INDEPENDENT AUDITOR'S REPORT

To the members of GMR SEZ & Port Holdings Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **GMR SEZ & Port Holdings Limited**(the **"Company"**), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income),Statement of Changes in Equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements for the year ended 31st March, 2023give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2023, its losses, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended,

(e) On the basis of written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report

(g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its managerial personnel during the year and accordingly reporting in accordance with the requirements of Section 197(16) of the Act is not required;

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

   i. The company as disclosed in Note no.28, does not have any pending litigations which would impact its financial position. Hence, there is no effect in its financial statements.
   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. A. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

B. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

C. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. During the year, the Company, neither declared nor paid any dividend. Hence reporting on compliance with provisions of section 123 of the Act does not arise.

For **GIRISH MURTHY&KUMAR**
Chartered Accountants
Firm's registration number: 000934S

ACHYUTHAVENKATA SATISH KUMAR
Digitally signed by ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:49:00 +05'30'

A.V. SATISH KUMAR
Partner
Membership number: 026526

UDIN: 23026526BGXNZP2973

Place: Bangalore
Date : 29-04-2023

" Annexure A" to the Independent Auditors' Report referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements" of our report of even date to the financial statements of the Company for the year ended March 31, 2023:
Re: **GMR SEZ & Port Holdings Limited**

I. In respect of the Company's Tangible assets & Intangible assets:

i. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant & equipment and there are no intangible assets held by the company during the year.

ii. The Company has a program of verification to cover all the items of Property, plant & equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the Company has carried out physical verification during the earlieryear and no major discrepancies have been noticed during such verification.

iii. In our opinion and according to the information and explanations given to us, the title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is a lessee) disclosed in the financial statements are held in the name of the Company.

iv. There is no revaluation done by the company of its property, plant and equipment (including the right of use assets) or intangible assets or both during the year.

v. There are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. In respect of details of Company's Inventory & Working capital:

i. The nature of company's operation does not warrant holding of any stocks. Accordingly, paragraph 3(ii) of the order is not applicable to the company.

ii. The company, during any point of time of the year, has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

III. a. According to the information and explanations given to us, the Company has made investment in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties as mentioned in notes to accounts note number 5, 6 and 7. The details of the same are given below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year Subsidiaries/Fellow		109 Cr	26.49 Cr	
Balance outstanding as at balance sheet date Subsidiaries/ fellow Subsidiaries		109 Cr	33.85 Cr	

b. The investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not, prima facie, prejudicial to the Company's interest.

c. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular wherever applicable.

d. According to the information and explanations given to us, there is no amount which is overdue for more than 90 days in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

e. The Company has granted loan(s) or advance(s) in the nature of loan(s) which had fallen due during the year and such loans or advances in the nature of loans were renewed/extended during the year. The details of the same has been given below:

Name of the party	**Nature of loan**	**Total loan amount**	**Nature of extension (i.e. renewed/ extended/fresh loan provided)**	**Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans**	**Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year**

Advika Properties Pvt Ltd	Loan	2,010,000	Extended	2,010,000	100.00%
Asteria Real Estates Pvt Ltd	Loan	170,000	Extended	170,000	100.00%
Baruni Properties Pvt Ltd	Loan	730,000	Extended	730,000	100.00%
Eila Properties Pvt Ltd	Loan	16,498,534	Extended	16,498,534	100.00%
Honeysuckle Properties Pvt Ltd	Loan	26,250,000	Extended	26,250,000	100.00%
Idika Properties Pvt Ltd	Loan	20,534,000	Extended	20,534,000	100.00%
Krishnapriya Properties Pvt Ltd	Loan	11,660,000	Extended	9,323,000	79.96%
Lakshmipriya Properties Pvt Ltd	Loan	660,000	Extended	660,000	100.00%
Lilliam Properties Pvt Ltd	Loan	20,938,600	Extended	20,938,600	100.00%
Larkspur Properties Pvt Ltd	Loan	9,900,000	Extended	1,815,000	18.33%
Nadira Properties Pvt Ltd	Loan	910,000	Extended	910,000	100.00%
Prakalpa Properties Pvt Ltd	Loan	7,801,398	Extended	7,801,398	100.00%
Padmapriya Properties Pvt Ltd	Loan	2,600,000	Extended	1,700,000	65.38%
Radhapriya Properties Pvt Ltd	Loan	113,344,601	Extended	113,344,601	100.00%
Sreepa Properties Pvt Ltd	Loan	11,800,000	Extended	1,328,355	11.26%
Suzone Properties Pvt Ltd	Loan	16,311,000	Extended	16,311,000	100.00%

f. During the year, the Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

IV. In our opinion and according to the information and explanation given to us the company has not granted any loan, made any investments, gave any guarantee or provided security in connection with a loan to any other body corporate or person in contravention of section 185 and 186 of the Companies Act,2013.

V. According to the information and explanation given to us the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

VI. According to the information and explanation given to us the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for the activities carried out by the Company, and hence this clause is not applicable.

VII. In respect of Deposit of Statutory liabilities:

a. In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

VIII. According to the information and explanations given to us and the records of the company examined by us we have not come across any instances of any transactions which are not recorded in the accounts that have been disclosed or surrendered before the tax authorities as income during the year in the tax assessments under the income tax act, 1961.

IX. a. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has delayed in the repayment of loans taken from lender to the extent of Rs. 8 Crore by 10 days & interest thereof during the year to the extent of 8.78Crs by a period ranging between 27 days to 88 days and paid.

a) The company has not taken any loan from Government.
b) The company is not declared as willful defaulter by any bank or financial institution or any other lender.
c) In our opinion and according to the information and explanations given to us, money raised by way of term loans during the year has been used for the purpose for which it was obtained.
d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates.
f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

X.

a. According to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company

b. According to the information and explanations given to us and the records of the Company examined by us, the Company has made preferential allotment of compulsory convertible debentures for Rs. 126 crores to GMR Highways Limited during the year.

XI. a. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud by the company or on the company by its officers or employees of the company during the year. Further there were no whistle blower complaints received during the year.

b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

XII. In our opinion and according to the information and Explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the order is not applicable.

