required to be spent by the Company during the year	10.59	7.17
(b) Amount spent in cash		
i) Construction/acquisition of any asset	3.64	4.55
ii) On purposes other than (i) above	6.95	2.62
(c) Total amount spent during the year		
i) Construction/acquisition of any asset	3.64	4.55
ii) On purposes other than (i) above	6.95	2.62

(All amounts in Rupees Crores, except otherwise stated)

29 Income Tax

A. Income tax expense recognized in statement of profit and loss comprise of:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current taxes:		
Current income tax net of MAT credit recognized	67.58	36.43
Deferred tax:		
Relating to origination and reversal of temporary differences	(7.43)	15.34
Income tax expense for the year	**60.15**	**51.77**
Less: Adjustments relating to previous year	(1.08)	(4.04)
Income tax expense reported in the statement of profit or loss	**59.07**	**47.73**

B Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit	720.23	778.12
Tax at the applicable tax rate of 34.94% (March 31, 2019: 34.94%)	251.65	271.88
Tax effect of income that are not taxable in determining taxable profit / allowable expenditure that are not part of book profit:		
Dividend income exempt from tax	(0.58)	(0.13)
Ind-AS adjustments not considered under tax	(7.29)	(10.74)
Others	(0.25)	(0.85)
Tax effect of expenses that are not deductible in determining taxable profit/ taxable income that are not part of book profit:		
Donations & CSR expenditure non-dedeuctible under tax	3.70	3.19
Interest on delayed payment of income tax	-	0.53
Other non-deductible expenses under tax	0.50	2.09
Ind-AS adjustments not considered under tax	10.84	11.51
Tax effect of other adjustments:		
Deduction u/s 80IA	(200.52)	(240.98)
Reversal of deferred tax during tax holiday period	8.79	10.19
Unabsorbed accumulated losses on which deferred tax is not created*	(2.10)	5.86
On account of consolidation adjustments, including share of results of joint venture	(2.88)	-
Effect of change in tax rate	(1.72)	(0.78)
Income tax expense reported in the statement of profit and loss	**60.15**	**51.77**

*Deferred tax assets are not recognised to the extent it is not probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised by the respective subsidiary companies.

(All amounts in Rupees Crores, except otherwise stated)

C. Deferred tax:

	Statement of profit or loss		Balance sheet	
	For the year ended March 31, 2020	For the year ended March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax liability				
Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	18.50	14.37	176.27	157.78
Fair value of financial assets/liabilities	0.25	0.00	0.26	0.01
Cash flow hedge	61.86	16.96	78.82	16.96
Gross deferred tax liability	**80.60**	**31.33**	**255.35**	**174.75**
Deferred tax asset				
Unabsorbed depreciation	3.46	0.83	7.70	11.16
On account of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis.	(0.99)	(0.25)	1.55	0.56
On account of income reduced from capital work in progress	(27.31)	(0.13)	31.23	3.92
On account of provision for doubtful trade, advances and dimunition in value of investment	(1.70)	-	1.70	-
Tax Holiday Reversals	(1.17)	0.22	2.05	0.88
Gross deferred tax asset	**(27.71)**	**0.68**	**44.23**	**16.52**
MAT credit entitlement	(51.70)	(136.01)	457.41	405.71
Deferred tax asset (unutilised tax credit)	**(51.70)**	**(136.01)**	**457.41**	**405.71**
Net deferred tax asset/(liability)			**246.29**	**247.48**

Reconciliations of deferred tax liabilities/assets(net)

	March 31, 2020	March 31, 2019
Opening balance	247.48	143.47
Tax income/(expense) during the year recognised in profit or loss	60.67	120.97
Tax income/(expense) during the year recognised in OCI	(61.86)	(16.96)
Closing balance	**246.29**	**247.48**

D. Other disclosures:

i) Deferred tax on adjustments recognised on account of adoption of Ind AS are not considered as these adjustments get reversed in the subsequent periods and have no impact on the accounting or tax profit.

ii) During the year ended March 31, 2020 , the parent company has paid dividend to its share holders. This has resulted in payment of DDT to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

(All amounts in Rupees Crores, except otherwise stated)

30 Components of Other Comprehensive Income

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

For the year ended March 31, 2020

	Cash Flow Hedge Reserve	Retained Earnings	Total
Cash flow hedge reserve (net)	625.77	-	625.77
Less: restatement of borrowings	(430.65)	-	(430.65)
Less: Deferred tax	(61.78)	-	(61.78)
Remeasurement gain on defined benefit plans	-	(1.71)	(1.71)
Closing Balance	**133.34**	**(1.71)**	**131.63**

For the year ended March 31, 2019

	Cash Flow Hedge Reserve	Retained Earnings	Total
Cash flow hedge reserve (net)	167.55	-	167.55
Less: restatement of borrowings	(133.53)	-	(133.53)
Less: Deferred tax	(17.04)	-	(17.04)
Remeasurement gain on defined benefit plans	-	(1.04)	(1.04)
Closing Balance	**16.98**	**(1.04)**	**15.94**

(All amounts in Rupees Crores, except otherwise stated)

31. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders of parent for basic and diluted earnings	661.16	724.00
Weighted average number of equity shares used for computing earnings per share (Basic and diluted)	37.80	37.80
Earnings per share (Basic and diluted) (Rs.)	17.49	19.15
Face value per share (Rs.)	10.00	10.00

32. Capital work in progress

The breakup of Capital work in progress is as below:

	March 31 2020	March 31 2019
Capital expenditure incurred on property, plant and equipment	1,063.76	314.55
Legal and professional expense	145.78	100.52
Employee benefit expense	0.75	0.35
Finance costs	216.60	31.20
Other expenses	5.94	2.54
Total (i)	**1,432.83**	**449.16**
Less:- Other income:		
Interest income from bank deposit	(95.76)	(1.93)
Net gain on sale of current investments	(1.24)	(10.54)
Temporary lease rentals earned net of taxes	(0.57)	(0.57)
Total (ii)	**(97.57)**	**(13.04)**
Net Capital work in progress (i-ii)	**1,335.26**	**436.12**

During the year ended March 31, 2020 the Group has capitalized the following expenses of revenue nature to the capital work-in-progress (CWIP). Consequently, expenses disclosed under other expenses are net of amounts capitalized by the Group.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance (A)	121.57	97.07
Revenue expense:		
Legal and professional expense	91.18	55.74
Employee benefit expense	0.40	-
Finance cost	231.53	39.34
Other expenses	4.52	1.51
Total (B)	**327.63**	**96.59**
Less: Other income		
Interest income from bank deposit	(95.76)	(3.71)
Net gain on sale of current investment	(1.24)	(10.62)
Total (C)	**(97.00)**	**(14.33)**
Net (D=B-C)	**230.63**	**82.26**
Less: Capitalized during the year (E)	(80.70)	(57.76)
Closing balance (F=A+D-E)	**271.50**	**121.57**

(All amounts in Rupees Crores, except otherwise stated)

33. Retirement and other employee benefits:

a) Defined contribution plan

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	9.84	6.81
Contribution to ESI and labour welfare fund	0.84	1.00
Contribution to superannuation fund	2.81	2.45
Total	**13.49**	**10.26**

b) Defined benefit plans

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India and Liability (net of fair value of investment in LIC) is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service subject to a maximum limit of Rs.0.20 (31 March 2019: Rs.0.20).

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

Net employee benefit expense (recognized in statement of profit and loss)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	1.60	1.79
Net interest cost	0.18	0.07
Cost recognized in statement of profit and loss	**1.78**	**1.86**

Amount recognized in other comprehensive income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gain)/loss due to DBO experience	(0.56)	0.59
Actuarial gain due to DBO assumption changes	0.82	0.46
Return on plan assets greater than discount rate	1.65	0.08
Actuarial gains recognized in OCI	**1.91**	**1.13**

Balance sheet

	March 31, 2020	March 31, 2019
Defined benefit obligation	(17.99)	(15.17)
Fair value of plan assets	12.52	11.59
Plan asset / (liability)	**(5.47)**	**(3.58)**

(All amounts in Rupees Crores, except otherwise stated)

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

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	15.17	11.53
Interest cost	1.09	0.59
Current service cost	1.58	1.79
Acquisition cost	0.81	1.59
Past service cost-plan amendments	-	-
Benefits paid (including transfer)	(1.46)	(1.40)
Actuarial losses/ (gain) on obligation-experience	0.80	1.05
Closing defined benefit obligation	**17.99**	**15.17**

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

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	11.59	8.93
Expected return on plan assets	0.70	0.73
Contributions by employer	1.76	2.31
Acquisition adjustment	0.81	1.06
Benefits paid (including transfer)	(1.42)	(1.40)
Return on plan assets greater/ (lesser) than discount rate	(1.14)	(0.08)
Interest income on plan assets	0.20	-
Actuarial (gains) / losses	0.01	0.04
Closing fair value of plan assets	**12.52**	**11.59**

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

	March 31, 2020	March 31, 2019
Investments with insurer	100%	100%

Principal assumptions used in determining gratuity obligation for the Group's plans are shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate (in %)	5.90% to 6.80%	6.90%
Salary Escalation (in %)	6% to 8%	6% to 8%
Attrition rate (in %)	5% to 20%	5% to 20%

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

	March 31, 2020	March 31, 2019
Discount rate		
Effect due to 1% increase in discount rate	(1.38)	(1.18)
Effect due to 1% decrease in discount rate	0.75	1.25
Attrition rate		
Effect due to 1% increase in attrition rate	0.07	0.09
Effect due to 1% decrease in attrition rate	(0.08)	(0.10)
Salary escalation rate		
Effect due to 1% increase in salary increase rate	1.23	1.11
Effect due to 1% decrease in salary increase rate	0.28	(1.02)

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

(All amounts in Rupees Crores, except otherwise stated)

Following payments are expected contributions to the defined benefit plan in the future years:

	March 31, 2020
March 31, 2021	2.16
March 31, 2022	1.91
March 31, 2023	2.08
March 31, 2024	1.82
March 31, 2025	3.02
March 31, 2026 to March 31, 2030	15.37

	March 31, 2019
March 31, 2020	1.40
March 31, 2021	1.78
March 31, 2022	1.87
March 31, 2023	2.10
March 31, 2024	1.94
March 31, 2025 to March 31, 2029	14.23

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2019: 10 years).

