

**GMR AIRPORTS INFRASTRUCTURE
LIMITED**

**STANDALONE UNAUDITED CONDENSED
FINANCIAL STATEMENTS**

**FOR THE NINE MONTH PERIOD ENDED
31 DECEMBER 2022**

Walker Chandio & Co LLP

L 41, Connaught Circus,
Outer Circle,
New Delhi – 110 001
India

T +91 11 45002219

F +91 11 42787071

Independent Auditor's Review Report on Standalone Unaudited Condensed Interim Financial Statements of the GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited) for the nine-month period ended 31 December 2022

To the Board of Directors of GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)

Introduction

1. We have reviewed the accompanying Standalone Unaudited Condensed Interim Financial Statements of GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited and herein referred to as 'the Company'), which comprise the Standalone Unaudited Condensed Interim Balance Sheet as at 31 December 2022, the Standalone Unaudited Condensed Interim Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Unaudited Condensed Interim Cash Flow Statement and the Standalone Unaudited Condensed Interim Statement of Changes in Equity for the nine-month period then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as the "Standalone Unaudited Condensed Interim Financial Statements"). The management is responsible for the preparation and presentation of these Standalone Unaudited Condensed Interim Financial Statements in accordance with the requirements of Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') prescribed under section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India. These Standalone Unaudited Condensed Interim Financial Statements have been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on these Standalone Unaudited Condensed Interim Financial Statements based on our review.

Scope of Review

2. We conducted our review of the Standalone Unaudited Condensed Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Standalone Unaudited Condensed Interim Financial Statements are not prepared, in all material aspects, in accordance with the requirements of Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India.

Walker Chandio & Co LLP

Emphasis of Matters

4. We draw attention to note 16 of the accompanying Standalone Unaudited Condensed Interim Financial Statements which describes the uncertainties relating to the future outcome of the ongoing litigations and claims pertaining to Delhi International Airport Limited and GMR Hyderabad International Airport Limited and their impact on the carrying value of investments in GMR Airports Limited. Our conclusion is not modified in respect of this matter.

Other Matters

5. The Company had prepared another set of standalone financial information for the quarter and nine-month period ended 31 December 2022 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended on which we issued review report dated 14 February 2023 on which we expressed unmodified conclusion. Our conclusion is not modified in respect of this matter.

Restriction on distribution or use

6. The Standalone Unaudited Condensed Interim Financial Statements have been prepared by the Company's Management solely to assist the management of the Company in the preparation of its Consolidated Unaudited Condensed Interim Financial Statements for the nine-month period ended 31 December 2022 to be used for the limited purpose of fund raising by the Company and proposed capital restructuring in GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited) (GIL) and therefore, it may not be suitable for other purpose. This review report is issued solely for the aforementioned purpose, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj
Sharma

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Sharma
Date: 2023.03.17
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Neeraj Sharma

Partner

Membership No.: 502103

UDIN: 23502103BGWYJH6301

Place: New Delhi

Date: 17 March 2023

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)
Corporate Identity Number (CIN): L45203MH1996PLC281138
Standalone Unaudited Condensed Interim Balance Sheet as at 31 December 2022

			(Rs. in crore)
Particulars	Notes	31 December 2022 (Unaudited)	31 March 2022 (Audited)
Assets			
Non current assets			
Property, plant and equipment	3	0.88	0.95
Intangible assets	4	-	0.02
Financial assets			
Investments		11,602.79	12,613.61
Loans		302.57	99.43
Other financial assets		-	5.00
Non-current tax assets (net)		11.44	59.34
Other non current assets		1.24	1.25
Total non current assets		11,918.92	12,779.60
Current assets			
Financial assets			
Investments		15.79	-
Trade receivables		35.33	25.18
Cash and cash equivalents		26.43	15.37
Bank balances other than cash and cash equivalents		5.01	-
Loans		0.77	111.15
Other financial assets		105.26	115.51
Other current assets		17.29	36.80
Total current assets		205.88	304.01
Total assets		12,124.80	13,083.61
Equity and liabilities			
Equity			
Equity share capital		603.59	603.59
Other equity		9,124.25	9,788.24
		9,727.84	10,391.83
Liabilities			
Non current liabilities			
Financial liabilities			
Long term borrowings	5	461.43	619.87
Other financial liabilities		85.32	255.75
Provisions		0.71	0.77
Deferred tax liabilities (net)		1,324.54	1,503.51
Total non current liabilities		1,872.00	2,379.90
Current liabilities			
Financial liabilities			
Short term borrowings	5	186.04	140.00
Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6.37	18.40
Other financial liabilities		305.78	127.89
Other current liabilities		26.74	25.56
Provisions		0.03	0.03
Total current liabilities		524.96	311.88
Total equity and liabilities		12,124.80	13,083.61

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the Standalone Unaudited Condensed Interim Financial Statements.

This is the standalone unaudited condensed interim balance sheet referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Sharma
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Date: 2023.03.17
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Neeraj Sharma

Partner

Membership number: 502103

Place: New Delhi

Date: 17 March 2023

For and on behalf of the Board of Directors

MALLIKARJUNA RAO
UNA RAO
GRANDHI

G. M. Rao

Chairman

DIN: 00574243

Place: Coimbatore

SAURABH

CHAWLA

Saurabh Chawla

Chief Financial Officer

Place: New Delhi

Date: 17 March 2023

KIRAN KUMAR
GRANDHI

Grandhi Kiran Kumar

Managing Director and Chief Executive Officer

DIN: 00061669

Place: Coimbatore

VENKAT RAMANA

TANGIRALA

Venkat Ramana Tangirala

Company Secretary

Membership Number: A13979

Place: New Delhi

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)

Corporate Identity Number (CIN): L45203MH1996PLC281138

Standalone Unaudited Condensed Interim Statement of Profit and Loss for the nine month period ended 31 December 2022

(Rs. in crore)

Particulars	Notes	For the nine month period ended 31 December 2022 (Unaudited)	For the nine month period ended 31 December 2021 (Unaudited)
Income			
Revenue from operations	6	73.77	10.89
Other income	7	13.51	0.11
Total income		87.28	11.00
Expenses			
Purchases of traded goods		0.66	-
Employee benefits expense		23.22	0.99
Finance costs		70.66	51.07
Depreciation and amortisation expense		0.28	0.67
Other expenses		38.81	18.91
Total expense		133.63	71.64
Loss before tax from continuing operations		(46.35)	(60.64)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
Loss for the period from continuing operations		(46.35)	(60.64)
Discontinued operations			
Loss before tax from discontinued operations		-	(150.47)
Tax credit of discontinued operations		-	-
Loss from discontinued operations after tax		-	(150.47)
Loss for the period		(46.35)	(211.11)
Other comprehensive (loss)/ income			
In respect of continuing operations			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans		0.64	-
Changes in fair value of equity investments at fair value through other comprehensive income (FVTOCI)		(782.22)	(145.16)
Income tax effect of these items		178.97	33.82
In respect of discontinued operations			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		-	(0.45)
Changes in fair value of equity investments at fair value through other comprehensive income (FVTOCI)		-	1,389.98
Income tax effect of these items		-	(829.85)
Total other comprehensive (loss)/ income for the period, net of tax		(602.61)	448.34
Total comprehensive loss attributable to continuing operations		(648.96)	(171.98)
Total comprehensive income attributable to discontinued operations		-	409.21
Total comprehensive (loss)/ income for the period		(648.96)	237.23
Earnings per equity share	8		
Basic and diluted from continuing operations		(0.08)	(0.10)
Basic and diluted from discontinued operations		-	(0.25)
Basic and diluted from continuing and discontinued operations		(0.08)	(0.35)

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the Standalone Unaudited Condensed Interim Financial Statements.