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

XIV. In our opinion the company has an internal audit system commensurate with its size and nature of business. We have considered the Internal Audit report for the year under audit, issued to the company during the year and till date, in determining our audit procedure.

XV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 of the order is not applicable.

XVI. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

XVII. The company has incurred any cash losses of Rs. 54.58Crs in the financial year and of Rs. 53.05 Cr in the immediately preceding financial year.The net-worth of the company has improved from last year from negative of Rs. 219 Crores to negative of Rs. 178 Crores. The losses during the current year is primarily on account of Interest expenses.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

XX.

a. According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause (xx) of the Order is not applicable to the Company.

b. The company does not have any unspent amount with respect to the obligations under Corporate Social Responsibility. Therefore, the company is not liable to transfer any amount neither to the Fund specified under Schedule VII to the Companies Act, 2013 nor to the Special Account according to the provisions of Section 135 of Companies Act, 2013.

XXI. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **GIRISH MURTHY&KUMAR**
Chartered Accountants
Firm's registration number: 000934S

ACHYUTHAVENK
ATA SATISH
KUMAR
Digitally signed by
ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:50:00 +05'30'

A.V. SATISH KUMAR
Partner
Membership number: 026526
UDIN: 23026526BGXNZP2973
Place: Bangalore
Date: 29-04-2023

Annexure B to Auditors' Report of even date

Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GMR SEZ & Port Holdings Limited("the Company") as of 31st March 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GIRISH MURTHY&KUMAR**
Chartered Accountants
Firm's registration number: 000934S

ACHYUTHAVENKATA SATISH KUMAR
Digitally signed by ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:54:14 +05'30'

A.V. SATISH KUMAR
Partner
Membership number: 026526
UDIN: 23026526BGXNZP2973

Place: Bangalore
Date: 29-04-2023

GMR SEZ & Port Holdings Limited
(Formerly Known as GMR SEZ & Port Holdings Private Limited)

(Amount Rs. Thousands)

Statement of standalone financial results for quarter and Year ended March 31, 2023

	Particulars	Quarter ended			Year ended	
		3/31/2023	12/31/2022	3/31/2022	3/31/2023	3/31/2022
		(Refer Note 1)	Unaudited	(Refer Note 1)	Audited	Audited
A	**Continuing Operations**					
1	**Revenue**					
	a) Revenue from operations					
	i) Other operating income	1,356	1,356	1,356	5,461	5,425
	b) Other income					
	i) Others	5,034	2,078	412	12,171	2,906
	Total revenue	**6,390**	**3,434**	**1,768**	**17,632**	**8,332**
2	**Expenses**					
	(a) Employee benefits expense	592	573	278	2,187	1,927
	(b) Finance costs	158,740	124,618	130,682	540,601	531,739
	(c) Depreciation and amortisation expenses	3	8	8	28	33
	(d) Other expenses	2,350	1,038	1,734	15,754	6,376
	Total expenses	**161,686**	**126,237**	**132,703**	**558,570**	**540,075**
3	**Profit/(loss) from continuing operations before exceptional items and tax expense (3-4)**	**(155,296)**	**(122,803)**	**(130,934)**	**(540,938)**	**(531,744)**
4	Exceptional items	308,809	-	173,291	308,809	173,291
5	**Profit/(loss) from continuing operations before tax expenses (3 ± 4)**	**(464,105)**	**(122,803)**	**(304,225)**	**(849,747)**	**(705,035)**
6	**Tax expenses of continuing operations**					
	(a) Current tax	-	-	-	-	-
	(b) Ealier Year Tax	266	(240)	266	26	266
7	**Profit/(loss) after tax from continuing operations (5 ± 6)**	**(464,371)**	**(122,564)**	**(304,491)**	**(849,773)**	**(705,301)**
B	**Discontinued Operations**					
8	**Profit/(loss) from discontinued operations before tax expenses**	-	-	-	-	-
9	**Tax expenses of discontined operations**					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
10	**Profit/(loss) after tax from discontinued operations (8 ± 9)**	**-**	**-**	**-**	**-**	**-**
11	**Profit/(loss) after tax for respective periods (7 + 10)**	**(464,371)**	**(122,564)**	**(304,491)**	**(849,773)**	**(705,301)**
12	**Other Comprehensive Income**					
	(A) (i) Items that will not be reclassified to profit or loss	(2)	-	-	(2)	64
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
13	**Total other comprehensive income, net of tax for the respective periods**	**(2)**	**-**	**-**	**(2)**	**64**
14	**Total comprehensive income for the respective periods (11 ± 13)**	**(464,372)**	**(122,564)**	**(304,491)**	**(849,774)**	**(705,237)**
15	Paid-up equity share capital (face value Rs. 10 per share)	479,900	479,900	479,900	479,900	479,900
16	**Earnings per equity share, face value of Rs. 10 each**					
	i) Basic & diluted EPS	(9.68)	(2.55)	(6.34)	(17.71)	(14.70)
	ii) Basic & diluted EPS from continuing operations	(9.68)	(2.55)	(6.34)	(17.71)	(14.70)
	iii) Basic & diluted EPS from discontinued operations	-	-	-	-	-

Note 1: The figures of the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the unaudited year to date figures upto the third quarter of the relevant financial years.