34. Details of transactions with related parties:

A. Names of related parties and description of relationship:

S. No.	Relationship	Related party Name
(i)	Holding company	GMR Airports Limited (GAL)
(ii)	GAL's holding company	GMR Infrastructure Limited (GIL)
(iii)	Ultimate holding company	GMR Enterprises Private Limited (GEPL)
(iv)	Fellow Subsidiary Companies	GMR Aviation Private Limited
		Delhi International Airport Limited
		GMR Energy Trading Limited
		GMR Highways Limited
		GMR Corporate Affairs Private Limited
		GMR Hyderabad Vijayawada Expressways Private Limited
		GMR Airport Developers Limited
		Kakinada SEZ Limited
		Raxa Security Services Limited
		GMR Warora Energy Limited
		GMR Infra Developers Limited
		GMR Goa International Airport Limited
		GMR Business Process Services Private Limited
(v)	Shareholders having significant influence	Government of Telangana
		Airports Authority of India
		Malaysia Airports Holdings Berhad
		MAHB (Mauritius) Private Limited
(vi)	Key management personnel	Mr. Srinivas Bommidala – Managing Director till May 31, 2018 and Director w.e.f June 1, 2018.
		Mr. G B S Raju – Managing Director w.e.f June 1, 2018
		Mr. SGK Kishore - Chief Executive Officer
		Mr. Rajesh Arora- Chief Financial Officer till May 31, 2019
		Mr. Anand Kumar- Chief Financial Officer w.e.f June 1, 2019
		Mr. Grandhi Kiran Kumar – Director
		Mr. Anup Kumar Samal - Company Secretary

S. No.	Relationship	Related party Name
		Mr. G M Rao – Chairman till May 31, 2018 and Executive Chairman from June 1, 2018)
		Mr. HJ Dora – Director
		Mr. C Prasanna – Director
		Mr. Venkataramana Hegde – Director
		Mr. Ramakrishna Rao IAS – Director
		Mr. Datuk Badlisham Bin Ghazali * - Director till June 23, 2018
		Mr. Raj Azmi bin Raja Nazuddin - Director w.e.f September 10, 2018
		Mr. RSSLN Bhaskarudu- Independent Director
		Mr. NC Sarabeswaran- Independent Director
		Mrs. Vissa Siva Kameswari -Independent Director
		Mr.Jayesh Ranjan IAS – Director
		Mr. I.N. Murthy – Director
		Mr. Madhu Ramachandra Rao - Independent Director w.e.f July 02,2018
		Mr. P. Vijay Bhaskar- Independent Director, ceased to be director w.e.f May 04, 2018.
(vii)	Joint Venture	Laqshya Hyderabad Airport Media Private Limited ("Laqshya")
(viii)	Enterprises where key Directors and their relatives exercise significant influence	GMR Varalakshmi Foundation
(ix)	Other entities in which Directors are interested	GMR Family Fund Trust Sri Varalakshmi Jute Twine Mills Private Limited Geokno India Private Limited
(x)	Associate of GIL	GMR Rajahmundry Energy Limited
(xi)	Relative of KMP	Ramadevi Bommidala

B. Remuneration paid to Key Managerial Remuneration:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short term employee benefits	14.20	12.32
Sitting fee	0.23	0.23

C. Summary of Transactions with related parties during the year is as follows:

Related Party Transactions	For the year ended March 31, 2020	For the year ended March 31,2019
Services received:		
GMR Infrastructure Limited	10.35	7.04
GMR Airports Limited	32.18	26.30
Raxa Security Services Limited	27.23	20.25
GMR Aviation Private Limited	5.84	9.07
GMR Airport Developers Limited	30.94	26.86
GMR Corporate Affairs Private Limited	0.39	-
GMR Family Fund Trust	-	2.80
Delhi International Airport Limited	0.72	0.57
Laqshya Hyderabad Airport Media Private Limited	0.74	1.17
Government of Telangana	-	3.59

(All amounts in Rupees Crores, except otherwise stated)

Airports Authority of India	0.03	0.03
Sri Vara Lakshmi Jute Twine Mills Private Limited	-	0.22
Security Deposit (paid) /received):		
Laqshya Hyderabad Airport Media Private Limited	-	0.16
GMR Airport Developers Limited	-	(15.00)
Delhi International Airport Limited	-	(0.23)
Income from operations:		
GMR Infrastructure Limited	0.02	0.02
GMR Airports Limited	0.34	0.32
GMR Aviation Private Limited	0.08	0.05
Kakinada SEZ Limited	0.25	0.32
GMR Airport Developers Limited	0.17	0.17
Raxa Security Services Limited	0.01	0.01
GEOKNO India Private Limited	0.10	0.15
GMR Energy Trading Limited	0.00	0.00
GMR Highways Limited	0.25	0.25
GMR Business Process Services Private Limited	3.16	2.75
Delhi International Airport Limited	0.02	0.05
GMR Warora Energy Limited	-	0.00
Laqshya Hyderabad Airport Media Private Limited	34.02	32.19
Airports Authority of India	0.43	3.24
GMR Varalakshmi Foundation	0.40	0.39
GMR Tuni-Anakapalli Expressways Limited	-	0.00
GMR Infra Developers Limited	0.06	-
Unsecured loan received back:		
Laqshya Hyderabad Airport Media Private Limited	0.32	2.55
Interest on amortisation of interest free unsecured loan given		
Laqshya Hyderabad Airport Media Private Limited	-	0.22
Interest on delayed payments from customers		
GMR Energy Trading Limited	0.01	-
Laqshya Hyderabad Airport Media Private Limited	0.15	0.00
GMR Aviation Private Limited	0.00	0.00
Purchase of Asset:		
GMR Airport Developers Limited	52.54	48.44
Geokno India Private Limited	-	0.28
Airport Authority of India	0.02	-
CSR Expenditure		
GMR Varalakshmi Foundation	10.59	7.66
Reimbursement of expenses claimed by the Group during the year from its related parties:		
GMR Infrastructure Limited	0.01	0.01
GMR Airports Limited	0.21	1.58
Kakinada SEZ Limited	0.06	0.06
Delhi International Airport Limited	1.63	0.40
GMR Airport Developers Limited	1.30	0.93

(All amounts in Rupees Crores, except otherwise stated)

GMR Highways Limited	0.05	0.05
Geokno India Private Limited	0.00	0.06
Laqshya Hyderabad Airport Media Private Limited	1.11	0.95
Airports Authority of India	3.43	2.92
GMR Varalakshmi Foundation	0.07	0.08
Raxa Security Services Limited	0.00	0.00
GMR Energy Trading Limited	-	0.00
GMR Business Process & Services Private limited	0.59	0.48
GMR Goa International Airport Limited	0.02	-
Reimbursement of expenses claimed from the Group during the year by its related parties:		
GMR Airports Limited	0.37	0.49
Delhi International Airport Limited	0.11	-
Laqshya Hyderabad Airport Media Private Limited	0.19	-
GMR Airport Developers Limited	0.31	0.11
Income on amortisation of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.05	0.03
GMR Varalakshmi Foundation	0.02	0.01
GMR Infrastructure Limited	0.00	0.00
Interest expense on amortisation of deposit received:		
Laqshya Hyderabad Airport Media Private Limited	0.04	0.04
GMR Varalakshmi Foundation	0.01	0.01
Straight lining of Lease rental as per Ind AS 116		
Laqshya Hyderabad Airport Media Private Limited	0.02	-
GMR Business Process Services Private Limited	0.04	-
GMR Highways Limited	0.00	-
GMR Airport Developers Limited	0.01	-
GMR Varalakshmi Foundation	0.04	-
Raxa Security Services Limited	0.00	-
Unsecured loan given:		
GMR Infrastructure Limited	200.00	-
GMR Infra Developers Limited	20.00	-
Interest on unsecured loan:		
GMR Infrastructure Limited	7.90	-
GMR Infra Developers Limited	0.04	-
Depreciation and Interest cost as per Ind AS 116		
GMR Family Fund Trust	0.35	-
Government of Telangana	8.52	-
Sri VaraLakshmi Jute Twine Mills Private Limited	0.24	-
Amortization of expense on deposit paid:		
GMR Airport Developers Limited	-	0.01
Raxa Security Services Limited	0.14	0.23
Sri VaraLakshmi Jute Twine Mills Private Limited	-	0.01
GMR Varalakshmi Foundation	-	0.05
Interest income on amortization of deposit paid:		

GMR Airport Developers Limited	-	0.02
Raxa Security Services Limited	0.15	0.22
Sri VaraLakshmi Jute Twine Mills Private Limited	0.01	0.01
GMR Family Fund Trust	0.03	-
GMR Varalakshmi Foundation	-	0.04
Rent:		
Ramadevi Bommidala	0.23	0.20
Equity Dividend Paid:		
GMR Airports Limited	59.53	95.26
GMR Infrastructure Limited	0.00	0.00
MAHB (Mauritius) Private Limited	10.39	16.62
Malaysia Airports Holdings Berhad	0.00	0.00
Airports Authority of India	12.29	19.66
Government of Telangana	12.29	19.66