This is the standalone unaudited condensed interim statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Sharma
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Neeraj Sharma
Date: 2023.03.17
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Neeraj Sharma

Partner

Membership number: 502103

For and on behalf of the Board of Directors

MALLIKARJUNA RAO GRANDHI
Digitally signed by MALLIKARJUNA RAO GRANDHI
DN: cn=MALLIKARJUNA RAO GRANDHI, o=GMR AIRPORTS INFRASTRUCTURE LIMITED, ou=, email=MALLIKARJUNA.RAO@GMRINFRASTRUCTURE.COM, c=IN

G. M. Rao
Chairman
DIN: 00574243
Place: Coimbatore

SAURABH CHAWLA
Digitally signed by SAURABH CHAWLA
DN: cn=SAURABH CHAWLA, o=GMR AIRPORTS INFRASTRUCTURE LIMITED, ou=, email=SAURABH.CHAWLA@GMRINFRASTRUCTURE.COM, c=IN

Saurabh Chawla
Chief Financial Officer

Place: New Delhi
Date: 17 March 2023

KIRAN KUMAR GRANDHI
Digitally signed by KIRAN KUMAR GRANDHI
DN: cn=KIRAN KUMAR GRANDHI, o=GMR AIRPORTS INFRASTRUCTURE LIMITED, ou=, email=KIRAN.KUMAR@GMRINFRASTRUCTURE.COM, c=IN

Grandhi Kiran Kumar
Managing Director and Chief Executive Officer
DIN: 00061669
Place: Coimbatore

VENKAT RAMANA TANGIRALA
Digitally signed by VENKAT RAMANA TANGIRALA
DN: cn=VENKAT RAMANA TANGIRALA, o=GMR AIRPORTS INFRASTRUCTURE LIMITED, ou=, email=VENKAT.RAMANA@GMRINFRASTRUCTURE.COM, c=IN

Venkat Ramana Tangirala
Company Secretary
Membership Number: A13979
Place: New Delhi

Place: New Delhi
Date: 17 March 2023

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)
Corporate Identity Number (CIN): L45203MH1996PLC281138
Standalone Unaudited Condensed Interim Statement of Change in Equity for the nine month period ended 31 December 2022

a. Equity share capital:							(Rs. in crore)	
Particulars	Balance as at 01 April 2022	Changes due to prior period errors	Restated balance as at 01 April 2022	Changes during the period	Balance as at 31 December 2022			
Equity shares of Re. 1 each issued, subscribed and fully paid	603.59	-	603.59	-	603.59			603.59
Particulars	Balance as at 01 April 2021	Changes due to prior period errors	Restated balance as at 01 April 2021	Changes during the period	Balance as at 31 December 2021			
Equity shares of Re. 1 each issued, subscribed and fully paid	603.59	-	603.59	-	603.59			603.59
b. Other equity							(Rs. in crore)	
Particulars	Equity component of Related Party Loans	Fair Valuation Through Other Comprehensive Income ('FVTOCI') reserve	Reserves and surplus				Total other equity	
			General reserve	Securities premium	Capital reserve	Retained earnings	Foreign currency monetary translation reserve ('FCMTR')	
For the nine month period ended 31 December 2022								
Balance as at 01 April 2022	-	6,037.65	174.56	-	141.75	3,454.49	(20.21)	9,788.24
Changes due to prior period errors	-	-	-	-	-	-	-	-
Restated balance as at 01 April 2022	-	6,037.65	174.56	-	141.75	3,454.49	(20.21)	9,788.24
Loss for the period		(603.25)				(46.35)		(46.35)
Other comprehensive (loss)/ income						0.64		(602.61)
Total comprehensive income	-	(603.25)	-	-	-	(45.71)	-	(648.96)
Exchange difference on foreign currency convertible bond ('FCCB') recognised during the period	-	-	-	-	-	-	(17.33)	(17.33)
FCMTR amortisation during the period	-	-	-	-	-	-	2.30	2.30
Balance as at 31 December 2022	-	5,434.40	174.56	-	141.75	3,408.78	(35.24)	9,124.25
For the nine month period ended 31 December 2021								
Balance as at 01 April 2021	1.24	(3,143.07)	174.56	10,010.98	141.75	2,122.60	(173.82)	9,134.24
Changes due to prior period errors	-	-	-	-	-	-	-	-
Restated balance as at 01 April 2021	1.24	(3,143.07)	174.56	10,010.98	141.75	2,122.60	(173.82)	9,134.24
Loss for the period		448.79				(211.11)		(211.11)
Other comprehensive income/ (loss)						(0.45)		448.34
Total comprehensive income/ (loss)	-	448.79	-	-	-	(211.56)	-	237.23
Exchange difference on foreign currency convertible bond ('FCCB') recognised during the period	-	-	-	-	-	-	(66.89)	(66.89)
FCMTR amortisation during the period	-	-	-	-	-	-	6.16	6.16
Transfer from fair valuation through other comprehensive income 'FVTOCI' reserve	-	(1,351.40)	-	-	-	1,351.40	-	-
Transfer on account of composite scheme of arrangement	(1.24)	8,800.21	-	(10,010.98)	-	(32.68)	187.38	(1,057.31)
Balance as at 31 December 2021	-	4,754.53	174.56	-	141.75	3,229.76	(47.17)	8,253.43

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the Standalone Unaudited Condensed Interim Financial Statements.

This is the standalone unaudited condensed interim statement of change in equity referred to in our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Date: 2023.03.17
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Neeraj Sharma

Partner

Membership number: 502103

For and on behalf of the Board of Directors

MALLIKARJUNA RAO
UNA RAO
GRANDHI
G. M. Rao
Chairman
DIN: 00574243
Place: Coimbatore

KIRAN KUMAR
GRANDHI
Grandhi Kiran Kumar
Managing Director and Chief Executive Officer
DIN: 00061669
Place: Coimbatore

SAURABH CHAWLA
Saurabh Chawla
Chief Financial Officer
Place: New Delhi
Date: 17 March 2023

VENKAT RAMANA TANGIRALA
Venkat Ramana Tangirala
Company Secretary
Membership Number: A13979
Place: New Delhi

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)

Corporate Identity Number (CIN): L45203MH1996PLC281138

Standalone Unaudited Condensed Interim Statement of Cash Flows for the nine month period ended 31 December 2022

	(Rs. in crore)	
Particulars	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
Cash flow from operating activities		
Loss before tax from continuing operations	(46.35)	(60.64)
Loss before tax from discontinued operations	-	(150.47)
	(46.35)	(211.11)
Adjustments for:		
Depreciation and amortisation expenses	0.28	14.70
Exceptional items	-	57.74
Net foreign exchange differences (unrealised)	2.30	1.94
Gain on disposal of assets (net)	(0.21)	(0.08)
Reversal for upfront loss on long term construction cost	-	(12.86)
Profit on sale of current investments	(0.32)	(0.65)
Finance income (including finance income on finance asset measured at amortised cost)	(24.29)	(291.65)
Finance costs	70.66	501.45
Operating profit before working capital changes	2.07	59.48
Working capital adjustments:		
Change in inventories	-	(29.81)
Change in trade receivables	(10.15)	225.07
Change in other financial assets	16.61	(88.45)
Change in other assets	19.52	27.83
Change in trade payables	(12.03)	76.37
Change in other financial liabilities	(21.74)	27.40
Change in provisions	0.58	3.20
Change in other liabilities	1.18	(44.74)
Cash (used in)/ generated from operations	(3.96)	256.35
Income taxes refund/ (paid) (net)	47.90	(11.08)
Net cash flow generated from operating activities	43.94	245.27
Cash flow from investing activities		
Purchase of property, plant and equipment	(0.20)	(0.18)
Proceeds from sale of property, plant and equipment	0.22	0.58
Purchase of non-current investments (including advances paid)	-	(333.70)
Proceeds from sale and redemption of non-current investments	-	59.76
Purchase of current investments (net)	(15.47)	-
Proceeds from bank deposits (having original maturity of more than three months) (net)	-	14.27
Loans given to group companies	(8.18)	(1,753.29)
Loans repaid by group companies	144.64	1,966.90
Interest received	17.30	93.08
Net cash flow from investing activities	138.31	47.42
Cash flow from financing activities		
Proceeds from long term borrowings	-	840.98
Repayment of long term borrowings	(134.34)	(1,102.95)
Proceeds from short term borrowings (net)	-	297.39
Finance costs paid	(41.69)	(378.03)
Net cash flow used in financing activities	(176.03)	(342.61)
Net increase / (decrease) in cash and cash equivalents	6.22	(49.91)
Cash and cash equivalents at the beginning of the period	15.37	57.56
Cash and cash equivalents transferred pursuant to the Composite Scheme	-	(7.26)
Cash and cash equivalents at the end of the period	21.59	0.38

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)
Corporate Identity Number (CIN): L45203MH1996PLC281138
Standalone Unaudited Condensed Interim Statement of Cash Flows for the nine month period ended 31 December 2022

(Rs. in crore)		
Particulars	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
Component of cash and cash equivalents		
Cash on hand	0.01	-
Balances with banks:		
– On current accounts	26.42	0.38
	26.43	0.38
Less: Bank overdraft	(4.84)	-
	21.59	0.38

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the Standalone Unaudited Condensed Interim Financial Statements

This is the standalone unaudited condensed interim statement of cash flows referred to in our report of even date