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

For and on behalf of the board of directors of GMR SEZ & Port Holdings Limited

As per our report of even date

For Girish Murthy & Kumar
Firm Registration No. : 000934S
Chartered Accountants

ACHYUTHAVENKATA SATISH KUMAR
Digitally signed by ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:23:08 +05'30'

A.V. Satish Kumar
Partner
Membership no.: 026526

Place: Bangalore
Date: 29th April 2023

MOHAN RAO MURTHY
Digitally signed by MOHAN RAO MURTHY
Date: 2023.04.29 16:11:56 +05'30'

M Mohan Rao
Director
DIN 02506274

SANJAY KUMAR JAIN
Digitally signed by SANJAY KUMAR JAIN
Date: 2023.04.29 15:52:21 +05'30'

Sanjay Kumar Jain
Director
DIN 07963436

UTKARSH GUPTA

Utkarsh Gupta
Company Secretary

ANNAPPAYYA PRABHU NAIKANAKATTE

Annappayya Prabhu
Chief Financial Officer

Place: Hosur
Date: 29th April 2023

GMR SEZ & Port Holdings Limited
(Formerly Known as GMR SEZ & Port Holdings Private Limited)
Statement of standalone assets and liabilities

(Amount Rs. Thousands)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	-	28
Investment property	3,804	13,892
Financial assets		
Investments - Shares_Related party	553,305	553,305
Investments - others	1,119,416	1,106,988
Loans	76,238	36,952
Non-current tax assets (net)	852	34,452
	1,753,615	**1,745,617**
b) Current assets		
Financial assets		
Investments	170,000	380,000
Cash and cash equivalents	16,082	1,962
Loans	249,705	584,411
Other financial assets	2,155	314,183
Other current assets	1,178	1,087
	439,120	1,281,643
c) Assets classified as held for sale	-	-
TOTAL ASSETS (a+b+c)	**2,192,735**	**3,027,260**
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	479,900	479,900
Instruments entirely equity in nature	1,260,000	-
Other equity	(3,522,399)	(2,672,625)
Total equity	**(1,782,499)**	**(2,192,725)**
b) Non-current liabilities		
Financial liabilities		
Borrowings	3,248,552	3,672,027
Other financial liabilities	465,258	266,371
Provisions	183	141
	3,713,993	**3,938,539**
c) Current liabilities		
Financial liabilities		
Borrowings	240,085	1,191,475
Trade payables		
Due to micro enterprises and small enterprises	531	1,117
Due to others	491	1
Other current financial liabilities	15,732	70,860
Other current liabilities	4,213	17,256
Provisions	189	737
	261,241	**1,281,446**
TOTAL EQUITY AND LIABILITIES (a+b+c+d)	**2,192,735**	**3,027,260**

As per our report of even date

For Girish Murthy & Kumar
Firm Registration No. : 000934S
Chartered Accountants

ACHYUTHAVENKATA SATISH KUMAR
Digitally signed by ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:23:53 +05'30'

A.V. Satish Kumar
Partner
Membership no.: 026526

Place: Bangalore
Date: 29th April 2023

For and on behalf of the board of directors of GMR SEZ & Port Holding Limited

MOHAN RAO MURTHY
Digitally signed by MOHAN RAO MURTHY
Date: 2023.04.29 16:12:44 +05'30'

M Mohan Rao
Director
DIN 02506274

SANJAY KUMAR JAIN
Digitally signed by SANJAY KUMAR JAIN

Sanjay Kumar Jain
Director
DIN 07963436

UTKARSH GUPTA
Digitally signed by UTKARSH GUPTA

Utkarsh Gupta
Company Secretary

ANNAPPAYYA PRABHU NAIKANAKATTE

Annappayya Prabhu
Chief Financial Officer

GMR SEZ & Port Holdings Limited
(Formerly Known as GMR SEZ & Port Holdings Private Limited)
Balance Sheet as at 31st March 2023

(Amount Rs. Thousands)

	Particulars	Notes	As at 31st March 2023	As at 31st March 2022
I	**ASSETS**			
	(1) Non-current assets			
	(a) Property, Plant and Equipment	3	-	28
	(b) Investment Property	4	3,804	13,892
	(c) Financial Assets			
	(i) Investments - Shares_Related party	5	553,305	553,305
	(ii) Investments - others	5	1,119,416	1,106,988
	(iii) Loans	6	76,238	36,952
	(d) Non Current tax assets (net of provision)	9	852	34,452
			1,753,615	**1,745,617**
	(2) Current assets			
	(a) Financial Assets			
	(i) Investments	5	170,000	380,000
	(ii) Cash and cash equivalents	10	16,082	1,962
	(iii) Loans	6	249,705	584,411
	(iv) Other financial assets	7	2,155	314,183
	(b) Other current assets	8	1,178	1,087
			439,120	**1,281,643**
	Total Assets		**2,192,735**	**3,027,260**
II	**EQUITY AND LIABILITIES**			
	(1) Equity			
	(a) Equity Share capital	11	479,900	479,900
	(b) Instruments entirely equity in nature		1,260,000	-
	(c) Other Equity	12	(3,522,399)	(2,672,625)
			(1,782,499)	**(2,192,725)**
	LIABILITIES			
	(1) Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	3,248,552	3,672,027
	(ii) Other financial liabilities	16	465,258	266,371
	(b) Provisions	14	183	141
			3,713,993	**3,938,539**
	(2) Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	240,085	1,191,475
	(ii) Trade Payables	15		
	- Due to micro enterprises and small enterprises		531	1,117
	- Due to others		491	1
	(iii) Other financial liabilities	16	15,732	70,860
	(b) Other current liabilities	17	4,213	17,256
	(c) Provisions	14	189	737
			261,241	**1,281,446**
	Total Equity and Liabilities		**2,192,735**	**3,027,260**
	Corporate Information & Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the Standalone Financial Statements
This is the standalone balance sheet referred to in our report of even date.

As per our report of even date

For and on behalf of the board of directors of
GMR SEZ & Port Holdings Limited

For Girish Murthy & Kumar
Firm Registration No. : 000934S
Chartered Accountants

ACHYUTHAVENKATA SATISH KUMAR
Digitally signed by ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:25:21 +05'30'

A.V. Satish Kumar
Partner
Membership no.: 026526

MOHAN RAO MURTHY
Digitally signed by MOHAN RAO MURTHY
Date: 2023.04.29 16:14:21 +05'30'

M Mohan Rao
Director
DIN 02506274

SANJAY KUMAR JAIN

Sanjay Kumar Jain
Director
DIN 07963436

UTKARSH GUPTA

Utkarsh Gupta
Company Secretary

ANNAPPAYYA PRABHU NAIKANAKATTE

Annappayya Prabhu
Chief Financial Officer

Place: Bangalore
Date: 29th April 2023

Place: Hosur
Date: 29th April 2023

GMR SEZ & Port Holdings Limited
(Formerly Known as GMR SEZ & Port Holdings Private Limited)
Statement of Profit and Loss for the Year ended 31st March 2023