D. Outstanding balances at the end of the year:

Particulars	**March 31, 2020**		**March 31, 2019**	
	Non-Current	**Current**	**Non-Current**	**Current**
Balance Recoverable / (Payable):				
GMR Enterprises Private Limited	-	0.01	-	0.01
GMR Infrastructure Limited	-	(2.31)	-	0.28
GMR Airports Limited	-	(7.93)	-	(4.28)
Raxa Security Services Limited	-	(5.31)	-	(0.34)
Delhi International Airport Limited	-	1.56	-	0.08
GMR Rajahmundry Energy Limited	-	0.04	-	0.04
GMR Hyderabad Vijayawada Expressways Private Limited	-	0.01	-	0.01
GMR Aviation Private Limited	-	0.03	-	(0.98)
GMR Airport Developers Limited	-	(12.33)	-	(15.84)
Kakinada SEZ Private Limited	-	0.69	-	0.42
GMR Energy Trading Limited	-	0.00	-	0.02
GMR Corporate Affairs Private Limited	-	-	-	(0.10)
GMR Highways Limited	-	0.26	-	0.30
Geokno India Private Limited	-	0.81	-	0.71
GMR Aerostructure Services Limited	-	0.03	-	0.03
GMR Goa International Airport Limited	-	0.02	-	-
GMR Vemagiri Power Generation Ltd.	-	0.00	-	0.00
GMR Business Process Services Private Limited	-	1.66	-	-
Laqshya	-	0.77	-	0.97
Government of Telangana	-	(3.87)	-	(3.69)
Airports Authority of India	-	5.02	-	2.97
GMR Family Fund Trust	-	-	-	2.32
GMR Varalakshmi Foundation	-	(0.03)	-	(0.99)
Security deposit received from / (paid) to related parties reccognised at amortised cost:				
GMR Infrastructure Limited	-	0.04	-	0.03

(All amounts in Rupees Crores, except otherwise stated)

Particulars	**March 31, 2020**		**March 31, 2019**	
Raxa Security Services Limited	-	(1.70)	(1.55)	-
Laqshya	0.34	0.02	0.15	0.29
GMR Varalakshmi Foundation	0.10	-	0.09	-
Sri Varalakshmi Jute Twine Mills Private Limited	(0.09)	-	-	(0.08)
GMR Family Fund trust	(0.33)		(0.30)	
Ramadevi Bommidala	0.00	-	-	-
GMR Airport Developers Limited	(4.64)	(8,92)	(8.72)	(3,81)
Deferred income on deposits received recognized at amortised cost				
Laqshya	0.12	0.04	0.06	0.03
GMR Varalakshmi Foundation	0.03	0.01	0.05	0.01
Prepaid expenses on deposits paid recognized at amortized cost:				
Raxa Security Services Limited	-	0.05	0.05	0.14
Sri Varalakshmi Jute Twine Mills Private Limited	-	-	0.01	0.01
GMR Family Fund trust	-	-	0.05	0.03
GMR Airport Developers Limited	0.90	0.89	1.65	0.83
Loans given (including accrued interest):				
Laqshya	-	-	-	0.32
GMR Infrastructure Limited	-	207.90	-	-
Borrowings:				
Government of Telangana	(315.05)	-	(315.05)	-

35. Operating segments are reported in such a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The Group only has a single geographical segment operating in Hyderabad, India. As per the evaluation carried out by CODM the Group has only one reportable business segment i.e. of airport and allied services. Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment. The information relating to different products and services regarding products and services regarding Revenue from contracts with customers along with other income are given in Note 22 and 23.

Major Customers: Revenue from one customer of the Group is approximately Rs. 387.23 out of total revenue of the Company for the year ended March 31, 2020 (March 31, 2019: Rs. Rs. 359.24).

36. Leases

Group as lessee:

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

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	**Category of ROU asset**		**Total**
	Land	**Building**	
Balance as at April 1, 2019	-	-	-
Reclassification on account of adoption of Ind AS 116	67.43	9.94	77.37
Additions	-	-	-
Depreciation	1.38	1.52	2.90
Balance as at March 31, 2020	**66.05**	**8.42**	**74.47**

(All amounts in Rupees Crores, except otherwise stated)

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	As at March 31, 2020
Current lease liabilities	-
Non-Current lease liabilities	83.05
Total	**83.05**

The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	As at March 31, 2020
Lease liability recorded on adoption of Ind-AS 116	76.94
Additions	
Finance cost accrued during the year	7.79
Deletions	-
Payment of lease liabilities	(1.68)
Balance at the end	**83.05**

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

Particulars	For the year ended March 31, 2020
Depreciation/amortisation on right to use asset	2.90
Interest on lease liability	7.79
Expenses related to short term lease (included under other expenses)	3.83
Total amount recognized in the statement of profit and loss	**14.52**

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

	March 31, 2020
Within one year	9.41
After one year but not more than five years	23.55
More than five years	727.57

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

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

	March 31, 2020
Within one year	49.55
After one year but not more than five years	184.72
More than five years	450.88

37. Contingent liabilities and commitment:

I. Litigation and Contingent Liabilities

A. Direct taxes

a) During the previous years, the Revenue have filed Appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by Income Tax Appellate Authority (ITAT), Bengaluru dated October 13, 2017 knocking down the assessment orders passed under section 143(3) read with section

153A thereby deleting certain disallowances amounting to Rs. 34.87 & Rs. 16.65 confirmed by Commissioner of Income tax (Appeals) [CIT (A)], Bengaluru in relation to assessment years (AY's) 2008-09 & 2009-10 respectively, resulting in a reduction in tax losses.

b) During the current year, the ITAT, Bengaluru, in an appeal filed by the GHIAL against the order passed by the CIT (A), Bengaluru dated October 31, 2016 confirming certain disallowances amounting to Rs. 6.85 in relation to AY 2009-10 has passed an order dated July 10, 2019 setting aside the order passed by the CIT (A) and restoring the matters back to the assessing officer for fresh verification.

c) During the previous years, the Revenue have filed Appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by ITAT, Bengaluru dated October 13, 2017 deleting certain disallowances amounting to Rs. 7.34, Rs. 11.25, Rs. 18.27 & Rs. 20.04 confirmed by CIT (A), Bengaluru in relation to AY's 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

d) During the previous years, GHIAL had filed appeals before ITAT, Bengaluru against the orders passed by the CIT (A), Bengaluru dated December 29, 2016 confirming certain disallowances amounting to Rs. 13.00, Rs. 9.14, Rs. 0.86 and Rs. 4.29 in relation to AY's 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

e) During the previous years, GHIAL had filed appeal before ITAT, Bengaluru against the orders passed by the CIT (A), Bengaluru dated July 10, 2018 confirming certain disallowances amounting to Rs. 3.38 in relation to AY 2014-15.

f) During the previous years, the Revenue have filed appeals before the ITAT, Bengaluru against GHIAL on the orders passed by CIT(A), Bengaluru dated July 10, 2018 deleting certain disallowances amounting to Rs. 22.03 & Rs. 22.23 in relation to AY's 2014-15 & 2015-16 respectively.

g) During the previous years, the Revenue have filed appeals before ITAT, Bengaluru against GHIAL on the order passed by CIT(A), Bengaluru dated July 13, 2018 deleting certain disallowances amounting to Rs. 24.46 in relation to AY 2016-17.

h) During the previous years, the Revenue have filed appeals before the Hon'ble High Court of Karnataka against GHIAL on the orders passed by the ITAT, Bengaluru deleting certain disallowances in the computation of income as per Section 115 JB of the Income-tax Act, 1961 amounting to Rs. 16.89 in relation to AY 2013-14 which could result in an additional Minimum Alternate Tax of Rs. 3.38.

i) During the previous years, the Revenue have filed appeals before the ITAT, Bengaluru against GHIAL on the orders passed by the CIT (A), Bengaluru in Company's favour in relation to certain disallowances in the computation of income as per Section 115 JB of the Income-tax Act, 1961 amounting to Rs. 17.93, Rs. 17.10 and Rs. 20.37 in relation to AY 2014-15, AY 2015-16 and AY 2016-17, respectively. In connection to this, tax deducted at source amounting to Rs. 3.76, Rs. Nil and Rs. 6.46 for AY 2014-15, AY 2015-16 and AY 2016-17, respectively was withheld by the Authorities.

Note: Aforementioned amounts do not include additions across AY 2009-10 to AY 2016-17 amounting to Rs. 31.87 pertaining to PSF (SC) accounts

j) GACAEL in respect of Cargo business had received assessment order during previous years for the assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13 respectively, denying the deduction u/s 80-1A of the Income Tax Act, 1961 and demanding tax of Rs. 1.54 (March 2019: Rs. 1.54) (including interest of Rs 0.22) (March 2019: Rs. 0.22), Rs. 2.73 (March 2019: Rs. 2.73) (including interest of Rs 0.69 (March 2019: Rs. 0.69) and Rs. 3.03 (March 2019: Rs 3.03) (including interest of Rs. 0.74 (March 2019: Rs. 0.74) and Rs. 2.54 (March 2019: Rs. 2.54) (including interest of Rs 0.66 (March 2019: Rs. 0.66) for the respective assessment years. GACAEL had filed an appeal with Commissioner of Income Tax (Appeals), Hyderabad and had paid Rs. 1.54 (March 2019 Rs. 1.54) Rs. 2.73 (March 2019: Rs. 2.73), Rs. 3.03 crore (March 2019: Rs. 3.03) and Rs. 2.54 (March 2019: Rs. 2.54) for the assessment years 2009—2010, 2010-2011, 2011-2012 and 2012-13 respectively under protest. During the assessment year 2017-18, the said appeals were dismissed by the Commissioner of Income Tax (Appeals), Hyderabad against which GACAEL had filed an appeal with Income Tax Appellate Tribunal, Hyderabad. During the FY 2016-17, GACAEL has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Consolidated Financial Statements.

k) GACAEL in respect of Cargo business had received an order during previous years for the assessment year 2013-14 and 2014-15 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961. Per this order the refund receivable to the Company has reduced by Rs. 4.18 for A.Y. 2013-14 and Rs. 3.11 for A.Y 2014-15. Aggrieved by the reduction in refund and the demand, the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad. During the assessment year 2018-19, GACAEL has received a favorable order from Commissioner of Income-Tax (Appeals), Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the CIT order before ITAT in respect of the aforesaid years. During the previous year GACAEL has received a favorable order from Income-Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending.

l) GACAEL in respect of Cargo business has received an order during current period for the assessment years 2015-16 & 2016-17 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, GACAEL filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 4.17 & Rs.0.16 for AY 2015-16 & AY 2016-17 respectively. During Assessment Year 2019-20 the department has issued a refund order advice stating that the refund for AY 2017-18 has been adjusted against the demand for AY 2015-16 to the extent of 3.77. Aggrieved by the demand GACAEL has filed an appeal with the Commissioner of Income-Tax (Appeals), Hyderabad.

m) GACAEL in respect of Cargo business has received an order from Deputy Commissioner of Income tax, Hyderabad for the reopening of the assessment year 2008-09 disallowing an item of expense amounting to Rs. 0.85 (March 2019: Rs. 0.85). GACAEL has filed an appeal with Commissioner of Income – Tax (Appeals), Hyderabad on May 5, 2015 and on December 13, 2019 received an order partially allowing the expense. Based on an internal assessment, Management is of the opinion that the said order is time barred and will not be sustainable under law.

n) GHRL during the previous year has received an order from Income Tax Officer for the AY 2016-17 demanding income tax of Rs. 0.05 on account of disallowance. GHRL has filed an appeal with CIT (Appeals).