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

Neeraj Sharma
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Date: 2023.03.17 23:09:58 +05'30'

Neeraj Sharma
Partner
Membership number: 502103

Place: New Delhi
Date: 17 March 2023

For and on behalf of the Board of Directors

MALLIKARJUNA RAO GRANDHI
G. M. Rao
Director
DIN: 00574243
Place: Coimbatore

SAURABH CHAWLA
Saurabh Chawla
Chief Financial Officer
Place: New Delhi
Date: 17 March 2023

KIRAN KUMAR GRANDHI
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Venkat Ramana Tangirala
Company Secretary
Membership Number: A13979
Place: New Delhi

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)
Corporate Identity Number (CIN): L45203MH1996PLC281138
Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

1. Corporate information

GMR Airports Infrastructure Limited (formerly known as GMR Airports Infrastructure Limited) ('GIL' or 'the Company') is a public limited Company domiciled in India. The registered office of the Company is located at Naman Centre, Bandra Kurla Complex, Mumbai, India. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company carries its business in the following business segments:

a. Engineering Procurement Construction (EPC)

The Company is engaged in handling EPC solutions in the infrastructure sector. Also refer note 14.

b. Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

Other explanatory information to the standalone unaudited condensed interim financial statement comprises of notes to the financial statements for the nine month period ended 31 December 2022.

The standalone unaudited condensed interim financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the Directors on 17 March 2023.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

2.1. Basis of Preparation

The Standalone Unaudited Condensed Interim Financial Statements comprises of the Unaudited Condensed Interim Balance Sheet as at 31 December 2022, Unaudited Condensed Interim Statement of Profit and Loss (including other comprehensive income), Unaudited Condensed Interim Cash Flow Statement, Unaudited Condensed Interim Statement of changes in Equity and a summary of Significant Accounting Policies and other explanatory notes (collectively the "Standalone Unaudited Condensed Interim Financial Statements"). The Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022 have been prepared to facilitate any fund raising initiatives / and proposed corporate restructuring in GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited) (GIL).

The standalone unaudited condensed interim financial statements of the Company have been prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) - 34 'Interim Financial Reporting' notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and applicable Indian accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and other recognized accounting practices and policies in India. Further, corresponding figures have not been included in these unaudited condensed interim financial statements since these financial statements are prepared for the limited purposes as specified above. The standalone unaudited condensed interim financial statements have been prepared under the historical cost convention on an accrual basis. The Company has followed the same

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)
Corporate Identity Number (CIN): L45203MH1996PLC281138
Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

accounting judgements, estimates and assumptions in preparation of these standalone unaudited condensed interim financial statements as those followed in preparation of the annual financial statements as at the year ended 31 March 2022.

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

The functional and presentation currency of the Company is Indian Rupee (“Rs”) which is the currency of the primary economic environment in which the Company operates and all values are rounded to nearest crore except when otherwise indicated.

The standalone unaudited condensed interim financial statements of the Company for the nine month period ended 31 December 2022 reflected an excess of current liabilities over current assets of Rs. 319.08 crore and losses from continuing operations after tax amounting to Rs. 46.35 crore. The management is of the view that this is situational in nature since the net worth of the Company is positive and management has taken various initiatives to further strengthen its short-term liquidity position including raising finances from financial institutions and strategic investors and other strategic initiatives. Such initiatives will enable the Company meet its financial obligations and its cash flows in an orderly manner.

These standalone unaudited condensed interim financial statements have been prepared by giving effect to the composite scheme of amalgamation and arrangement for amalgamation of GMR Power Infra Limited (GPIL) with the Company and demerger of Engineering Procurement and Construction (EPC) business and Urban Infrastructure Business of the Company (including Energy business) into GMR Power and Urban Infra Limited (GPUIL) (“Scheme”) as approved by the Hon’ble National Company Law Tribunal, Mumbai bench (“the Tribunal”) vide its order dated 22 December 2021 (formal order received on 24 December 2021). The said Tribunal order was filed to the Registrar of Companies by Company, GPIL and GPUIL on 31 December 2021 thereby making the Scheme effective. Accordingly, assets and liabilities of the EPC business and Urban Infrastructure business (including Energy business), as approved by the board of directors pursuant to the Scheme stand transferred and vested into GPUIL on 1 April 2021, being the Appointed date as per the Scheme.

The standalone unaudited condensed interim financial statements of the Company do not have any impact of the Composite Scheme, however as per the applicable Ind AS, the EPC business and Urban Infrastructure Business (including Energy business) have been classified as Discontinued operations for the comparative purposes. Also refer note 14.

2.2. Summary of significant accounting policies

a. Current versus non-current classification

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

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii. Held primarily for the purpose of trading,
- iii. Expected to be realised within twelve month after the reporting period, or

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve month 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 month after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve month 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.

Advance tax paid is classified as non-current assets.

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

b. Fair value measurement of financial instruments

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

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their 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 standalone unaudited condensed interim 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:

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

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

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

For assets and liabilities that are recognised in the standalone unaudited condensed interim 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.

c. Revenue from contracts with customer

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

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Revenue from operations

Revenue from operation is exclusive of goods and service tax (GST). Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

Revenue from construction/project related activity is recognised as follows:

- 1. Cost plus contracts:** Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
- 2. Fixed price contracts:** Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Trade receivables

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

Contract liabilities

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

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Income from management/ technical services

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

Interest income

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

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts 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 but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is included in other operating income in the statement of profit and loss.

Dividends

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

d. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

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

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

Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

e. Property, plant and equipment

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. 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. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

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

Category of asset*	Estimated useful life
Plant and equipment	4 – 15 years*
Office equipment's	5 years
Furniture and fixtures	10 years
Vehicles	8 – 10 years
Computers	3 years

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

* The Company, based on technical assessment made by the technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Further, the management has estimated the useful lives of asset individually costing Rs 5,000 or less to be less than one year, whichever is lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The 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.

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.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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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 and loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (6 years)	Straight-line basis	Acquired

g. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

h. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

The Company as a lessee

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the

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interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset. The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

The Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

i. Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value.

j. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

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(i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and
(ii) in the case of a cash generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use
(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

k. Provisions and contingent liabilities

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 provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

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

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Provisions and contingent liability are reviewed at each balance sheet.

I. Retirement and other employee benefits

Retirement benefit in the form of provident fund, pension fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve month, 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 month, 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.

The Company presents the leave as a current liability in the standalone unaudited condensed interim balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve month after the reporting date. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone unaudited condensed interim balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

- a. The date of the plan amendment or curtailment, and
- b. 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:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense or income.

m. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment. On de-recognition of such financial instruments in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is adjusted with equity component of the investments.

Pursuant to change in accounting policy as detailed above, the Company has made an irrevocable election to measure investments in equity instruments issued by subsidiaries, associates and joint ventures at Fair Value Through Other Comprehensive Income (FVTOCI). Amounts recognised in OCI are not subsequently reclassified to the statement of profit and loss. Refer note 13.

Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

• Measurement and Valuation

1. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash

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flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- **Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve month expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

- **De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognised in standalone unaudited condensed interim statement of profit or loss.

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Financial liabilities and equity instruments

- **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

- **Measurement and valuation**

- 1. Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

- 2. Financial liabilities**

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- **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.

- **Put option liability**

The potential cash payments related to put options issued by the Company over the equity of subsidiary companies to non-controlling interests are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The financial liability for such put option is accounted for under Ind AS 109.

The amount that may become payable under the option on exercise is initially recognised at fair value under other financial liabilities with a corresponding debit to investments.

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If the put option is exercised, the entity derecognises the financial liability by discharging the put obligation. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to investment.

- **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition 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 and loss.

(c) Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone unaudited condensed interim 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.

n. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

o. Convertible preference shares/ debentures

Convertible preference shares/debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares/debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for conversion right. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares/debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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p. Cash and cash equivalents

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

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

q. Foreign currencies

In preparing the financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101- "First time adoption of Indian Accounting Standard" are recognised directly in equity or added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

r. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the period to the unaudited condensed interim statement of profit and loss.

s. Interest in joint operations

In respect of its interests in joint operations, the Company recognises its share in assets, liabilities, income and expenses line-by-line in the standalone unaudited condensed interim financial statements of the entity which is party to such joint arrangement. Interests in joint operations are included in the segments to which they relate.

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t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary share would decrease/ increase earning/ loss per share from continuing operations.

u. Exceptional items

An item of income or expense which due to its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the financial statements.