(Amount Rs. Thousands)

	Particulars	Notes	Year ended 31st March. 2023	Year ended 31st March. 2022
I	**REVENUE**			
	Revenue From Operations	18	5,461	5,425
	Other Income	19	12,171	2,906
	Total Revenue (I)		**17,632**	**8,332**
II	**EXPENSES**			
	Employee Benefits Expense	20	2,187	1,927
	Finance Costs	24	540,601	531,739
	Depreciation	21	28	33
	Other Expenses	22	15,754	6,376
	Total expenses (II)		**558,570**	**540,075**
III	Profit before exceptional items and tax (I-II)		**(540,938)**	**(531,744)**
IV	Exceptional Items	23	308,809	173,291
V	Profit/(loss) before tax (III-IV)		**(849,747)**	**(705,035)**
VI	Tax expense:			
	Current Tax		-	-
	For earlier year		26	266
	Deferred Tax		-	-
VII	Profit/(loss) for the year (V-VI)		**(849,773)**	**(705,301)**
VIII	Other Comprehensive Income			
	A Items that will be reclassified to profit or loss			
	B Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		(2)	64
	Income tax effect		-	-
IX	Total Comprehensive Income for the year (VII + VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		**(849,774)**	**(705,237)**
X	Earnings per equity share : Face value of Rs.10 each.			
	(1) Basic		(17.71)	(14.70)
	(2) Diluted		(17.71)	(14.70)

Corporate Information & Significant accounting policies 1 & 2
The accompanying notes are an integral part of the Standalone Financial Statements
This is the standalone statament of profit and loss referred to in our report of even date.

As per our report of even date

For Girish Murthy & Kumar
Firm Registration No. : 000934S
Chartered Accountants

ACHYUTHAVENKATA SATISH KUMAR
Digitally signed by ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:26:13 +05'30'

A.V. Satish Kumar
Partner
Membership no.: 026526

Place: Bangalore
Date: 29th April 2023

For and on behalf of the board of directors
GMR SEZ & Port Holdings Limited

MOHAN RAO MURTHY
Digitally signed by MOHAN RAO MURTHY
Date: 2023.04.29 16:14:47 +05'30'

M Mohan Rao
Director
DIN 02506274

SANJAY KUMAR JAIN

Sanjay Kumar Jain
Director
DIN 07963436

UTKARSH GUPTA

Utkarsh Gupta
Company Secretary

ANNAPPAYYA PRABHU NAIKANAKATTE

Annappayya Prabhu
Chief Financial Officer

Place: Hosur
Date: 29th April 2023

GMR SEZ and Port Holdings Limited

(Formally Known as GMR SEZ and Port Holdings Pvt Ltd)

Cash flow statement for the Year ended 31st March 2023

(Amount Rs. Thousands)

	31st March 2023	**31st March 2022**
Cash flow from operating activities		
Profit before tax from continuing operations	(849,747)	(705,035)
Profit before tax from discontinuing operations	-	-
Profit before tax	(849,747)	(705,035)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	28	33
Interest expanse	540,601	531,739
Interest income	(7,830)	(2,864)
Profit on sale of Non-depreiable asset	(175)	
Gain from sale of other investments	(347)	(42)
Operating profit before working capital changes	(317,470)	(176,170)
Movements in working capital :		
Increase/ (Decrease) in trade payables	(96)	(225,006)
Increase/ (decrease) in other current liabilities	(13,043)	(332,303)
Decrease / (increase) in other current assets	(91)	(75)
Decrease / (increase) in other Non Current financials Liabilities		233,845
Decrease / (increase) in other Current financials liabilities	(243)	94
Decrease / (increase) in other Current financial assets	312,028	(230,076)
Decrease / (increase) short term loans and advances	-	-
Increase / (Decrease) in Short term provisions	42	(46)
Increase / (Decrease) in long term provisions	(550)	622
Increase / (decrease) in short-term provisions	-	-
Increase / (decrease) in other equity	-	-
Cash generated from /(used in) operations	(19,423)	(729,114)
Direct taxes paid (net of refunds)	33,574	(632)
Net cash flow from/ (used in) operating activities (A)	14,151	(729,745)
Cash flows from investing activities		
Loans and advances given	295,420	1,086,048
Purchase /sale of fixed assets, including Investment Property	10,263	-
Purchase of current investments (net)	(12,428)	(1,105,427)
Proceeds from sale/maturity of current investments	210,000	1,197,019
Interest received	7,830	2,864
Gain from sale of other investments	347	42
Net cash flow from/ (used in) investing activities (B)	511,432	1,180,546
Cash flows from financing activities		
Proceeds from borrowings	(114,865)	107,979
Interest paid	(396,598)	(557,869)
Net cash flow from/ (used in) in financing activities (C)	(511,463)	(449,890)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	14,120	911
Cash and cash equivalents at the beginning of the year	1,962	1,051
Cash and cash equivalents at the end of the year	16,082	1,962
Components of cash and cash equivalents		
Cash on hand	10	-
With banks- on current account	16,073	1,962
- on deposit account	-	-
Total cash and cash equivalents (note 18)	16,082	1,962

The accompanying notes are an integral part of the StandaloneFinancial Statements.

This is the standalone statament of Cash flows referred to in our report of even date.