B. Matters under dispute are as follows:

i. GHIAL had received an order dated March 14, 2019 from the Central Excise & Service tax Appellate Tribunal (CESTAT), Hyderabad against the order from the Office of Commissioner of Customs, Central Excise and Service Tax dated January 29, 2010 on irregular availment of the Cenvat amounting to Rs. 24.54 excluding penalty of Rs. 31.11. The said Order has allowed the Cenvat credit of Rs. 12.12, disallowed and remanded credit totaling to Rs. 12.42 (includes remanded cenvat credit of Rs. 4.01) and accordingly, penalty amount got reduced to Rs. 12.42. In addition, the order also allowed cenvat credit of Rs. 6.56 which was capitalized earlier. However, the same has not been given effect to in the financial statements pending final outcome since during the year the department has filed an appeal against the above order from the CESTAT. Apart from this, GHIAL has also filed an appeal against the disallowance of Rs. 8.41, with the Hon'ble High Court of Telangana on September 09, 2019.

ii. GHIAL had received final order passed by the CESTAT, Hyderabad on September 16, 2019 allowing the appeal filed against levy of penalty of Rs. 7.43 (March 31, 2019: Rs. 7.43) on delay in payment of service tax on the UDF. Further, GHIAL had received the refund towards service tax of Rs. 12.17 (including interest of Rs. 4.74) pertaining to the period from April, 2008 to December, 2008. However, GHIAL has not recognized the above refund amount of Rs. 12.17 as an income since the department had filed an appeal with the Hon'ble Supreme Court against the order of CESTAT and the same has been shown as a liability. Subsequent to the year end, GHIAL has received the refund of service tax paid amounting to Rs. 10.02 for the balance subsequent period from January, 2009 to October, 2009.

iii. GHIAL had received an order from the Office of Commissioner of Customs, Central Excise and Service Tax dated November 25, 2013 on non-payment of service tax on recovery of electricity and water charges from its concessionaires and irregular availment of Cenvat amounting to Rs. 1.53 (March 31, 2019: Rs. 1.53), including penalty of Rs 1.67 (March 31, 2019: Rs. 1.67). GHIAL had received stay order from CESTAT subject to pre-deposit of Rs. 0.15 and accordingly, GHIAL had deposited same with the service tax department within the stipulated time.

iv. GHIAL received an Order dated December 27, 2017 from the Office of Assistant Commissioner of Central Tax on non- payment of service tax on import of services amounting to Rs. 0.25 (March 31, 2019: Rs. 0.25). The Order also includes the interest payable thereon and penalty of Rs. 0.26 (March 31, 2019: Rs.0.26). GHIAL had filed an appeal with CESTAT on January 16, 2019 against the order passed by Commissioner (Appeals) confirming the demand of Rs. 0.26. During the year GHIAL has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 0.05 and received the discharge certificate in Form SVLDRS 4.

v. GHIAL has received an order dated March 23, 2018 from the Office of Commissioner of Central Tax on irregular availment of exemption on sale of space for advertisement undervaluation of security services received from CISF, irregular availment of Cenvat credit on capital goods & inputs and non-payment of service tax on notice pay from the Office of Commissioner of Central Tax amounting to Rs. 2.39 (March 31, 2019: Rs. 2.39). The order also includes a penalty of Rs. 1.80 (March 31, 2019: Rs. 1.80) and interest as applicable. GHIAL has filed an appeal before the CESTAT and deposited an amount of Rs. 0.18 as required to file the appeal. During the year, GHIAL has has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 1.02 and also received the discharge certificate in Form SVLDRS 4.

vi. GHIAL had received an order (Show Cause Notice dated April 23, 2014) from the Office of Commissioner of Customs, Central Excise and Service tax dated June 11, 2015 on Irregular availment of Cenvat credit amounting to Rs. 0.62 (March 31, 2019: 0.62). The order also includes penalty of Rs. 0.62 (March 31, 2019: Rs. 0.62). The Company has filed the appeal before the Customs, Excise and Service Tax Appellate Tribunal and deposited an amount of Rs. 0.05 with the service tax department as required to file the appeal. During the year, GHIAL has filed an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and paid Rs. 0.04. Subsequent to the year end the Company has received the discharge certificate in Form SVLDRS4.

vii. GHIAL had received a notice from the office of the Joint Commissioner of Labour for payment of Building and other construction workers' Welfare Cess @ 1% of the cost of construction of Airport Metropolitan amounting to Rs. 25.20 (March 31, 2019: Rs. 25.20). The GHIAL had received the stay order from Hon'ble Hight Court of Telangana against the said order in the earlier years.

viii. GHIAL had received notice dated January 19, 2013, from Hyderabad Metropolitan Water Supply & Sewerage Board for disconnection of water connection for non-payment of sewerage cess arrears. GHIAL had received the stay order against the said order in the earlier years. The sewerage cess outstanding including interest as at March 31, 2020 amounts to Rs. 4.96 (March 31, 2019: Rs. 4.62).

ix. GHRL has filed appeal with Appellate Tribunal against the orders of Deputy Commissioner and Appellate Deputy Commissioner against the order confirming the demand of Rs. 0.42 (March 31, 2019: Rs. 0.23) towards, levying Value Added Tax on leasing of Audio Visual equipment by the hotel customers for the period from October 2010 to November 2012 and December 2012 to March 2014 respectively.

During the previous year GHRL had received an order from appellate Joint Commissioner setting aside the disputed tax amount of Rs. 0.11. During the period, GHRL has received SCN for Rs. 0.19 for the period from April 2014 to June 2017 seeking levy of VAT on usage of Audio Video Equipment's by the Hotel customers. GHRL has replied to the department against the aforesaid SCN on May 16, 2019.

x. GHRL during the previous year, has received an order from Deputy Commissioner of Customs, RGI Airport in respect of alleged stock variance. GHRL has filed an appeal with the Commissioner of Customs & Central Tax (Appeals-1) against the order passed by the Deputy Commissioner Customs, RGIA. The Commissioner Customs & Central Tax (Appeals-1) upheld the order passed by the Deputy Commissioner of Customs, RGI Airport and reduced the penalty to Rs. 0.01. GHRL is in the process of filling an appeal with CESTAT. Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

xi. The Assistant Commissioner of Central tax and Customs, Hyderabad has filed appeals on May 31, 2019 before the Commissioner (appeals) against the service tax refund orders in respect of service tax charged by GHIAL on renting of immovable property for Duty free shop located beyond custom frontier of India for an amount of Rs. 3.77 (March 2019: Nil) issued to GHRL pertaining to the period from October 2016 to June 2017. GHRL has filed cross-objections on October 14, 2019 against the appeals.

xii. GACAEL has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the order of Commissioner of Service Tax for the rejection of service tax refund claim amounting to Rs. 1.03.

xiii. GACAEL accrued customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the customs department on GHIAL as the ultimate cost has to be borne by the custodian i.e. GACAEL. GHIAL filed a writ petition under article, 226 of the Constitution of India in the Honorable High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised in previous years, GHIAL had received an order from the Honorable High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by customs department were wholly unsustainable and accordingly GACAEL had reversed the accrued customs cost amounting to Rs. 14.02 (March 2019: Rs.14.02) for the period from March 23, 2008 to March 31, 2012 as provision no longer required written back and included the same in other income.

Subsequent to the above order, the Customs Department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Honorable High Court of Andhra Pradesh passed an order for interim suspension of the said order passed by the Honorable Single Judge and the matter is pending.

xiv. GACAEL has rendered cargo handling services for export cargo during the period March 2008 to June 2010 on which GACAEL had not paid service tax in view of the exemption available under cargo handling services. GACAEL had received a show cause notice from the Office of Commissioner of Customs & Central Excise requiring GACAEL to show cause as to why the services rendered during March 2008 to June 2010 should not be classified under "Airport Services" and "Storage and Warehousing Services" ("Taxable Service").

On May 3, 2013, GACAEL had received an order from Commissioner of Customs, Central Excise and Service tax. As per the said order, the commissioner had concurred with the departments view and classified the services of cargo handling for export cargo as Taxable Service. As a result of which, there was a demand levied of Rs. 1.89 (March 2019 : Rs.1.89) crore as service tax for the period March 2008 to June 2010 under Airport Services and Rs.1.07 (March 2019 : Rs. 1.07) as service tax for the period March 2008 to June 2010 on Storage and Warehousing Services along with applicable interest and penalty.