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3 Property, plant and equipment

(Rs. in crore)

Particulars	Freehold land	Leasehold Land	Plant and equipment	Furniture and Fittings	Computer	Office equipments	Vehicles	Total
Gross carrying amount								
Balance as at 1 April 2021	0.33	0.34	210.34	3.00	1.31	0.27	4.95	220.54
Addition	-	-	0.22	0.01	0.10	0.01	-	0.34
Disposals	-	-	0.35	0.03	-	-	0.13	0.51
Transfer on account of Composite Scheme of arrangement	0.25	-	209.97	2.49	0.52	-	2.20	215.43
Balance as at 31 December 2021	0.08	0.34	0.24	0.49	0.89	0.28	2.62	4.94
Balance as at 1 April 2022	0.08	0.34	0.24	0.49	0.95	0.29	2.62	5.01
Addition	-	-	-	-	0.18	0.02	-	0.20
Disposals	0.01	-	-	-	-	-	-	0.01
Balance as at 31 December 2022	0.07	0.34	0.24	0.49	1.13	0.31	2.62	5.20
Accumulated depreciation								
Balance as at 1 April 2021	-	0.34	88.74	2.11	1.30	0.25	3.92	96.66
Charge for the period	-	-	13.12	0.06	0.02	0.02	0.19	13.41
Disposals	-	-	0.26	0.03	-	-	0.13	0.42
Transfer on account of Composite Scheme of arrangement	-	-	101.59	1.71	0.48	-	1.98	105.76
Balance as at 31 December 2021	-	0.34	-	0.43	0.84	0.27	2.00	3.89
Balance as at 1 April 2022	-	0.34	0.03	0.44	0.85	0.27	2.13	4.06
Charge for the period	-	-	-	0.02	0.14	0.02	0.08	0.26
Balance as at 31 December 2022	-	0.34	0.03	0.46	0.99	0.29	2.21	4.32
Net carrying amount								
Balance as at 31 December 2021	0.08	-	0.24	0.06	0.05	0.01	0.62	1.05
Balance as at 31 December 2022	0.07	-	0.21	0.03	0.14	0.02	0.41	0.88

4 Intangible assets

(Rs. in crore)

Particulars	Other concession and operator rights	Computer software	Total
Gross carrying amount			
Balance as at 1 April 2021	5.22	5.72	10.94
Disposals	-	3.89	3.89
Transfer on account of Composite Scheme of arrangement	5.22	-	5.22
Balance as at 31 December 2021	-	1.83	1.83
Balance as at 1 April 2022	-	1.83	1.83
Balance as at 31 December 2022	-	1.83	1.83
Accumulated amortisation			
Balance as at 1 April 2021	1.87	4.19	6.06
Charge for the period	0.23	0.29	0.52
Disposals	-	2.74	2.74
Transfer on account of Composite Scheme of arrangement	2.10	-	2.10
Balance as at 31 December 2021	-	1.74	1.74
Balance as at 1 April 2022	-	1.81	1.81
Charge for the period	-	0.02	0.02
Balance as at 31 December 2022	-	1.83	1.83
Net carrying amount			
Balance as at 31 December 2021	-	0.09	0.09
Balance as at 31 December 2022	-	-	-

5 Borrowings

Particulars	Non-current		Current	
	31 December 2022 (Unaudited)	31 March 2022 (Audited)	31 December 2022 (Unaudited)	31 March 2022 (Audited)
(Rs. in crore)				
A. Long term borrowings:				
Debentures / Bonds				
25 (31 March 2022: 25) 7.5% Foreign Currency Convertible Bonds ('FCCBs') of USD 1,000,000 (31 March 2022: USD 1,000,000) each (unsecured)	202.77	185.67	-	-
Others				
Loans from related parties (unsecured) (refer note no 10)	258.66	434.20	-	-
B. Short term borrowings:				
Loan repayable on demand				
Bank overdraft (secured)	-	-	4.84	-
Loans from related parties (unsecured) (refer note no 10)	-	-	181.20	140.00
	461.43	619.87	186.04	140.00
The above amount includes				
Secured borrowings	-	-	4.84	-
Unsecured borrowings	461.43	619.87	181.20	140.00

Security details

Bank overdraft is secured against charge over fixed deposits

Terms of Repayment

a) As at December 31, 2022

Particulars	Interest rate range (p.a)	Amount Outstanding as on December 31, 2022	Repayable within		
			1 year	1 to 5 year	>5 year
Debentures / Bonds	7.50%	202.77	-	-	202.77
Loans from related parties	9.00%-17.25%	439.86	181.20	258.66	-
Bank overdraft	6.15%	4.84	4.84	-	-
Total		647.47	186.04	258.66	202.77

b) As at March 31, 2022

Particulars	Interest rate range (p.a)	Amount Outstanding as on December 31, 2022	Repayable within		
			1 year	1 to 5 year	>5 year
Debentures / Bonds	7.50%	185.67	-	-	185.67
Loans from related parties	9.00%-17.25%	574.20	140.00	434.20	-
Total		759.87	140.00	434.20	185.67

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GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)**Corporate Identity Number (CIN): L45203MH1996PLC281138****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022**

Particulars	(Rs. in crore)	
	For the nine month period ended 31 December 2022 (Unaudited)	For the nine month period ended 31 December 2021 (Unaudited)
6 Revenue from operations		
Sale of material and services		
Sale of materials	0.71	-
Management support services	48.45	-
	49.16	-
Other operating income		
Interest income on:		
Bank deposits	0.20	0.22
Inter corporate deposits and others (refer note no 10)	24.09	10.67
Profit on sale of current investments (others)	0.32	-
	24.61	10.89
	73.77	10.89

7 Other income

Particulars	(Rs. in crore)	
	For the nine month period ended 31 December 2022 (Unaudited)	For the nine month period ended 31 December 2021 (Unaudited)
Interest income on:		
Others	13.18	-
Gain on sale of fixed assets (net)	0.21	-
Net foreign exchange difference	-	0.06
Miscellaneous income	0.12	0.05
	13.51	0.11

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8 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit/ loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the convertible securities) by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	(Rs. in crore)	
	For the nine month period ended 31 December 2022 (Unaudited)	For the nine month period ended 31 December 2021 (Unaudited)
Face value of equity shares (Re. per share)	1	1
Loss attributable to equity shareholders		
- Continuing operations	(46.35)	(60.64)
- Discontinued operations	-	(150.47)
Loss attributable to equity shareholders	(46.35)	(211.11)
Weighted average number of equity shares used for computing earning per share (basic and diluted)	6,035,945,275	6,035,945,275
Earning per share for continuing operations - basic and diluted (Rs.)	(0.08)	(0.10)
Earning per share for discontinued operations - basic and diluted (Rs.)	-	(0.25)
Earning per share for total operations - basic and diluted (Rs.)	(0.08)	(0.35)

Notes:

(i) Considering that the Company has incurred losses during the period ended 31 December 2022 and 31 December 2021, the allotment of convertible securities would decrease the loss per share for the respective period and accordingly has been ignored for the purpose of calculation of diluted earnings per share.

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9 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Standalone Unaudited Condensed Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include fair value measurement of investments in subsidiaries, joint ventures and associates, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies and recognition of revenue on long term contracts.

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 Standalone Unaudited Condensed Interim 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.

a. Taxes

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.

b. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The cash flow projections used in these models are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc in case of investments in entities in the energy business, estimation of passenger and vehicle traffic and rates and favourable outcomes of litigations etc. in the airport and expressway business which are considered as reasonable by the management. Fair value of investment in SEZ sector is determined based on available data for similar immovable property/ investment or observable market prices less incremental cost for disposing of the immovable property/ investments. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 13 for further disclosure.

c. Contingencies

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

In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer note 12 for further disclosure.

d. Revenue recognition

The Company uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the costs incurred till date as a proportion of the total cost to be incurred. Costs incurred have been used to measure progress towards completion as there is a direct relationship. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

e. Defined benefit plans (gratuity benefits)

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

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

The mortality rate is based on publicly available mortality tables for India. 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.