For Girish Murthy & Kumar,
Firm Registration No. : 000934S
Chartered Accountants

ACHYUTHAVENKATA SATISH KUMAR
Digitally signed by ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:26:43 +05'30'

A.V. Satish Kumar
Partner
Membership no.: 026526

Place: Bangalore
Date: 29th April 2023

For and on behalf of the board of directors
of GMR SEZ & Port Holdings Limited

MOHAN RAO MURTHY
Digitally signed by MOHAN RAO MURTHY
Date: 2023.04.29 16:15:13 +05'30'

M Mohan Rao
Director
DIN 02506274

SANJAY KUMAR JAIN

Sanjay Kumar Jain
Director
DIN 07963436

UTKARSH GUPTA

Utkarsh Gupta
Company Secretary

ANNAPPAYYA PRABHU NAIKANAKATTE

Annappayya Prabhu
Chief Financial Officer

Place: Hosur
Date: 29th April 2023

GMR SEZ & Port Holdings Limited
(Formerly Known as GMR SEZ & Port Holdings Private Limited)
Statement of change in Equity for the year ended 31st March 2023

(Amount Rs. Thousands)

		Attributable to the equity holders of the parent				Items of OCI	Total equity
	Issued capital	Equity component of Debentures	Retained earnings	Total			
At 31 March 2021	479,900	-	(1,967,395)	(1,487,495)		8	(1,487,487)
Changes in equity due to prior period errors	-	-	-	-		-	-
Restated balance as at 01.04.2021	**479,900**	**-**	**(1,967,395)**	**(1,487,495)**		**8**	**(1,487,487)**
Profit for the year	-	-	(705,302)	(705,302)			(705,302)
Other comprehensive income	-	-	-	-		64	64
At 31 March 2022	**479,900**	**-**	**(2,672,697)**	**(2,192,797)**		**72**	**(2,192,725)**
Changes in equity due to prior period errors	-	-	-	-		-	-
Restated balance as at 01.04.2022	**479,900**	**-**	**(2,672,697)**	**(2,192,797)**		**72**	**(2,192,725)**
Profit for the period	-	-	(849,773)	(849,773)			(849,773)
Transfer from Optional Complsory convertale debentures to Complsory convertale debentures		-		-			-
Other comprehensive income	-	-	-	-		(2)	(2)
At 31 March 2023	**479,900**	**-**	**(3,522,470)**	**(3,042,570)**		**70**	**(3,042,499)**

1. Corporate Information

The company was incorporated on March 28, 2008 as GMR Oil and Natural Gas Private Limited. The name of the company has been changed to GMR SEZ & Port Holdings Private Limited in March 2010. Company has become Public Limited company on 30th March 2017. The company is pursuing the investment opportunities in companies in the field of promoting, establishing, constructing, providing technical services, or related in any way to operate special economic zones (SEZs) and in companies engaged in the business of designing, developing, building, maintaining or in any way related to operating Sea Ports in India and abroad.

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

Information on other related party relationships of the Company is provided in Note 29.

The financial statements were approved for issue in accordance with a resolution of the directors on 29th April 2023.

2. Significant Accounting Policies

A. Basis of preparation

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

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

The financial statements are presented in Indian Rupees (INR).

B. Summary of significant accounting policies

a. Current versus non-current classification

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

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

ii) Held primarily for the purpose of trading

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

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

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

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

ii) It is held primarily for the purpose of trading

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

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

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

b. Property, plant and equipment

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment as at 31 March 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on 1 April 2015.

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

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

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

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

c. Depreciation on Property, plant and equipment

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

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

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

d. Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

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

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

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

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

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

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

f. Research and development cost:

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

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

g. Amortisation of intangible assets

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

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

h. Borrowing cost

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

i. Leases

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor:

Leases in which the Group 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.

Contingent rents are recognised as revenue in the period in which they are earned.

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

j. Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares:
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 is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition.

Contract work-in-progress:
Costs incurred that relate to future activities on the contract are recognised as contract work-in-progress. Contract work-in-progress comprises of construction cost and other directly attributable overheads and are measured at lower of cost and net realisable value.

Traded / Finished goods:
Traded goods are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

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

k. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

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

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

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

Contingent liability is disclosed in the case of:

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

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

m. Retirement and other Employee Benefits

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

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

The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

i) The date of the plan amendment or curtailment, and

ii) The date that the Company recognises related restructuring costs

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

i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

ii) Net interest expense or income

Long term employee benefits

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

n. Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables~~.~~

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

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

viii) The asset's contractual cash flows represent SPPI

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

xi) Lease receivables under Ind AS 17

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

xiii) Loan commitments which are not measured as at FVTPL

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

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

xv) Trade receivables or contract revenue receivables; and

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments."

Subsequent measurement

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

Financial liabilities at fair value through profit or loss:

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

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

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

Loans and borrowings:

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts:

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

o. Cash and cash equivalents

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

For the purpose of the 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.

p. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company’s internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

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

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

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

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

This note summarises accounting policy for fair value.

q. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

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

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

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

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

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

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

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

Interest income

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

Dividends

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

r. Taxes

Tax expense comprises current and deferred tax.

Current income tax

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

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

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

Deferred tax

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

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

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

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

iv) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

s. Sales/ Value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

I. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

II. When receivables and payables are stated with the amount of tax included

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

t. Corporate Social Responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

3. Property, plant and equipment

(Amount Rs. Thousands)

Particulars	Office equipment	Total
Cost		
Deemed cost as at 01.04.2021	98	**98**
Additions	-	-
Disposals	-	-
Adjustments	-	-
As at 31.03.2022	**98**	98
Additions	-	-
Disposals	-	-
As at 31.03.2023	**98**	98
Depreciation		
As at 01.04.2021	37	**37**
Charge for the year	33	33
As at 31.03.2022	**70**	70
Charge for the year	28	28
As at 31.03.2023	**98**	98
Net block		
As at 31.03.2023	**0**	**0**
As at 31.03.2022	**28**	**28**

GMR SEZ & Port Holdings Limited
(Formally Known as GMR SEZ and Port Holdings Pvt Ltd)
Notes to the financial statements for the Year ended 31st March 2023

4 Investment property

(Amount Rs. Thousands)

Particulars	**Investment property**		**Investment property under construction**	**Total**
	Land	**Buildings**		
Gross Block/ Cost				
As at April 01, 2021	**13,892**	**-**	**-**	**13,892**
Acquisitions during the year	-	-	-	-
Expenses capitalised during the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2022	**13,892**	**-**	**-**	**13,892**
Acquisitions during the year	-	-	-	-
Expenses capitalised during the year	-	-	-	-
Disposals	(10,088)	-	-	(10,088)
As at March 31, 2023	**3,804**	**-**	**-**	**3,804**
Accumulated depreciation				
As at April 01, 2021	**-**	**-**	**-**	-
Charge for the year	**-**	-	-	-
As at March 31, 2022	**-**	**-**	**-**	**-**
Charge for the year	**-**	-	-	-
As at March 31, 2023	**-**	**-**	**-**	**-**
Net block				
As at March 31, 2022	**13,892**	**-**	**-**	**13,892**
As at March 31, 2023	**3,804**	**-**	**-**	**3,804**