Subsequently, the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in its stay order dated October 25, 2013 has mentioned that X-ray Screening, Terminal Storage and Processing, Unitization and Demurrage would be incidental and ancillary in relation to cargo handling service. As a result, there shall be a waiver of pre deposit of the dues and stay against recovery during pendency of the appeal.

xv. GACAEL has received a show cause notice from the Office of Commissioner (Audit) Central tax requiring GACAEL to show cause as to why CENVAT credit of Rs. 0.65 along with applicable interest and penalty should not be reversed/demanded on certain exempted services. GACAEL has filed a reply to the Show Cause notice with the Office of Commissioner (Audit) Central tax on October 10, 2017. Personal hearing completed on March 27, 2018, AC has passed an order dated March 28, 2018 by disallowing Company demand, order received on April 9, 2018. As a result of which, there is a demand levied of Rs. 0.65 as service tax along with penalty of Rs. 0.63. Further, GACAEL has filed an appeal against the order with Commissioner (Appeals), Central tax during the previous year. GACAEL has received an unfavorable order from Commissioner of Customs and Central Tax (Appeals), Hyderabad on November 12, 2018, directing the Additional Commissioner to recalculate the demand. Subsequently, the company has filed an appeal against the unfavorable order with CESTAT, Hyderabad on February 11, 2019.

xvi. GACAEL has received a SCN No.04/2019-20/AC dated July 19, 2019 from Office of the Commissioner of Central Tax requiring the Company to show cause as to why service tax payable of Rs. 0.19 on recovery from the Employee on serving the Short Notice Period which is subject to Service Tax under declared service ' To tolerate an Act' u/s 66E (e.) of the Finance Act, 1994 should not be demanded under the provisions of Section 73 of Finance Act, 1994 along with interest under Section 75 and penalty under Section 78 of Finance Act, 1994.

GACAEL has filed a written response on August 19, 2019. Personal hearing held on January 23, 2020 and waiting for the final order. On similar issue, GHIAL has gone for appeal and got the favorable order. Hence Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

xvii. During the current year, GACAEL has received an order from Regional PF Commissioner – I, Regional Office II, Hyderabad, regarding the payment of contributions to International Worker under Employees Provident Funds and Miscellaneous Provisions Act, 1952 demanding an amount of Rs. 0.14. GACAEL has filed writ petition before the High Court of Telangana. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements."

xviii. GACAEL has received a SCN No. 31/2019-20 dated 23 July 2019 along with corrigendum to SCN dated 25 July 2019 from DGGI (Directorate General of GST Intelligence) on following points:

i. Non reversal of CENVAT Credit against sale of goods for Rs. 0.02.

ii. Proposing disallowance of Export of Services on the ground that 'Place of supply' for MRO Services of Aircraft going out of India after being put to use India can't be said to be outside India. Hence it does not qualify 'Export of Service' and hence subject to Service Tax for Rs. 2.08 along with applicable interest and penalty.

GACAEL has filed a writ petition on August 21, 2019 and received interim relief on August 22, 2019 staying the proceedings. Department has filed its reply and requested for stay vacation. The company is in the process of filing rejoinder. Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

xix. GHAL has preferred an appeal with CESTAT against the order passed by Commissioner of Customs, Central Excise & Service Tax vide Order No. Hyd Excus-002-COM-006-15-16 dated July 23, 2015 confirming the demand of Rs. 0.29 (March 31, 2019 Rs. 0.29) towards irregular availment of cenvat credit including a penalty of Rs. 1.14 (March 31,2019: Rs. 1.14). Further, based on the internal assessment the management is confident that no provision is required to be made as at March 31, 2020. During the period the Company has filed an application under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 towards settlement / closure of the litigation and obtained discharge certificate in Form no. SVLDRS 4.

xx. The GHAL has preferred an appeal with CESTAT against Order-in-Appeal 17/2017-18 dated February 28, 2018 passed by The Commissioner of Central Tax (Appeals) confirming the demand of Rs. 1.47 (March 31, 2019: Rs. 1.47) in the matter of short payment of service tax under RCM on purchase of designs and drawings under Architecture service. The company has filed an appeal with CESTAT against the order. Further, based on the internal assessment the management is confident that no further provision is required to be made as at March 31, 2020.

xxi. GHASL had received Show Cause Notice dated July 17, 2015 from the Office of the Assistant Commissioner of Customs, Central Excise and Service Tax wherein service tax refund of Rs. 0.0078 has been denied..

xxii. Recovery from PSF (SC) Escrow account:

a) The Ministry of Civil Aviation (MoCA) had issued orders dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) escrow account opened and maintained by the Airport Operator in a fiduciary capacity, towards procurement and maintenance of security systems/equipment and on creation of fixed assets, together with interest, since inception. GHIAL had incurred Rs.142.00 towards capital expenditure (including the cost of land, construction cost and related finance cost as mentioned in note b below), excluding related maintenance expense, other costs and interest thereon till March 31, 2018 which is unascertainable, out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

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

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

xxiii. Fuel surcharge adjustment (FSA) of GHIAL for the period from April 2008 to March 2010 amounting to Rs. 2.05 (March 31, 2018: Rs. 2.05).

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

Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (A) and (B) above, no further provision is required to be made as at March 31, 2020.

II. Guarantees excluding financial guarantee:

In case of GHIAL, Bank guarantees outstanding in respect of customs and others Rs. 48.95 (March 31, 2019: Rs. 48.95).

Note: The above guarantees also include performance guarantees given by the Group on its own behalf.

III. Commitments

a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) amounting to Rs. 2,642.68 (March 31, 2019: Rs. 3,334.25).

b) Other commitments

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

38. Significant accounting judgments, estimates and assumptions:

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

a. Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which has the effect on the amounts recognised in the Consolidated Financial Statements:

Non applicability of Service Concession Agreement (SCA) to GHIAL

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

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

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

Applicability of Service Concession Agreement (SCA) to GACAEL
GACAEL's management has assessed applicability of Appendix D of Ind AS 115 – "Service Concession Arrangements" to operations and maintenance agreements entered into by GACAEL for provisioning of cargo services at RGIA. In assessing the applicability, management has exercised significant judgement in relation to the underlying ownership of the assets, in terms of the arrangement entered with the grantor, ability to determine prices, fair value of construction service, assessment of right guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meets the criteria for recognition as service concession arrangement.

Concession Fee:
As per the Concession Agreement (CA) entered into by GHIAL with the Ministry of Civil Aviation (MoCA) in December, 2004, the Company is required to pay concession fee to MoCA @ 4% on its gross revenue. As per Article 3.3.2 of CA, "Gross Revenue" is defined to include all pre-tax revenue of GHIAL with certain specified exclusions.

Management is of the view that certain income / credits arising on adoption of Ind AS and also mark to market gain on valuation of derivative contracts and gain on reinstatement of 4.25% & 5.375% Senior Secured Notes (SSNs) was not in contemplation of parties in December 2004 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, are not treated as "Gross Revenue" for calculation of Concession fee payable to MoCA. Also, incomes generated on investment of part proceeds of SSNs earmarked for airport expansion project and adjusted from the value of capital work-in-progress amounting to Rs. 95.75 (March 31, 2019: Rs. 14.33) do not represent receipts from business operations and the same is also not considered for computation of concession fee to MoCA. Accordingly, GHIAL, based on Legal Opinion, has provided the concession fee to MoCA based on Gross Revenue as per their Standalone Financial Statements after adjusting such incomes/credits (Refer note 49).

b. **Estimates and assumptions**
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group 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 group. Such changes are reflected in the assumptions when they occur.

Discounting rate
The Group has considered incremental borrowing rate of Airport sector i.e. 11.44% as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost. However, for the transactions undertaken from April 1, 2019 incremental borrowing rate of Airport sector i.e. 10.73% has been considered.

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds 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. See Note 33 for further disclosures.

Contingent liabilities
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. See clause I of Note 37 for further disclosures.

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 judgment is required in establishing fair values. Judgments 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.

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

Impairment of Cash Generating Unit (CGU):
The Group reviews its carrying value of CGU, annually, or more frequently when there is an indication for impairment. For the purpose of impairment testing, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the assets for assessing the value in use. The recoverable amount of an asset is greater of its value-in-use and its fair value less costs to sell (also refer note 53).

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

(All amounts in Rupees Crores, except otherwise stated)

39. Fair values:

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

	Carrying value as at March 31,		Fair value as at March 31,	
	2020	2019	2020	2019
Financial assets				
At Fair Value through profit or loss				
Investments in mutual funds	310.74	112.41	310.74	112.41
At Fair Value through Other Comprehensive Income				
Cross currency swap*	702.08	239.23	702.08	239.23
Coupon only swap*	31.92	-	31.92	-
Call spread option*	131.00	-	131.00	-
At amortized cost				
Investments in commercial paper	930.36	362.69	930.36	362.69
Loans	234.50	77.35	234.50	77.35
Bank balances other than cash and cash equivalents	680.93	115.05	680.93	115.05
Other financial assets	147.63	32.90	147.63	32.90
Trade receivables	178.77	180.55	178.77	180.55
Cash and cash equivalents	270.98	395.08	270.98	395.08
Total	**3,618.91**	**1,515.26**	**3,618.91**	**1,515.26**

*includes interest accrued of Rs. 36.27 (March 31, 2019: Rs. 39.81), Rs. 2.83 (March 31, 2019: Rs. Nil) and Rs. 18.13 (March 31, 2019: Rs. Nil) for cross currency swap, coupon only swap and call spread option, respectively.

	Carrying value as at March 31,		Fair value as at March 31,	
	2020	2019	2020	2019
Financial liabilities				
At amortized cost				
Borrowings	5,705.73	3,214.47	4,636.61	3,046.18
Other financial liabilities	961.36	668.64	961.06	668.84
Lease liabilities	83.05	-	83.05	-
Trade payables	168.75	133.97	168.75	133.97
Total	**6,918.89**	**4,017.08**	**5,849.47**	**3,848.99**

The management assessed the cash and cash equivalent, trade receivables trade payables, other bank balances and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Hence, the fair value is considered to be the same as its carrying value.

Assumptions used in estimating the fair values:

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

i. Cross currency swap, coupon only swap and call option spread ("Derivatives"): The fair value of Derivatives is calculated as the present value of the estimated future cash flows based on observables yield curve.

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

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

(All amounts in Rupees Crores, except otherwise stated)

40. Fair Value Hierarchy:

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at:

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant un observable inputs
			Level-1	Level-2	Level-3
Assets measured at fair value					
At FVTPL					
Investment in mutual fund	March 31, 2020	310.74	310.74	-	-
	March 31, 2019	112.41	112.41	-	-
At FVTOCI					
Derivatives	March 31, 2020	865.00	-	865.00	-
	March 31, 2019	239.23	-	239.23	-

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

***Valuation Techniques used to determine the Fair Value:**

Specific valuation techniques used to value financial instruments include:

i. The use of quoted market price of Mutual funds.

ii. The Group enters into derivative financial instruments with various counterparties, principally financial institutions and banks. Derivatives are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates, yield curve of the respective currencies, interest rate curves and forward rate curves of the underlying instrument.