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)**Corporate Identity Number (CIN): L45203MH1996PLC281138****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022****10 Related parties**

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Holding Company	GMR Enterprises Private Limited (GEPL)
Subsidiary Companies/ Fellow subsidiary Companies	Delhi International Airport Limited (DIAL) Delhi Aerotropolis Private Limited (DAPL) (liquidated during the year ended 31 March 2022) GMR Business Process and Services Private Limited (GBPSPL) GMR Hyderabad International Airport Limited (GHIAL) GMR Hyderabad Aerotropolis Limited (GHAL) GMR Hyderabad Aviation SEZ Limited (GHASL) GMR Hospitality and Retail Limited (GHRL) GMR Airports Limited (GAL) GMR Corporate Affairs Private Limited (GCAPL) GMR Airport Developers Limited (GADL) GMR Airports (Mauritius) Limited (GAML) GMR Air Cargo and Aerospace Engineering Limited (GACAEI) Delhi Airport Parking Services Private Limited (DAPSL) GMR Aero Technic Limited (GATL) Raxa Security Services Limited (RSSL) GMR Goa International Airport Limited (GIAL) GMR Infra Developers Limited (GIDL) GMR Nagpur International Airport Limited (GNIAL) GMR Airports Singapore Pte Limited (GASPL) GMR Kannur Duty Free Services Limited (GKDFRL) GMR Hyderabad Airport Assets Limited (GHAAL) GMR Visakhapatnam International Airport Limited (GVIAL) GMR Airports Greece Single Member S.A. (GAGSMA) GMR Airports International BV (GAIBV) GMR Airports Netherland BV (GANBV) (incorporated during the year 31 March 2022) Bougainvillea Properties Private Limited (BOPPL)* GMR SEZ & Port Holdings Limited (GSPHL)* Honeyflower Estates Private Limited (HFEPL)* Grandhi Enterprises Private Limited (GREPL) GMR Airport Global Limited (GAGL) Namitha Real Estate Private Limited (NREPL)* Dhruvi Securities Limited (DSL)*(formerly known as Dhruvi Securities Private Limited) GMR Energy (Cyprus) Limited (GECL)* GMR Energy (Netherlands) BV (GENBV)* GMR Generation Assets Limited (GGAL)* GMR Energy Trading Limited (GETL)* GMR Londa Hydropower Private Limited (GLHPPL)* GMR Aerostructure Services Limited (GASL)* GMR Mining and Energy Private Limited (GMEL)* Gateways for India Airports Private Limited (GFIAL)* GMR Highways Limited (GMRHL)* GMR Tuni Anakapalli Expressways Limited (GTAEL)* GMR Tambaram Tindivanam Expressways Limited (GTTEL)* GMR Ambala Chandigarh Expressways Private Limited (GACEPL)* GMR Pochanpalli Expressways Limited (GPEL)* GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)* GMR Chennai Outer Ring Road Private Limited (GCCRPL)* GMR Krishnagiri SIR Limited ('GKSIR')* Advika Properties Private Limited (APPL)* Aklima Properties Private Limited (AKPPL)* Amartya Properties Private Limited (AMPPL)* Baruni Properties Private Limited (BPPL)* Camelia Properties Private Limited (CPPL)* Eila Properties Private Limited (EPPL)* Gerbera Properties Private Limited (GPL)* Krishnapriya Properties Private Limited (KPPL)* Nadira Properties Private Limited (NPPL)* Prakalpa Properties Private Limited (PPPL)* Purnachandra Properties Private Limited (PUPPL)* Shreyadita Properties Private Limited (SPPL)* Lakshmi Priya Properties Private Limited (LPPPL)*

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)**Corporate Identity Number (CIN): L45203MH1996PLC281138****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022**

Description of relationship	Name of the related parties
Subsidiary Companies/ Fellow subsidiary Companies	Honeysuckle Properties Private Limited (HPPL)* Idika Properties Private Limited (IPPL)* Sreepa Properties Private Limited (SRPPL)* GMR Aviation Private Limited (GAPL)* GMR Infrastructure (Mauritius) Limited (GIML)* GMR Infrastructure (Cyprus) Limited (GICL)* GMR Infrastructure Overseas (Malta) Limited (GIOL)* GMR Infrastructure (UK) Limited (GIUL)* GMR Infrastructure (Global) Limited (GIGL)* GMR Infrastructure (Singapore) Pte Limited (GISPL)* GMR Energy Projects (Mauritius) Limited (GEPML)* GADL International Limited (GADLIL)* Deepesh Properties Private Limited (DPPL)* Larkspur Properties Private Limited (LAPPL)* Padmapriya Properties Private Limited (PAPPL)* Radha Priya Properties Private Limited (RPPL)* Pranesh Properties Private Limited (PRPPL)* GMR Power Infra Limited (GPIL) (merged into GIL w.e.f. 1 April 2021)* GMR Male International Airport Private Limited (GMIAL)* GMR Coal Resources Pte Limited (GCRPL)* Lantana Properties Private Limited (LPPL)* Asteria Real Estate Private Limited (AREPL)* GMR Infrastructure (Overseas) Limited (GI(O)L)* Suzone Properties Private Limited (SUPPL)* Lilliam Properties Private Limited (LPPL)* Indo Tausch Trading DMCC (Indo Tausch)* GMR Power and Urban Infra Limited (GPUIL) * PT GMR Infrastructure Indonesia (incorporated on 19 April 2021)*
Associates/ Joint Venture/ Associates/ Joint Venture of Fellow Subsidiary Companies	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM) Delhi Aviation Services Private Limited (DASPL) Travel Food Services (Delhi Terminal 3) Private Limited (TFS) TIM Delhi Airport Advertisement Private Limited (TIM) GMR Logistics Park Private Limited (GLPPL) DIGI Yatra Foundation (DIGI) International Airport of Heraklion, Crete SA (Crete) Mactan Travel Retail Group Corporation (MTRGC) SSP-Mactan Cebu Corporation (SMCC) Megawide GISPL Construction Joint Venture Inc. (MGCJV INC.) Delhi Aviation Fuel Facility Private Limited (DAFF) Laqshya Hyderabad Airport Media Private Limited (Laqshya) GMR Megawide Cebu Airport Corporation (GMCAC) Delhi Duty Free Services Private Limited (DDFS) Rampia Coal Mine and Energy Private Limited (RCMEPL) (dissolved with effect from 19 April 2021)* Limak GMR Construction JV (CJV)* GMR Rajahmundry Energy Limited (GREL)* PT Unsoco (Unsoco)* PT Dwikarya Sejati Utama (PTDSU) * PT Duta Sarana Internusa (PTDSI) * PT Barasentosa Lestari (PTBSL) * GMR Tenaga Operations and Maintenance Private Limited (GTOMPL)* GIL SIL JV* PT Golden Energy Mines Tbk (PTGEMS)* PT Tanjung Belit Bara Utama (TBBU)* PT Trisula Kencana Sakti (TKS)* PT Bungo Bara Utama (BBU)* PT Bara Harmonis Batang Asam (BHBA)* PT Berkat Nusantara Permai (BNP)* PT Karya Mining Solution (KMS) (formerly PT Bumi Anugerah Semesta (BAS))* PT Era Mitra Selaras (EMS)* PT Wahana Rimba Lestari (WRL)* PT Berkat Satria Abadi (BSA)* PT Kuansing Inti Sejahtera (KIS)* PT Bungo Bara Makmur (BBM)* PT Gems Energy Indonesia (GEMS Energy)* PT Roundhill Capital Indonesia (RCI)*

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)**Corporate Identity Number (CIN): L45203MH1996PLC281138****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022**