Notes :
(a) Information regarding income and expenditure of Investment property:

(Amount Rs. Thousands)

Particulars	**31st March 2023**	**31 March 2022**
Rental income derived from investment property	-	-
Less: Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit / (loss) arising from investment properties before depreciation	**-**	**-**
Less: Depreciation for the year	-	-
Profit / (loss) arising from investment properties	**-**	**-**

(b) he Company's investment properties consist of Nil Acres (March 31, 2022 - 3.110 Acres) land in Hosur, Tamilnadu and 11.725 acres (March 31, 2022 - 11.725 Acres) land at Gummaregula-East Godavari, Andhra Pradesh, Totally 11.725 Acres (March 31, 2022 - 14.835 Acres)of land in India. The management has determined that the investment properties consist of two classes of assets − office and retail − based on the nature, characteristics and risks of each property

(c) No contractual commitments for investment property.

(d) As at 31st March 2023 and 31st March 2022, the fair values of the properties are INR 2,69,67,500 and INR 3,60,50,000 respectively. These valuations are arrived at by KPMG Valuationa Services LLP as on 31st December 2022 and 31st December 2021. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. Sales comparison method has been considered as Valuation Technique. The valuation has been arrived at considering the market value of the land after visiting the site, meeting various people, making enquiries, collecting & verification of various land related data, considering the sale/ lease executed in that area in last few years, considering the acquisition plan of SIPCOT and other factors.

GMR SEZ & Port Holdings Limited
(Formally Known as GMR SEZ and Port Holdings Pvt Ltd)
Notes to the financial statements for the Year ended 31st March 2023

5. Financial assets

Non-Current Investments

(Amount Rs. Thousands)

	Non-Current		Current	
	31-Mar-23	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**
Investment in equity instruments carried at cost (unquoted)				
Advika Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Aklima Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Amartya Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Asteria Properties Private Limited	300	300	-	-
30,000(March 31, 2022:30,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Baruni Properties Private Limited	10,000	10,000	-	
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Camelia Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Eila Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Gerbera Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Lakshmipriya Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Honeysuckle Properties Private Limited	10,000	10,000		-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Idika Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Krishna Priya Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Nadira Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Prakalpa Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Purnachandra Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Shreydita Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Sreepa Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Bougainvilla Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Deepesh Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Padmapriya Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Larkspur Properties Private Limited	10,000	10,000	-	-
1,000,000(March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Pranesh Properties Private Limited	10,000	10,000	-	-
1,000,000 (March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Radhapriya Properties Private Limited	10,000	10,000	-	-
1,000,000 (March 31, 2022:1,000,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Lantana Properties Private Limited	100	100	-	-
10,000(March 31, 2022:10,000) equity shares of Rs.10 each fully paid-up in Subsidiary				
Dhruvi Securities Private Limited	5	5	-	-
100 (March 31, 2022 : 100) equity shares of Rs.10 each fully paid-up in Fellow Subsidiary				
Honey Flower Estates Private Limited	332,600	332,600	-	-
4,760,000(March 31, 2022: 4,760,000) equity shares of Rs.10 each fully paid-up in Subsidiary and premium of Rs.59.87 per shares				
Namitha Real Estates Private Limited	100	100	-	-
10,000 (March 31, 2022 : 10,000) equity shares of Rs.10 each fully paid-up in Fellow Subsidiary				
Suzone Properties Private Limited	100	100	-	-
10,000 (March 31, 2022 : 10,000) equity shares of Rs.10 each fully paid-up in Fellow Subsidiary				
Lilliam Properties Private Limited	100	100	-	-
10,000 (March 31, 2022 : 10,000) equity shares of Rs.10 each fully paid-up in Fellow Subsidiary				
	553,305	**553,305**	-	-
Investments others :				
Kakinada Gateway Port Limited				
1,36,180 (2022 : 1,36,180) equity shares of Rs.10 each fully paid-up and premium of Rs.8,000 per shares	1,090,802	1,090,802		
Other equities :				
Eila Properties Private Limited	3,408	3,408	-	-
Prakalpa Properties Private Limited	2,556	2,556	-	-
Radhapriya Properties Private Limited	10,223	10,223	-	-
Amartya Properties Private Limited	3,204	-		
Camelia Properties Private Limited	412	-		
Gerbera Properties Private Limited	3,204	-		
Krishnapriya Properties Private Limited	3,284	-		
Pranesh Properties Private Limited	133	-		
Shreyadita Properties Private Limited	1,831	-		
Bougainvillea Properties Private Limited	18			
Aklima Properties Private Limited	343			
Unquoted Debenture Investments :				
Kakinada Infrastructure Holdings Private Limited				
17 (March 31, 2022:38) 0.10% Cumulative Optionally Convertible Debentures of Rs. 10,000,000 each	-	-	170,000	380,000
Total investments	**1,119,416**	**1,106,988**	**170,000**	**380,000**

GMR SEZ & Port Holdings Limited
(Formally Known as GMR SEZ and Port Holdings Pvt Ltd)
Notes to the financial statements for the Year ended 31st March 2023

6. Loans **(Amount Rs. Thousands)**

	Non-Current		Current	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Carried at amortised cost				
Loans				
Unsecured, considered good to related parties	76,238	36,952	249,705	584,411
Loans to employees				
	76,238	**36,952**	**249,705**	**584,411**

7. Other financial assets **(Amount Rs. Thousands)**

	Non-Current		Current	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Other Loans & Advances				
Unsecured, considered good unless otherwise stated				
Interest accrued on Loans and debentures to Subsidiaries / FD/ Investments	-		690	2,786
Receivables from related parties			1,465	2,589
Other receivable			308,809	308,809
Less: Provision for Bad Debt			(308,809)	-
Total	**-**	**-**	**2,155**	**314,183**

The Company had receivable from Aurobindo Realty & Infrastructure Private Limtied of Rs.57.18 Crores as milestone payment towards sale of CCD investment. The Company has fair valued this receivable due to deferred payment and made provision of Rs. 8.96 Crs in FY 2020-21, Rs. 17.34 Crs in FY 2021-22 and made a provision for Bad Debts of Rs. 30.88 Crores as on 31.03.2023.