41. Financial risk management objectives and policies:

The Group's activities expose it to variety of finance risk, market risk, credit risk and liquidity risk. The Group's focus is to foresee such risks and seek to minimize potential adverse impact on its financial performance.

Financial risk

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

The Group`s management oversees the mitigation of the risks. The Group's management is supported by its strategic planning, treasury and Finance department that advises on market risk, financial risk and the appropriate financial risk governance framework for the Group. The Finance department provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The same is further reviewed and reassured to the management by the internal assurance team. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The management / board reviews and agrees policies for managing these risks.

(All amounts in Rupees Crores, except otherwise stated)

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 Demand risk. Financial instruments affected by market risk include loans and borrowings, Investments carried at FVTPL and deposits.

However, in case of GHIAL it may be noted that as part of one of principle source of revenue i.e. aeronautical charges which are regulated, the risks are mitigated to a larger extent in case of any movement as the same are allowed as true up through determination of aeronautical tariff for the next control period.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis 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 analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2020 and March 31, 2019 including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate primarily to the Group's long-term debt obligations with floating interest rates.

In GHIAL, long-term debt obligations are in the forms of Senior secured notes with interest rate of 4.25% p.a. and 5.375% p.a. on total amount of USD 350 million and USD 300 million, respectively. The 4.25% Senior Secured Note has been swapped for 8.65% p.a. (weighted average of all Cross Currency Swap (CCS) contracts) on INR notional of Rs. 2,229.95 (March 31, 2019 Rs. 2,229.95) (total of all CCS contracts) and the interest obligation on 5.375% Senior Secured Note has been swapped for 6.0542% p.a. (weighted average of all Coupon Only Swap (COS) contracts) on INR notional of Rs. 2,094.48 (March 31, 2019: Rs. Nil) (total of all COS contracts).

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to convert variable rate loan to fixed rate loan if the perceived uncertainty of such variable market rates is for a long term. As at March 31, 2020, approximately 97% (March 31, 2019: 97%) of the Group's borrowings are at fixed rate of interest after taking into account the effect of interest rate swaps.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period for actual outstanding balances as at year end:

Particulars	**March 31, 2020**	**March 31, 2019**
Floating Interest rate		
INR	112.02	100.19
Fixed Interest Rate		
Bonds/Debentures	5,193.23	2,695.43
INR	475.60	472.37

*The borrowings exposures are disclosed on the basis of actual transaction value.

(All amounts in Rupees Crores, except otherwise stated)

Interest rate sensitivity

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

	Movement in basis	Impact on profit before tax
March 31, 2020		
INR	50	0.56
March 31, 2019		
INR	50	0.50

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's borrowings and operating activities. To manage the risk, the Group has entered into cross currency swaps, call spread option and coupon only swap and designed same as cash flow hedge.

Cash flow hedges

i. Cross Currency Swaps (CCS) measured at fair value and designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 4.25% Senior Secure Notes (SSN) amounting to USD 350 million (i.e. INR 2,229.85) currently carried at INR 2,648.27 (March 31, 2019: 2,420.42). CCS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. It can be seen as exchange of payments of two currencies. GHIAL pays fixed interest on the INR notional as determined in the swap contract and receives fixed coupon on USD notional. GHIAL pays INR notional of the swap and receives the USD Notional of the CCS. Critical terms of the swap contract (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover the GHIAL from risk of movement in the foreign currency.

   The SSN have a fixed coupon rate of 4.25% p.a. on total amount of USD 350 million which has been swapped for 8.27%.p.a (weighted average of all cross currency swap and coupon rate) on INR notional of Rs. 2,229.85 (total of all cross currency swap and coupon rate).

ii. During the current year, GHIAL has issued 5.375% senior secured notes (2024 SSN) through overseas market equivalent to USD 300 million (i.e. Rs. 2,067.15), currently carried at Rs. 2,269.95. The 2024 SSN were listed on Singapore Stock Exchange on April 10, 2019. The 2024 SSN are repayable after 5 years on April 10, 2024. The proceeds from 2024 SSN is proposed to be utilized for capital expenditure with respect to Airport Activities (as defined in the Concession Agreement) as part of expansion.

   GHIAL has entered into Call Spread (CS) arrangement in order to hedge principal portion and Coupon Only Swap (COS) in order to protect interest component of 2024 SSN. CS and COS is measured at fair value and are designated as hedging instruments in cash flow hedges of the stream of USD cash out flows on interest coupon and principal repayment in relation to issue of 2024 SSN amounting to USD 300 million. COS involve interest rate payments on the two legs in different currencies and exchange of principal at maturity. GHIAL pays fixed interest on the INR notional as determined in the COS contract and receives fixed coupon on USD notional. Critical terms of the COS and CS contracts (tenor and USD/INR notional) match with the Hedged Item i.e. the stream of USD cash out flows, to effectively cover GHIAL from risk of movement in the foreign currency.

The SSN have a fixed coupon rate of 5.375% p.a. on total amount of USD 300 million which has been swapped for 10.27% p.a. (weighted average of all Call Spread and COS contracts) on INR notional of Rs. 2,094.48 (total of all Call Spread and COS contracts).

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

	March 31, 2020		March 31, 2019	
Foreign Currency	**Amount in foreign currency in absolute terms**	**Amount in Rs. crores**	**Amount in foreign currency in absolute terms**	**Amount in Rs. crores**
Payable				
EURO	446,445	3.70	206,204	1.60
GBP	55,724	0.44	79,843	0.72
USD	2,943,844	22.22	1,496,973	10.32
CHF	22,130	0.14	11,160	0.08
CAD	10,475	0.10	-	-
SGD	19,146	0.10	-	-
Receivable				
USD	7,233,615	54.56	6,129,205	42.40
CHF	27,799	0.22	10,695	0.07
EURO	7,840	0.06	1,745	0.01
Bank balances (including credit card collection)				
USD	1,149,082	8.67	432,032	2.99
Other advances				
USD	834,854	6.29	727,944	5.03
CHF	-	-	6,864	0.05
GBP	-	-	299	0.00
Payable for purchase of fixed assets				
USD	51,030	0.42	90,374	0.63
Cash in transit				
USD	-	-	26,295	0.18
Foreign currency on hand				
AED	19,526	0.04	10,246	0.02
AUD	3,206	0.01	451	0.00
CAD	280	0.00	350	0.00
CHF	107	0.00	7	0.00
EURO	1,943	0.02	588	0.00
GBP	685	0.01	565	0.01
HKD	28	0.00	1,848	0.00
JPY	42	0.00	42	0.00
KWD	84	0.02	776	0.02
MYR	165	0.00	630	0.00
NZD	608	0.00	28	0.00
OMR	135	0.00	188	0.00
QAR	2,700	0.01	5,455	0.01
SAR	17,493	0.04	11,431	0.02
OMR	135	0.00	-	-
SGD	135	0.00	1,010	0.01
THB	33,387	0.01	86,977	0.02
BAH	67	0.00	-	-

(All amounts in Rupees Crores, except otherwise stated)

LKR	4,650	0.00	-	-
USD	40,858	0.31	41,493	0.29
CNY	-	-	1,575	0.00

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

Foreign Currency	Nature of transaction	Change in Rate	March 31, 2020 Rs.	March 31, 2019 Rs.
USD	Change in fair valuation of financial liabilities and assets	5%	2.36	1.60

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

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

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

An impairment analysis is performed at each reporting date. The Group does not hold collateral as security. GHIAL evaluates the concentration of risk with respect to trade receivables as moderate, as its customers are broad-based, however, they operate largely in dependent market.

Financial instruments (security deposits) and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within prudent limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts of trade receivables and bank guarantees provided to subsidiary companies.

Liquidity risk
The Group monitors its risk of a shortage of funds using a rolling cash flow forecasts.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities and bank loans. The Group's policy is to ensure that the repayments of borrowings are in sync with the cash flows generated from the operations. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, if required.

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

(All amounts in Rupees Crores, except otherwise stated)

	Up to 1 year	1 to 5 years	> 5 years	Total
Year ended March 31, 2020				
Borrowings	61.62	3,170.85	2,781.12	6,013.59
Lease liabilities	9.41	23.55	727.57	760.53
Trade payables	168.74	-	-	168.74
Other financial liabilities	757.67	182.27	94.53	1034.47
Total	**997.44**	**3,376.67**	**3,603.22**	**7,977.33**
Year ended March 31, 2019				
Borrowings	91.31	238.29	3,185.59	3,515.19
Trade payables	133.96	-	-	133.96
Other financial liabilities	466.80	165.79	131.38	763.97
Total	**692.07**	**404.08**	**3,316.97**	**4413.12**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

42. Capital management

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is debt (excluding lease liabilities) divided by total capital plus debt. The Group's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

Gearing Ratio:

	March 31, 2020	March 31, 2019
Borrowings	5,713.32	3,221.50
Borrowings (A)	**5,713.32**	**3221.50**
Equity	378.00	378.00
Other equity	1,486.35	807.15
Total capital (B)	**1,864.35**	**1,185.15**
Capital and borrowings (C=A+B)	**7,577.67**	**4,406.65**
Gearing ratio (A/C)	**75.40%**	**73.11%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

43. The Holding Company has recognized, Minimum Alternate Tax (MAT) credit entitlement (i.e. deferred tax asset) of Rs. 457.11 (March 31, 2019: Rs. 405.41) as at March 31, 2020. The Holding Company based on the future taxable income expects to adjust this amount after expiry of the tax holiday period. The ultimate realisation of MAT assets is dependent upon the generation of future taxable income projected by considering the anticipated tariff orders for the control period commencing from April 1, 2021, estimated revenues and expenses of the business, scheduled reversals of deferred tax liabilities and tax planning strategy. As the recoverability of deferred tax assets is based on estimates of future taxable income, any changes in such future taxable income could impact its recoverability. However, management, based on sensitivities performed, believes that any reasonable possible change in the key assumptions would not effect the Company's ability to recover the MAT Credit asset within the specified period as per the provisions of Income Tax Act, 1961.