Description of relationship	Name of the related parties
Associates/ Joint Venture/ Associates/ Joint Venture of Fellow Subsidiary Companies	PT Borneo Indobara (BORNEO)* PT Karya Cemerlang Persada (KCP)* PT Kuansing Inti Makmur (KIM)* GEMS Trading Resources Pte Limited (GEMSTR)* Megawide GISPL Construction JV (MGCJV)* Megawide GMR Construction JV Inc (MGCJV Inc.) PT Angkasa Pura Avias (PTAPA) (acquired during the year 31 March 2022) GMR Kamalanga Energy Limited (GKEL)* GMR Energy Limited (GEL)* GMR Vemagiri Power Generation Limited (GVPGL)* GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)* GMR Consulting Services Limited (GCSL)* GMR Bajoli Holi Hydropower Private Limited (GBHHPL)* GMR Warora Energy Limited (GWEL)* GMR Gujarat Solar Power Limited (GGSPL)* GMR Upper Karnali Hydro Power Limited (GUKPL)* GMR Energy (Mauritius) Limited (GEML)* GMR Lion Energy Limited (GLEL)* GMR Maharashtra Energy Limited (GMAEL)* GMR Bundelkhand Energy Private Limited (GBEPL)* GMR Rajam Solar Power Private Limited (GRSPPL)* Karnali Transmission Company Private Limited (KTCPL)* GMR Indo-Nepal Energy Links Limited (GINELL)* GMR Indo-Nepal Power Corridors Limited (GINPCL)*
Enterprises where Key Management Personnel or their relatives exercise significant influence (Where transactions have taken place)	GMR Family Fund Trust (GFFT)
Key Management Personnel and their relatives (Where transactions have taken place)	Mr. Grandhi Kiran Kumar (Managing Director & CEO) Mr. Madhva Bhimacharya Terdal - (Executive Director- Strategic Initiatives) Mr. Suresh Lilaram Narang (Independent Director) (Appointed w.e.f 20 April 2020) Mr. Emandi Sankara Rao (Appointed w.e.f 9 September 2021) Mr. Mundayat Ramachandran (Appointed w.e.f 9 September 2021) Mr. Subba Rao Amarthalaru (Appointed w.e.f 9 September 2021) Mr. Sadhu Ram Bansal (Appointed w.e.f 9 September 2021) Mrs. Bijal Tushar Ajinkya (Appointed w.e.f 9 September 2021) Mr. S Sandilya (Independent Director) (Resigned w.e.f 9 September 2021) Mr. R S S L N Bhaskarudu (Independent Director) (Resigned w.e.f 9 September 2021) Mr. N C Sarabeswaran (Independent Director) (Resigned w.e.f 9 September 2021) Mr. S Rajagopal (Independent Director) (Resigned w.e.f 9 September 2021) Mrs. V. Siva Kameswari (Independent Director) (Resigned w.e.f 9 September 2021) Mr. Saurabh Chawla (Group Chief Financial Officer) Mr. Venkat Ramana Tangirala (Company Secretary)

Notes

*Ceased to be subsidiary/ joint venture/ associate with effect from 31 December 2021 based on the Composite Scheme but the transactions during nine month ended 31 December 2021 have been reported in note 10(b).

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

b) Summary of transactions and outstanding balances with above related parties are as follows:

		(Rs. in crore)			
Particulars		Subsidiary Companies/ Fellow Subsidiary Companies	Associates/ Joint Venture/ Associates/ Joint Venture of Fellow Subsidiary Companies	Enterprise where key managerial personnel or their relatives exercise significant influence	Key Management Personnel and their Relatives
(A) Transaction during the period					
1 Interest income - gross	31 December 2022	24.09	-	-	-
	31 December 2021	167.29	113.06	-	-
2 Construction revenue/ sale of materials	31 December 2022	-	0.71	-	-
	31 December 2021	16.18	821.12	-	-
3 Management support services income	31 December 2022	48.45	-	-	-
	31 December 2021	-	-	-	-
4 Other income	31 December 2022	-	-	-	-
	31 December 2021	0.13	-	-	-
5 Cost of materials consumed expenses	31 December 2022	-	-	-	-
	31 December 2021	-	74.20	-	-
6 Finance cost	31 December 2022	52.73	2.71	-	-
	31 December 2021	152.89	-	-	-
7 Legal and professional fees	31 December 2022	6.41	-	-	-
	31 December 2021	5.33	-	-	-
8 Lease rental and equipment hire charges	31 December 2022	0.30	-	-	-
	31 December 2021	1.55	-	-	-
9 Repairs and maintenance expenses	31 December 2022	0.89	-	-	-
	31 December 2021	-	-	-	-
10 Rates and taxes	31 December 2022	-	-	-	-
	31 December 2021	-	15.82	-	-
11 Miscellaneous expenses	31 December 2022	0.46	-	-	-
	31 December 2021	5.31	-	-	-

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)

Corporate Identity Number (CIN): L45203MH1996PLC281138

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

Particulars	Subsidiary Companies/ Fellow Subsidiary Companies	Associates/ Joint Venture/ Associates/ Joint Venture of Fellow Subsidiary Companies	Enterprise where key managerial personnel or their relatives exercise significant influence	(Rs. in crore)	
				Key Management Personnel and their Relatives	
12. Investment in equity/ preference shares (including bonus preference shares)	31 December 2022	-	-	-	-
	31 December 2021	100.00	-	-	-
13. Expenses incurred on behalf of others- cross charges during the period	31 December 2022	-	-	-	-
	31 December 2021	39.48	17.66	-	-
14. Exceptional items	31 December 2022	-	-	-	-
	31 December 2021	57.74	-	-	-
15. Investment in debentures	31 December 2022	-	-	-	-
	31 December 2021	1,800.00	-	-	-
16. Redemption of debentures	31 December 2022	-	-	-	-
	31 December 2021	59.76	-	-	-
17. Loans given to	31 December 2022	95.08	-	-	-
	31 December 2021	1,364.46	394.30	-	-
18. Loans repaid by	31 December 2022	240.73	-	-	-
	31 December 2021	1,482.44	11.00	-	-
19. Loans received from	31 December 2022	-	-	-	-
	31 December 2021	1,193.36	-	-	-
20. Loans repaid to	31 December 2022	134.34	-	-	-
	31 December 2021	520.94	-	-	-
21. Advances received from customers	31 December 2022	31.28	-	-	-
	31 December 2021	-	-	-	-
22. Advances repaid/ adjusted to customers	31 December 2022	28.81	-	-	-
	31 December 2021	-	29.84	-	-
23. Corporate guarantees/ comfort letters given on behalf of (sanctioned amount)	31 December 2022	-	-	-	-
	31 December 2021	680.00	249.31	-	-

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)

Corporate Identity Number (CIN): L45203MH1996PLC281138

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

		(Rs. in crore)			
Particulars		Subsidiary Companies/ Fellow Subsidiary Companies	Associates/ Joint Venture/ Associates/ Joint Venture of Fellow Subsidiary Companies	Enterprise where key managerial personnel or their relatives exercise significant influence	Key Management Personnel and their Relatives
24 Corporate guarantees/ comfort letters extinguished (sanctioned amount)	31 December 2022 31 December 2021	1,584.28 266.92	- 45.66	- -	- -
25 Expenses include the following remuneration to the Key Management Personnel					
a. Short-term employee benefits	31 December 2022 31 December 2021	- -	- -	- -	6.21 0.48
b. Sitting fees paid to independent directors	31 December 2022 31 December 2021	- -	- -	- -	0.19 0.16
26 Net (loss)/gain on FVTOCI of equity securities	31 December 2022 31 December 2021	(782.22) 1,376.38	- (131.57)	- -	- -
27 Reimbursement of expenses incurred	31 December, 2022 31 December, 2021	10.50 -	- -	- -	- -
(B) Outstanding balances as at the period ended					
1 Loans receivable – Non-Current (Gross)	31 December 2022 31 March 2022	317.10 115.96	- -	- -	- -
Loans receivables - credit impaired	31 December 2022 31 March 2022	14.53 16.53	- -	- -	- -
2 Loans receivable – Current (Gross)	31 December 2022 31 March 2022	0.73 111.10	- -	- -	- -
3 Non trade receivable	31 December 2022 31 March 2022	35.56 45.06	44.40 59.78	0.04 0.04	- -

(Rs. in crore)							
Particulars	Subsidiary Companies/ Fellow Subsidiary Companies	Associates/ Joint Venture/ Associates/ Joint Venture of Fellow Subsidiary Companies	Enterprise where key managerial personnel or their relatives exercise significant influence	Key Management Personnel and their Relatives			
4 Advances other than capital advances	31 December 2022 31 March 2022	4.76 1.41	- -	- -			
5 Trade receivables- Current	31 December 2022 31 March 2022	16.35 -	18.98 25.18	- -			
6 Interest accrued on loans given	31 December 2022 31 March 2022	16.97 10.54	- -	- -			
7 Loans payables – Non current	31 December 2022 31 March 2022	258.66 434.20	- -	- -			
8 Loans payables – Current	31 December 2022 31 March 2022	141.20 100.00	40.00 40.00	- -			
9 Security deposits payables – Non current	31 December 2022 31 March 2022	19.50 31.50	- -	- -			
10 Accrued interest but not due on borrowings	31 December 2022 31 March 2022	25.31 16.13	- -	- -			
11 Non trade payables - Current	31 December 2022 31 March 2022	16.87 4.10	- 1.12	- -			
12 Other payables - Non Current	31 December 2022 31 March 2022	39.78 50.28	- -	- -			

Particulars	(Rs. in crore)				
	Subsidiary Companies/ Fellow Subsidiary Companies	Associates/ Joint Venture/ Associates/ Joint Venture of Fellow Subsidiary Companies	Enterprise where key managerial personnel or their relatives exercise significant influence	Key Management Personnel and their Relatives	
13 Advance from customers - Current	31 December 2022 31 March 2022	6.71 4.24	- -	- -	- -
14 Liability towards losses of subsidiaries	31 December 2022 31 March 2022	24.55 24.55	- -	- -	- -
15 Corporate guarantees/ comfort letters/ Bank guarantee sanctioned on behalf of	31 December 2022 31 March 2022	6,505.58 7,899.22	- -	- -	- -

Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain companies.
- The Holding Company has pledged certain shares held in the Company as security towards the borrowings of the Company and related parties.
- As the liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors are not included.
- The Company has entered into sub-contract agreements with unincorporated joint ventures formed by the Company and other joint venturer under joint operation arrangements. Such joint ventures are rendering services ultimately to an unrelated party. Accordingly, the transactions entered on account of such sub-contract arrangement with the unincorporated joint ventures have not been disclosed above.
- In the opinion of the management, the transactions reported herein are on arms' length basis.