GMR SEZ & Port Holdings Limited
(Formally Known as GMR SEZ and Port Holdings Pvt Ltd)
Notes to the financial statements for the Year ended 31st March 2023

8. Other current assets

(Amount Rs. Thousands)

	Non-Current		Current	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Advance to employees			70	-
Prepaid expenses	-	-	14	15
Balance with statutory / government Authorities	-	-	1,094	1,072
Total other assets	**-**	**-**	**1,178**	**1,087**

9. Non -Current income tax

(Amount Rs. Thousands)

Particulars	31-Mar-23	31-Mar-22
Advance Income Tax (net of provisions)	852	34,452
	852	**34,452**

10. Cash and Cash Equivalents

(Amount Rs. Thousands)

Particulars	31-Mar-23	31-Mar-22
Cash and cash equivalents		
-Cash on hand	10	-
-Balances with Banks		
-In current accounts	16,073	1,962
Total	**16,082**	**1,962**

11. Share Capital

(Amount Rs. Thousands)

Particulars	31st March 2023	31st March 2022
Authorised :		
50,000,000 (March 31, 2022:50,000,000) Equity Shares of Rs.10 (2022: Rs.10) each	500,000	500,000
	500,000	500,000
Issued :		
4,79,90,000 (March 31, 2022: 4,79,90,000) Equity Shares of Rs.10 (2022: Rs. 10) each fully paid up	479,900	479,900
Subscribed and Paid-up		
4,79,90,000 (March 31, 2022: 4,79,90,000) Equity Shares of Rs.10 (2022: Rs. 10) each fully paid up	479,900	479,900
Total	479,900	479,900

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

(Amount Rs. Thousands)

Equity Shares	31st March 2023		31st March 2022	
	In Numbers	Amount	In Numbers	Amount
At the beginning of the year	47,990,000	479,900	47,990,000	479,900
Issued during the year	-	-	-	-
Outstanding at the end of the year	**47,990,000**	**479,900**	**47,990,000**	**479,900**

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Every member holding equity shares shall have voting rights in proportion to his shares of the paid up equity share capital. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company.

(Amount Rs. Thousands)

Name of Shareholder	31st March 2023		31st March 2022	
	No. of Shares held	Amount	No. of Shares held	Amount
GMR Power And Urban Infra Limited and its nominees, the immediate holding company. 4,79,90,000 Equity Shares of Rs.10 each fully paid up	47,990,000	479,900	47,990,000	479,900

d. Details of Shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	31st March 2023		31st March 2022	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Equity shares of Rs.10 each fully paid				
GMR Power And Urban Infra Limited, the immediate holding company and its nominees.	**47,990,000**	**100%**	**47,990,000**	**100%**

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

e. Instruments entirely equity in nature

Instruments entirely equity in nature	31st March 2023	31st March 2022
Compulsory Convertible Debentures issued	1,260,000	-
	1,260,000	-

Compulsory Convertible Debentures issued to:	31st March 2023	31st March 2022
GMR Highways Limited	1,260,000	-

GMR SEZ & Port Holdings Limited
(Formally Known as GMR SEZ and Port Holdings Pvt Ltd)
Notes to the financial statements for the Year ended 31st March 2023

12. Other Equity

(Amount Rs. Thousands)

Particulars	31st March 2023
Surplus in the statement of profit and loss	
At 1 April 2021	(1,967,395)
Add: Net profit for the year	(705,302)
At 31 March 2022	(2,672,697)
Add: Net profit for the year	(849,773)
At 31 March 2023	(3,522,470)
Equity component of Debentures	-
At 1 April 2021	-
Add: additions in the other equity	-
At 31 March 2022	-
Add: additions in the other equity	
At 31 March 2023	-
Other items of Comprehensive Income	
At 31 March 2022	72
Add: Actuarial gain or losses during the year	(2)
At 31 March 2023	70
Total Other equity as at 31st March 2023	**(3,522,399)**
Total Other equity as at 31st March 2022	**(2,672,625)**

13 Financial liabilities - Borrowings

(Amount Rs. Thousands)

Particulars	Non - Current		Current	
	31st March 2023	31 March 2022	31st March 2023	31 March 2022
Unsecured borrowings				
Loans from related parties				
Loans from group company (unsecured)	2,208,181	2,391,571	-	983,402
Secured Borrowings				
From Bank:				
Indian rupee term loan from banks (secured)	1,040,370	1,280,456	-	-
Current maturities of long term borrowings	-	-	240,085	208,073
Total	**3,248,552**	**3,672,027**	**240,085**	**1,191,475**