44. GHASL continues to recognize, Minimum alternate tax (MAT) credit entitlement of Rs. 0.30 (March 31, 2019 Rs. 0.30), Management is confident that GHASL's normal tax liability will be more than the MAT payable as per the Income Tax, Act, 1961.

45. Minimum Alternative Tax (MAT) Credit Entitlement claimed by GACAEL in the income tax returns aggregating Rs. 37.01 has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

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

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

During the year, GHIAL has withdrawn the aforesaid writ petition vide Order dated February 25, 2020 from the Hon'ble High Court. Accordingly, AERA has determined the Aeronautical tariff in respect of second control period vide its Order no: 34/2019-20/HIAL dated March 27, 2020 and the same is valid for the balance unexpired control period of one year effective from April 01, 2020 onwards.

47. During the year, in order to align the classification of major revenue streams as per the Aeronautical Tariff Order dated March 27, 2020, the Group has reclassified the following revenue streams as aeronautical revenue which hitherto were classified as non-aeronautical revenue:

Revenue stream	For the year ended March 31, 2020	For the year ended March 31, 2019
Fuel farm	139.29	144.27
Ground Handling	34.43	12.10
Cargo	91.21	89.76
Rentals (including CAM) from Cargo and Ground Handling	26.48	21.56
Ground Power Unit	1.72	1.16

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

49. As detailed in note 38, to the Consolidated Financial Statements, certain incomes/credits are not considered by GHIAL for computation of concession fee payable to MoCA basis a legal opinion obtained. Accordingly, the following sources of income have not been considered for accrual of the concession fee:

Description	Incomes forming part of	For the year ended March 31, 2020	For the year ended March 31, 2019
Discounting on fair valuation of deposit received from concessionaries	Income from operations	6.48	4.53
Income recognised on advance from customers under Ind AS 115	Income from operations	1.10	1.10
Income recognised under Ind AS 116	Income from Services	2.09	-
Discounting of Interest free loan given to subsidiaries*	Finance income	-	3.22
Income arising from fair valuation of financial guarantee	Finance income	0.82	2.55
Discounting on fair valuation of deposit paid to vendors	Finance Income	0.23	0.31
Income from government grant	Other income	5.28	5.26
Amortisation of deferred income	Other income	0.52	14.08

*These transactions got eliminated in the Consolidated Financial Statements of the Group.

50. Pursuant to notification G.S.R.574(E) dated August 16, 2019 issued by the Ministry of Corporate Affairs, GACAEL being a listed entity is not required to create Debenture Redemption Reserve.

51. In case of GACAEL, the Bureau of Civil Aviation (BCAS), through its order dated April 28, 2010, decided that there shall be a Sterile Cargo Holding Area at the Airports. The access to cargo processing area will be regulated by airport entry permits issued by BCAS. Accordingly, Central Investigative Security Force (CISF) personnel were deployed as per the instructions of BCAS and the security charges includes accrual of security cost of CISF personnel amounting to Rs. 0.36 crore (March 31, 2019: Rs. 1.49 crore). With effect from July 1, 2019 vide AIC No. 15/2019 dated June 19, 2019, the collection of Passenger Service Fee (Security Component) is replaced with Aviation Security Fee (ASF). ASF will be collected and remitted by airlines to the National Aviation Security Fee Trust (NASFT). All expenses relating to CISF will be met through NASFT directly. Accordingly, the Group has discontinued recognition of salary provision of CISF personnel deputed at cargo terminal from July 1, 2019. The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

52. The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the international and domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the Consolidated Financial Statements.

53. GMR Air Cargo and Aerospace Engineering Limited

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

b) The Management has assessed impairment of the carrying value of the MRO division at Cash Generating Unit ("MRO CGU") level, which has past accumulated losses as at March 31, 2020. The Management has undertaken several initiatives to improve its income from operations and establish profitable operations, which resulted in operating profits during the last 2 years.

Pursuant to the agreement entered by the GMR Group dated February 20, 2020, the GMR Group has executed a definitive agreement with Aeroports De Paris ("ADP") for acquisition of 49% stake by ADP in GMR Airports Limited (the holding company of GMR Hyderabad International Airport Limited, which is the holding company of the GACAEL) ("GAL") on fully diluted basis. In accordance with which the consideration has been received by the GMR Group.

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

The Management has also assessed impairment of the carrying value of the MRO CGU consequent to the outbreak of the COVID19 pandemic. The Management has reviewed its business plans and the projections considering the COVID19 impact, and such future business plan, projections were approved by the Board of Directors of GACAEL. In view of the recent deal with ADP, key assumptions used by the management in impairment testing is cost of equity @ 16.5%.

The Management has also performed sensitivity analysis considering different scenarios to build in the uncertainties attached. Based on such valuation assessment done by the Management and approved by the Board of Directors, and other management initiatives as mentioned above, the Management is of the view that there is no impairment required in the carrying value of MRO CGU, including Goodwill of Rs.36.27 allocated to the MRO division as at March 31, 2020 in these Consolidated Financial Statements.

(All amounts in Rupees Crores, except otherwise stated)

54. Reimbursement of expenses claimed by GHIAL have been reduced from the respective expense head as mentioned in the table below:

Expense head	For the year ended March 31, 2020	For the year ended March 31, 2019
Electricity and water charges	27.68	23.41
Salaries, wages and bonus	2.64	0.34
Staff welfare expenses	3.10	0.65
Insurance	0.03	-
Rates and taxes	0.04	-
Rent	0.48	-
Miscellaneous expenses	0.38	0.92
Travelling and conveyance	1.30	0.26
Repairs and maintenance	3.45	0.66
Office Maintenance	0.19	0.74

55. The disclosure on nature of revenue from contracts as required under Ind AS 115 is part of note 22. Further, the additional disclosure on trade receivable and contract assets, contract liabilities are as below:

Contract balances

Particulars	March 31, 2020		March 31, 2019	
	Non-Current	Current	Non-Current	Current
Trade receivables	-	178.77	-	180.55
Contract assets**	-	18.85	-	10.48
Contract liabilities***	41.92	17.91	41.31	7.24

** Contract asset includes unbilled revenue.
*** Contract liabilities includes unearned revenue received from customers (Current and Non-current)

Details of provision movement for trade receivable are as below:

Particulars	March 31, 2020	March 31, 2019
Opening balance	1.38	0.77
Add: Provision made during the year	1.27	1.05
Less: Bad Debts written off	(1.62)	(0.44)
Closing balance	**1.03**	**1.38**

56. Based on the ongoing discussions with Yes Bank Limited ("YBL") regarding the sanctioned undrawn facility of Rs. 4,200, GHIAL and YBL has mutually agreed to terminate the undrawn facility subject to refund of upfront fee of Rs. 63.00 paid to YBL. In the accompanying consolidated financial statements, the upfront fee of Rs. 63.00, is considered as recoverable pursuant to the in-principle approval for refund received from YBL vide letter dated June 09, 2020 and the legal opinion obtained from an independent lawyer regarding the Company's right to receive the amount. Further, the syndication fee of Rs. 31.50 paid in relation the aforementioned facility is fully charged-off to the statement of profit and loss.

57. During the year ended March 31, 2020, the Group relying on the judgement passed by the Hon'ble Orissa High Court in the case of Safari Retreats Private Limited vs Chief Commissioner of Central Goods and Service tax, has recognized input tax credit on civil and related work aggregating to Rs. 256.68 (including Rs.92.80 pertaining to earlier year).

(All amounts in Rupees Crores, except otherwise stated)

58. Disclosure as per the Schedule III of the Companies Act, 2013:

A) Net Assets, i.e. total assets minus total liabilities as at:

	Name of the Entity	March 31, 2020		March 31, 2019	
		As % of consolidated net assets	Amount	As % of consolidated net assets	As % of consolidated net assets
1	GHIAL	91.04%	2,321.14	83.68%	1,665.83
2	GACAEL	(0.14%)	(3.56)	5.30%	105.54
3	HASSL	-	-	0.66%	13.22
4	GHAL	3.04%	77.45	2.36%	46.94
5	GHASL	1.86%	47.33	2.60%	51.69
6	APFTAL	-	-	-	-
7	GAEL including GATL	0.02%	0.43	4.66%	88.84
8	GHAPDL	-	-	0.00%	0.02
9	GLPPL	2.29%	58.44	0.00%	(0.05)
10	GHRL	1.14%	29.08	1.06 %	21.10
	Jointly controlled entities (as per Equity method)				
1	Laqshya	0.76%	19.25	(0.03)%	(0.64)
		100%	**2,549.56**	**100%**	**1,992.49**
	Less: Consolidated adjustments/elimination*		**(685.21)**		**(807.34)**
	Grand Total		**1864.35**		**1,185.15**

*Consolidated adjustments/eliminations include intercompany eliminations and consolidated adjustments.