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GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)

Corporate Identity Number (CIN): L45203MH1996PLC281138

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

11 Disclosure in terms of Ind AS 115 - Revenue from contracts with customers

a) Contract Balances:

(Rs. in crore)

Particulars	31 December 2022 (Unaudited)	31 March 2022 (Audited)
Receivables:		
- Current (Gross)	35.33	25.18
Contract liabilities:		
Advance received from customers		
- Current	6.71	4.24

b) Increase/ decrease in net contract balances is primarily due:

The movement in receivables on account of invoicing and collection during the period.

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12 Commitments and contingencies**I Contingencies**

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the Standalone Unaudited Condensed Interim Financial Statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Particulars	(Rs. in crore)	
	31 December 2022 (Unaudited)	31 March 2022 (Audited)
Corporate guarantees availed by the group companies		
(a) sanctioned ^{#*}	6,505.58	7,899.22
(b) outstanding ^{#*}	6,031.16	6,860.62
Put option		
(a) sanctioned	59.95	-
(b) outstanding	59.95	-
Bank guarantees		
(a) sanctioned	-	-
(b) outstanding	-	-

[#]During the year ended 31 March 2019, the Company and its subsidiaries had entered into a Framework agreement in favour of IDBI Bank Ltd (as the Lead Bank) wherein the Company had guaranteed the obligations of unsustainable debt of GMR Rajahmundry Energy Limited in form of Cumulative Redeemable Preference Shares (CRPS) amounting to Rs. 940.59 crore. Redemption of CRPS is due on 31 March 2035 for Rs. 235.15 crore, 31 March 2036 for Rs. 235.15 crore, 31 March 2037 for Rs. 235.15 crore and 31 March 2038 for Rs. 235.14 crore. Hence there is no immediate contingent liability on the Company.

^{*}This includes corporate guarantees (CG) jointly extended by GIL and GPUIL sanctioned amount of Rs. 2,112.21 crore and outstanding amount of Rs. 1,744.63 crore (31 March 2022: sanctioned amount of Rs. 3,940.82 crore and outstanding amount of Rs. 2,905.58 crore) in favour of lender's of its subsidiaries and fellow subsidiaries.

In addition to the above, the Company had extended certain corporate guarantees amounting to Rs. 2,353.20 crore and outstanding balance Rs. 1,896.91 crore (discounted value Rs. 1,400.93 crore) (31 March 2022: Rs. 4,784.71 crore and outstanding balance Rs. 3,153.00 crore. (discounted value Rs. 2,618.40 crore)) pertaining to the demerged undertaking which has been transferred to GPUIL pursuant to the Scheme. However, the Company has passed board resolutions/ executed undertakings with GPUIL pursuant to which it is in the process of executing guarantees wherein both the Company and GPUIL shall jointly continue to remain liable for the aforementioned guarantees

In addition to above table, following are the additional contingent liabilities:

- There are numerous interpretative issues relating to the Supreme Court (SC) judgement on provident fund dated 28 February 2019. As a matter of caution, the Company has evaluated the same for provision on a prospective basis from the date of the SC order and is of the view that no such provision is required. The Company will update its provision, on receiving further clarity on the subject.

2 Litigations

The Company is involved in legal proceedings, both as plaintiff and as defendant. The Company believes the following claims to be of material nature:

Particulars	(Rs. in crore)	
	31 December 2022 (Unaudited)	31 March 2022 (Audited)
Matters relating to direct taxes under dispute	256.25	246.25

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deductions and transfer pricing adjustments for related parties transactions etc. Most of these disputes and/or dis-allowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. The management of the Company has contested all these additions/disallowances, by way of appeal before the appellate authorities and the same are yet to be disposed off.

II Commitments**a. Other commitments**

- The Company has committed to provide financial assistance as tabulated below:

Nature of relationship	(Rs. in crore)	
	Outstanding commitment for financial assistance	
	31 December 2022 (Unaudited)	31 March 2022 (Audited)
Subsidiaries / fellow subsidiaries	51.20	86.27
Total	51.20	86.27

- The Company has certain long term unquoted investments which have been pledged as security towards loan facilities sanctioned to the investee Companies.

13 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.2 (b) and 2.2 (n), to the Standalone Unaudited Condensed Interim Financial Statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at 31 December 2022 and 31 March 2022.

As at 31 December 2022**(Rs. in crore)**

Particulars	Fair value through other comprehensive income	Fair value through statement of profit or loss	Amortised cost	Total carrying value	Total fair value
Financial assets					
(i) Investments	11,602.79	15.79	-	11,618.58	11,618.58
(ii) Loans	-	-	303.34	303.34	303.34
(iii) Trade receivables	-	-	35.33	35.33	35.33
(iv) Cash and cash equivalents	-	-	26.43	26.43	26.43
(v) Bank balances other than cash and cash equivalent	-	-	5.01	5.01	5.01
(vi) Other financial assets	-	-	105.26	105.26	105.26
Total	11,602.79	15.79	475.37	12,093.95	12,093.95
Financial liabilities					
(i) Borrowings #	-	-	647.47	647.47	647.47
(ii) Trade payables	-	-	6.37	6.37	6.37
(iii) Other financial liabilities	-	-	387.29	387.29	387.29
(iv) Financial guarantee contracts	-	-	3.81	3.81	3.81
Total	-	-	1,044.94	1,044.94	1,044.94

As at 31 March 2022

Particulars	Fair value through other comprehensive income	Fair value through statement of profit or loss	Amortised cost	Total carrying value	Total fair value
Financial assets					
(i) Investments	12,613.61	-	-	12,613.61	12,613.61
(ii) Loans	-	-	210.58	210.58	210.58
(iii) Trade receivables	-	-	25.18	25.18	25.18
(iv) Cash and cash equivalents	-	-	15.37	15.37	15.37
(v) Other financial assets	-	-	120.51	120.51	120.51
Total	12,613.61	-	371.64	12,985.25	12,985.25
Financial liabilities					
(i) Borrowings #	-	-	759.87	759.87	759.87
(ii) Trade payables	-	-	18.40	18.40	18.40
(iii) Other financial liabilities	-	-	376.67	376.67	376.67
(iv) Financial guarantee contracts	-	-	6.97	6.97	6.97
Total	-	-	1,161.91	1,161.91	1,161.91

includes current maturities of long term borrowings

(i) Investments in mutual funds and derivative instruments are mandatorily classified as fair value through statement of profit and loss.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(Rs. in crore)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
31 December, 2022				
Financial assets				
Investments in subsidiaries, associates and joint ventures	11,602.79	-	-	11,602.79
Investment in mutual funds	15.79	15.79	-	-
31 March, 2022				
Financial assets				
Investments in subsidiaries, associates and joint ventures	12,613.61	-	-	12,613.61

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) The fair values of the unquoted equity shares have been estimated using a DCF model except in case of fair value of investment in SEZ sector which has determined based on available data for similar immovable property/ investment or observable market prices less incremental cost for disposing of the immovable property/ investments. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(v) There have been no transfers between Level 1, Level 2 and Level 3 for the period ended 31 December 2022 and year ended 31 March 2022.

(vi) Fair value of mutual funds is determined based on the net asset value of the funds.

(vii) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

(Rs. in crore)

Particulars	Total
Balance as at 1 April 2021	13,687.42
Acquisition of equity shares, debentures and preference shares	2,278.25
Other adjustments	32.60
Sales / redemption during the period	(1,916.86)
Re-measurement recognised in OCI	1,244.82
Transfer on account of composite scheme of arrangement	(4,440.47)
Balance as at 31 December 2021	10,885.76
Balance as at 1 April 2022	12,613.61
Other adjustments	(228.60)
Re-measurement recognised in OCI	(782.22)
Balance as at 31 December 2022	11,602.79

(viii) The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2022 and 31 March 2022 are as shown below:

Description of significant unobservable inputs to valuation:

Sector wise unquoted equity Securities	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF method	Discounting rate (Cost of Equity)	31 December 2022: 13.00 % to 20.50% 31 March 2022: 10.50 % to 20.00%	1% increase in the discounting rate will have a significant adverse impact on the fair value of equity investments.

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GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

- 14** The composite scheme of amalgamation and arrangement for amalgamation of GMR Power Infra Limited (GPIL) with the Company and demerger of Engineering Procurement and Construction (EPC) business and Urban Infrastructure Business of the Company (including Energy business) into GMR Power and Urban Infra Limited (GPUIL) (“Scheme”) was approved by the Hon’ble National Company Law Tribunal, Mumbai bench (“the Tribunal”) vide its order dated 22 December 2021 (formal order received on 24 December 2021). The said Tribunal order was filed with the Registrar of Companies by the Company, GPIL and GPUIL on 31 December 2021 thereby making the Scheme effective. Accordingly, assets and liabilities of the EPC business and Urban Infrastructure business (including Energy business), as approved by the board of directors pursuant to the Scheme stand transferred and vested into GPUIL on 1 April 2021, being the Appointed date as per the Scheme. The standalone unaudited condensed interim financial statements of the Company do not have any impact of the Composite Scheme, however as per the applicable Ind AS, the EPC business and Urban Infrastructure Business (including Energy business) have been classified for all periods presented as discontinued operations.

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15 Interest in significant investment in subsidiaries, joint ventures and associates as per Ind AS- 27

Name of the entity	Relationship		Ownership interest		Date of incorporation	Country of incorporation/ Place of business
	31 December 2022	31 March 2022	31 December 2022	31 March 2022		
DIAL [200 Equity shares (31 March 2022 - 200 Equity shares)]	Subsidiary	Subsidiary	0.00%	0.00%	01-Mar-06	India
GIDL	Subsidiary	Subsidiary	99.99%	99.99%	28-Mar-17	India
GAL	Subsidiary	Subsidiary	30.00%	30.00%	06-Feb-92	India
GCAPL	Subsidiary	Subsidiary	100.00%	100.00%	22-Dec-06	India
GAIBV	Subsidiary	Subsidiary	0.04%	0.10%	28-May-18	Netherland
GHIAL	Subsidiary	Subsidiary	0.00%	0.00%	17-Dec-02	India
[1,000 Equity shares (31 March 2022 - 1,000 Equity shares)]						
RSSL	Subsidiary	Subsidiary	100.00%	100.00%	29-Jul-05	India

Note:-

1. Disclosure of financial data as per Ind AS – 112 ‘Disclosure of Interests in Other Entities’ has been done based on the audited financial statements for respective years.
2. The above disclosure does not include step down subsidiaries, joint ventures and associates and are with respect to subsidiaries, joint ventures and associates existing as at the balance sheet date.

16 The fair value of investments in Equity shares and Compulsorily Convertible Preference Shares (‘CCPS’) of GMR Airports Limited (‘GAL’) are subject to likely outcome of ongoing litigations and claims pertaining to Delhi International Airport Limited (‘DIAL’) and GMR Hyderabad International Airport Limited (‘GHIAL’) as follows:

i. Ongoing arbitration between DIAL and Airports Authority of India (‘AAI’) in relation to the payment of Monthly Annual fees for the period till the operations of DIAL reaches pre COVID 19 levels. Basis an independent legal opinion obtained by the management of DIAL, the Company is entitled to be excused from making payment of Monthly Annual fee under article 11.1.2 of OMDA to AAI on account of occurrence of Force Majeure Event under Article 16.1 of OMDA, till such time the Company achieves level of activity prevailing before occurrence of force majeure. In view of the above, the management has not considered recovery of Rs. 446.21 crore paid under protest in subsequent periods for the purposes of estimation of the fair valuation of investment made by the Company in DIAL through GAL. Further, the management of DIAL had entered into settlement agreement with AAI on 25 April 2022 which will govern interim workable arrangement between parties for the payment of MAF. Accordingly, DIAL had started payment of MAF with effect from 1 April 2022 onwards.

ii. Consideration of Cargo, Ground Handling and Fuel farm (CGHF) income as part of non-aeronautical revenue in determination of tariff for the third control period by Airport Economic Regulatory Authority in case of GHIAL. GHIAL has filed appeal with Telecom Disputes Settlement Appellate Tribunal (TDSAT) and during the previous year, the adjudicating authority, TDSAT, in its disposal order dated 6 March 2020 has directed AERA to reconsider the issue afresh while determining the aeronautical tariff for the Third Control Period commencing from 1 April 2021. In July 2020, the GHIAL has filed an application with the AERA for determination of Aeronautical tariff for the third control period commencing from 1 April 2021 to 31 March 2026 wherein it has contended that CGHF income shall be treated as non-aero revenue. The management has also obtained legal opinion and according to which GHIAL position is appropriate as per terms of Concession agreement and AERA Act, 2008.

17 Subsequent Event

i. The board of directors of the Company vide their meeting dated March 17, 2023 has approved the issue of subordinated convertible bonds (FCCB) of EUR 330.817 million of EURO 1000 each bond, equivalent to approximately Rs. 2,900 Crore to Aeroports De Paris S.A (Groupe ADP) at a coupon rate of 6.76% p.a. coupon (Simple Interest) having a term of 10 year 1 days.

ii. Subsequent to period end the board of Directors of the Company vide their meeting dated March 17, 2023 has approved the settlement of Bonus CCPS B,C and D between the Company, GMR Airports Limited and Shareholders of GMR Airports Limited wherein cash earnouts to be received by Company are settled at Rs 550 Crore and accordingly conversion of these Bonus CCPS B, C and D will take as per the terms of settlement. Further, the Company, GMR Airports Limited and Shareholders of GMR Airports Limited have also agreed on the settlement of Bonus CCPS A whereby GMR Airports Limited will issue such number of additional equity share to the Company and GMR Infra Developers Limited (wholly owned subsidiary of the Company) which will result in increase of shareholding of Company (along with its subsidiary) from current 51% to 55%.The settlement is subject to certain conditions specified in proposed settlement agreement.

18 The Board of directors in its meeting held on March 17, 2023 has directed the management of the Company to place before the Board, a detailed Scheme of Merger of GMR Airports Limited (GAL) with GMR Infra Developers Limited (GIDL) followed by Merger of GIDL with the Company.

19 Previous period/ year’s figures have been regrouped/ reclassified, wherever necessary to confirm to current year’s classification.

GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited)
Corporate Identity Number (CIN): L45203MH1996PLC281138
Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine month period ended 31 December 2022

20 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the Standalone Unaudited Condensed Interim Financial Statements have been rounded off or truncated as deemed appropriate by company.

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

Neeraj Sharma

Digitally signed by Neeraj Sharma
Date: 2023.03.17 23:10:39 +05'30'

Neeraj Sharma
Partner

Membership number: 502103

Place: New Delhi
Date: 17 March 2023

For and on behalf of the Board of Directors

MALLIKARJUNA RAO
G. M. Rao
Chairman

MALLIKARJUNA RAO

Digitally signed by MALLIKARJUNA RAO
DN: cn=M, o=GMR Infrastructure Limited, ou=Board of Directors, email=mallikarjunarao@gmril.com, c=IN

DIN: 00574243
Place: Coimbatore

SAURABH CHAWLA
Saurabh Chawla
Chief Financial Officer

SAURABH CHAWLA

Digitally signed by SAURABH CHAWLA
DN: cn=S, o=GMR Infrastructure Limited, ou=Finance, email=saurabhchawla@gmril.com, c=IN

Place: New Delhi
Date: 17 March 2023

KIRAN KUMAR
Grandhi Kiran Kumar
Managing Director and
Chief Executive Officer

KIRAN KUMAR

Digitally signed by KIRAN KUMAR
DN: cn=K, o=GMR Infrastructure Limited, ou=Board of Directors, email=kiran.kumar@gmril.com, c=IN

DIN: 00061669
Place: Coimbatore
VENKAT RAMANA TANGIRALA
Venkat Ramana Tangirala
Company Secretary
Membership Number: A13979
Place: New Delhi

VENKAT RAMANA TANGIRALA

Digitally signed by VENKAT RAMANA TANGIRALA
DN: cn=V, o=GMR Infrastructure Limited, ou=Company Secretary, email=venkatramana.tangirala@gmril.com, c=IN