B) Share of profit and loss for the financial year:

	Name of the entity	For the year ended March 31, 2020		For the year ended March 31, 2019	
		As % of consolidated profit or loss	As % of consolidated profit or loss	As % of consolidated profit or loss	Amount
1	GHIAL	97.32%	768.88	98.53%	749.05
2	GACAEL	2.03%	16.00	1.13%	8.58
3	HASSL	-	-	0.00%	0.01
4	APFTAL	-	-	0.28%	2.12
5	GHAL	(0.31)%	(2.48)	(0.51)%	(3.89)
6	GHASL	(0.55)%	(4.36)	(0.49)%	(3.74)
7	GACAEL (Formerly GAEL) including GATL	0.01%	0.06	(0.78)%	(5.94)
8	GHAPDL	-	-	0.00%	0.00
9	GLPPL	(0.07)%	(0.55)	(0.01)%	(0.06)
10	GHRL	1.01%	7.98	0.52%	4.83
	Jointly controlled entities (as per Equity method)				
1	Laqshya	0.57%	4.52	0.49%	3.72
	Non-controlling interest in subsidiary				
1	GACAEL	-	-	0.84%	6.39
	Sub total		**790.05**		**760.20**
	Less: Consolidated adjustments/elimination*		2.74		(20.26)
	Grand Total		**792.79**		**739.94**

59. Interest in Joint Venture

The Group has a 49% interest in Laqshya Hyderabad Airport Media Private Limited (LHAMPL), a joint venture engaged in offering Out of Home (OOH) / Outdoor Media Services for display of advertisement at the airport. The Group's interest in LHAMPL is accounted for using the equity method in the Consolidated Financial Statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in Consolidated Financial Statements are set out below:

Summarised Balance Sheet:

	March 31, 2020	March 31, 2019
Current assets, including cash and cash equivalents Rs. 0.15 crore (March 2019: Rs.0.05 crore)	32.18	27.47
Non-current assets	19.17	21.40
Current liabilities	(3.20)	(4.86)
Non-current liabilities including borrowing Rs. 0.01 crore (March 2019: Rs.4.17 crore)	(1.77)	(6.85)
Equity	**46.36**	**37.16**
Less: Equity component of borrowings availed at below market rate	(18.48)	(18.45)
Adjusted equity	**27.88**	**18.71**
Proportion of the Group's ownership	49%	49%
Group's share in adjusted equity	**13.66**	**9.16**
Add: GHIAL's share of equity components of borrowings	5.59	5.59
Carrying amount of the investment	**19.25**	**14.75**

Summarized Statement of Profit and Loss account:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	62.39	58.14
Other income	0.27	0.14
Total Income	**62.66**	**58.28**
Employee benefit expenses	4.29	3.40
Depreciation	1.88	1.84
Finance cost	1.32	2.41
Other expenses	39.09	40.13
Total expenses	**50.42**	**47.78**
Profit before tax	**12.24**	**10.50**
Tax expenses	3.05	2.84
Profit after tax	**9.19**	**7.66**
Other comprehensive income	0.03	(0.05)
Total comprehensive income	**9.22**	**7.61**
Group's share of profit for the year	4.52	3.73

Group's share of contingent liabilities of the jointly controlled entity is Rs. 0.09 (March 2019: Rs. 0.40).

(All amounts in Rupees Crores, except otherwise stated)

60. Utilisation of money raised through issue of Senior Secured Notes (SSN):

During current year, Company raised USD 300 million (INR 2,067.15) through issue of 5.375% Senior Secured Notes (SSN) from overseas market for capital expenditures with respect to Airport activities as part of the expansion.

The coupon rate is fixed through the tenor and payable semi-annually. The Notes are repayable after 5 years i.e. April 10, 2024.

	For the year ended March 31, 2020	For the year ended March 31, 2019*
Unutilised amount at the beginning of the year	-	407.33
Amount raised during the year	2,067.15	-
Less: Utilized for capital project works	(1,413.67)	(422.37)
Add: Income on temporary cash investment	95.75	15.04
Unutilised amount at the end of the year	**749.23**	**-**

* Represents the unutilized amount out of USD 350 million raised through 4.25% of Senior Secured Notes (SSN) raised during FY 2017-18 and utilized in FY 2018-19 for capital expenditure of Airport activities.

Details of temporary cash investment made from unutilized portion of Senior Secured Notes raised during the year ended as at March 31, 2020:

	March 31, 2020	March 31, 2019
Funds parked in:		
- Current accounts	43.02	-
- Fixed deposits*	706.21	-
Total	**749.23**	**-**

* including accrued interest of Rs. 11.21 (March 31, 2019: Nil)

61. Events after reporting date:

GHAL has entered into a joint venture arrangement with ESR Hyderabad 1 Pte. Limited (ESR), a subsidiary of the Hong Kong headquartered ESR Cayman Limited, to develop 66-acre logistics and industrial park at the Hyderabad Airport in the SPV viz., GMR Logistics Park Private Limited ('GLPPL'). ESR and GHAL for the said transaction have entered into definitive agreements with an equity interest of 70% and 30% respectively in GLPPL.

However, legal compliance for the above mentioned transaction, and share transfer to ESR has taken place in April 2020. The same has been classified as held for sale.

Details of assets and liabilities are as under:

Particulars	Amount
Cash and cash equivalent*	58.44
Other current assets	0.01
Assets classified as held for sale	**58.45**
Other financial liabilities*	41.33
Trade payables	0.01
Other current liabilities	0.01
Liabilities directly associated with assets classified as held for sale	**41.35**

*Other financial liabilities represent share application money pending allotment of Rs. 41.33 (after elimination) received from ESR and cash and cash equivalent of Rs. 58.44 represent the total share application money received.

62. Corresponding previous year figures have been reclassified / regrouped wherever necessary.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration
Number: 001076N/N500013

Sd/-
Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: July 22, 2020

For K S Rao & Co.,
Chartered Accountants
ICAI Firm Registration
Number: 003109S

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

Place: Bengaluru
Date: July 22, 2020

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

Sd/-
GBS Raju
Managing Director
DIN.: 00061686

Sd/-
H.J Dora
Director
DIN.: 02385290

Sd/-
Pradeep Panicker
Chief Executive Officer

Sd/-
Anand Kumar P
Chief Financial Officer

Sd/-
Anup Kumar Samal
Company Secretary

Place: Hyderabad
Date: July 22, 2020

Form No. AOC - 1

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

Rs. In Crore

S.No	1	2	3	4	5	6
Name of the subsidiary	GMR Air Cargo and Aerospace Engineering Limited (GACAEL)#	GMR Hyderabad Aerotropolis Limited	GMR Hyderabad Aviation SEZ Limited	GMR Aero Technic Limited	GMR Logistics Park Private Limited $	GMR Hospitality and Retail Limited (Formerly GMR Hotels and Resorts Limited)
The date since when subsidiary was acquired	12-Dec-2014	18-Jul-2007	4-Dec-2007	12-Dec-2014	20-Dec-2018	8-Sep-2008
Reporting period	April 01, 2019 - March 31, 2020	April 01, 2019 - March 31, 2020	April 01, 2019 - March 31, 2020	April 01, 2019 - March 31, 2020	April 01, 2019 - March 31, 2020	April 01, 2019 - March 31, 2020
Reporting currency	INR	INR	INR	INR	INR	INR
Share Capital	473.83	90.50	51.60	0.10	0.75	156.00
Reserves and Surplus	(477.39)	(13.05)	(4.27)	0.33	(0.61)	(126.92)
Total Assets	432.91	242.21	197.27	0.71	58.45	269.46
Total Liabilities	436.47	164.76	149.94	0.28	58.31	240.38
Investments*	63.78	2.55	4.41	-	-	10.71
Turnover	298.23	17.95	17.51	0.98	-	248.73
Profit before taxation	16.83	(2.69)	(2.94)	0.07	(0.55)	8.16
Provision for taxation	0.46	(0.20)	1.43	0.02	-	0.05
Profit after taxation	16.37	(2.48)	(4.36)	0.06	(0.55)	8.11
Proposed dividend	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%

Notes:

1.The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the Company and the subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any member in the registered office and that of the subsidiary companies concerned.

*2.Investments except investment in Subsidiaries, joint ventures and associates.

3 The Hon'ble National Company Law Tribunal, Hyderabad Bench vide its Order dated July 26, 2019 has approved the composite scheme of arrangement [amongst M/s GMR Hyderabad Air Cargo And Logistics Private Limited ("GHACLPL" or "Transferor Company"), GMR Aero Technic Limited ("GATL" or "Demerged Company"), GMR Aerospace Engineering Limited ("GAEL" or "Transferee / Resulting Company") and their respective Shareholders and Creditors] whereby GHACLPL has merged with GAEL and Maintenance, Repair and Overhauling ("MRO") business of GATL have been demerged and merged with GAEL from August 23, 2019 (being the "effective date" but with effect from April 01, 2018 as "Appointed Date"). Further, the name of GMR Aerospace Engineering Limited has been changed to GMR Air Cargo and Aerospace engineering Limited ("GACAEL") w.e.f. September 25, 2019.

$ 4.On December 20, 2018, GHAL has incorporated a wholly owned subsidiary GMR Logistics Park Private Limited. Subsequent to the year end, pursuant to the Subscription Agreement and Shareholders' Agreement dated January 08, 2020 executed by and amongst GMR Logistics Park Private Limited (GLPPL), GMR Hyderabad Aerotropolis Limited (GHAL) and ESR Hyderabad 1 Pte. Limited, Singapore (ESR), GLPPL allotted 4,13,35,182 equity shares of Rs. 10 each at par to ESR and 16,965,078 equity shares of Rs. 10 each at par to GHAL on private placement basis by passing a circular resolution dated April 16, 2020. Consequently, the percentage shareholding of ESR and GHAL in GLPPL stands at 70 and 30 respectively, as a result of which, GLPPL has ceased to be a wholly owned subsidiary of GHAL with effect from April 16, 2020.

Part B-Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Rs. In Crore

Name of Associates or Joint Ventures	Laqshya Hyderabad Airport Media Private Limited (LHAMPL)
1. Latest audited Balance Sheet Date	31-Mar-2020
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate or Joint Ventures held by the company on the year end	
No.	9,800,000
Amount of Investment in Associates or Joint Venture	9.80
Extent of Holding (in percentage)	49.00%
4. Description of how there is significant influence	NA
5. Reason why the associate/joint venture is not consolidated	Refer note 1 below
6. Networth attributable to shareholding as per latest audited Balance Sheet	19.25
7. Profit or Loss for the year	-
i. Considered in Consolidation	4.50
ii. Not Considered in Consolidation	-

Note 1 :
On transition to Ind AS, GHIAL has assessed and determined that LHAMPL as its JV under Ind AS 111 Joint Arrangements. Therefore, this need to be accounted for using the equity method as against proportionate consolidation.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the entity's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Further, in case entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the entity's net investment in the joint venture), the entity discontinues recognising its share of further losses. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

	Sd/-	Sd/-
Place : Hyderabad	**G B S Raju**	**H.J Dora**
Date : July 22, 2020	Managing Director	Director
	DIN: 00061686	DIN 02385290

END