As on 31.03.2022, the company had a total borrowing of Rs. 486.35 Crores as below – Rs.118.52 Crs from GMR Power & Urban Infra Ltd., Rs. 16.25 Crs from GMR Highways Ltd., Rs. 2.37 Crs from Honey Flower Estates Pvt. Ltd., Rs. 76.90 Crs from GMR Aerostructure Ltd. and Rs. 25.10 Crs GMR Pochanapalli Expressway Ltd. These loans carried interest of 12.25% pa with the tenor of 3 years. The short term loans of the company consist of Rs. 52.85 Crs @ 6% from GMR Highways Limited (the merged entity of GMR Tuni Anakapalli Expressways Limited - GTA) and Rs.45.49 Crs @ 6% from GMR Highways Ltd (the merged entity of GMR Tambaram Tindivanam Expressway Ltd. - GTT). The company had a Term loan of Rs. Rs.148.85 Crs from Yes Bank Limited at an interest rate of Rs.12.61% P.A (Rs.20.80 crs shown as current maturity in current liability) with tenor of 96 months secured against company's trade receivables and moveable properties. Vide NCLT order dated 3rd August 2022 (Appointed date 01st Apr.2019 and effective date 11th August 2022), GTA & GTT merged with GMR Highways Ltd. and the loans taken from GTA & GTT gets automatically transferred to merged entity, M/s GMR Highways Limited
During the current financial year, the company has availed unsecured loans of Rs. 62.61 crores from GMR Power and Urban Infra Limited, Rs. 1.55 Crs from GMR Aero Structure Limited and Rs.1.25 Crs from Honey Flower Estates Private Limited. All these loans are long term loans carrying 12.25% interest pa. The company also availed a new loan of Rs 1.57 crs from GMR Airport Infrasturucture Ltd for a period of 6 years at interest rate @7.25% p.a. During the year, the accrued interest of Rs. 8.49 crores payable to GMR Highways Ltd. was converted in to short term loan for period of 1 year at interest rate of 6% pa. During the year, the company has repaid Rs.67.81 Crs to GMR Power and Urban Infra Limited, Rs.1.25 Crs to Honey Flower Estates Private Limited and Rs.118.63 Crs to to GMR Highways Limited and Rs.16.01 Crs to Yes Bank.
As on 31.03.23, the company has the following borrowings – GMR Power & Urban Infra Limited Rs. 113.31 Crs, Honey Flower Estates Pvt. Ltd. Rs. 2.37 Crs, GMR Aerostructure Ltd. Rs. 78.46 Crs, GMR Pochanapalli Expressway Ltd. Rs. 25.10 Crs, GMR Airport Infrastructure Ltd. Rs. 1.57 Cr and Yes Bank Rs. 128.04 Crs.

14. Provisions

(Amount Rs. Thousands)

	Non - Current		Current	
	31st March 2023	31 March 2022	31st March 2023	31 March 2022
Provision for employee benefits				
Provision for Compensated Absences	-	-	173	159
Provision for Gratuity	183	141	13	10
Provision for other employee benefits	-	-	4	4
Provision others	-		-	564
Total	**183**	**141**	**189**	**737**

15. Financial liabilities - Trade payables - Current

(Amount Rs. Thousands)

Particulars	31st March 2023	31 March 2022
Trade Payable		
- Micro, Small and Medium Enterprises	531	1,117
- Others	490.80	1
TOTAL	**1,022**	**1,118**

*Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".

Particulars	31st March 2023	31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal Amount	531	1,117
- Interest thereon		
TOTAL	**531**	**1,117**

16. Other Financial Liabilities

(Amount Rs. Thousands)

	Non Current		Current	
	31st March 2023	31 March 2022	31st March 2023	31 March 2022
Other financial liabilities at amortised cost				
Interest accrued but not due on borrowings	465,253	266,371	15,526	70,406
Interest accrued on debt and borrowings	5	-	-	-
Non trade payable	-	-	206	454
Total other financial liabilities at amortised cost	**465,258**	**266,371**	**15,732**	**70,860**
Total other financial liabilities	**465,258**	**266,371**	**15,732**	**70,860**

17. Other Liabilities

(Amount Rs. Thousands)

	Non Current		Current	
	31st March 2023	31 March 2022	31st March 2023	31 March 2022
Advance from customer	-	-	-	-
Statutory liabilities	-	-	4,188	17,239
Other payables	-	-	25	17
Total	**-**	**-**	**4,213**	**17,256**

18. Revenue From Operations

Breakup of "Revenue From Operations" in profit and loss is as follows:

(Amount Rs. Thousands)

Revenue from operations	**31st March 2023**	**31st March 2022**
Income from management and other services	5,461	5,425
		-
	5,461	**5,425**

19. Other income

(Amount Rs. Thousands)

	31st March 2023	**31st March 2022**
Other income		
Profit from sale of Investments	347	42
Interest on:		
Interest from loan to group companies	7,577	2,225
Interest from Income Tax Refund	3,819	-
Interest - others	253	639
Profit on sale of land	175	-
	12,171	**2,906**

20. Employee Benefits Expense

(Amount Rs. Thousands)

	31st March 2023	**31st March 2022**
Salaries, wages and bonus	1,951	1,701
Contribution to provident and other funds	142	134
Contribution to Gratuity	43	35
Staff welfare expenses	52	57
	2,187	**1,927**

21. Depreciation & amortisation expenses

(Amount Rs. Thousands)

	31st March 2023	31st March 2022
Depreciation on Property, Plant and Equipment	28	33
	28	**33**

22. Other expenses

(Amount Rs. Thousands)

	31st March 2023	31st March 2022
Rates and taxes	231	33
Communication costs	41	2
Printing and stationery	13	1
Travelling and Conveyence	0	4
Legal and Professional fees	9,705	656
Brokerage & comission expenses	182	-
Bank Charges	0	2
Payments to Auditors	155	90
Security Charges	5,425	5,588
Total	**15,754**	**6,376**

(Amount Rs. Thousands)

	31st March 2023	31st March 2022
Payment to Auditors (Included in other expenses above)		
As Auditor		
Audit fee	65	50
Limited review	40	40
Tax audit fees	50	-
	155	**90**

23. Exceptional items

(Amount Rs. Thousands)

	31st March 2023	31st March 2022
Provision for diminution in the value of investment / Receivables	308,809	173,291
	308,809	173,291

24. Financial Charges

(Amount Rs. Thousands)

	31st March 2023	31st March 2022
Interest on debts and borrowings	540,601	531,738
Interest others	-	1
Total	540,601	531,739

25. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year 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:

(Amount Rs. Thousands)

Particulars	31st March 2023	31st March 2022
Profit attributable to equity holders of the parent		
Continuing operations	(849,774)	(705,237)
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	-	-
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	-	-
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	47,990,000	47,990,000
Effect of dilution:	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	47,990,000	47,990,000
Earning Per Share (Basic & Diluted) (Rs)	(17.71)	(14.70)
Face value per share (Rs)	10.00	10.00

26. Significant accounting judgements, estimates and assumptions

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

ESTIMATES AND ASSUMPTIONS

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

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Defined benefit plans (gratuity benefits)

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

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

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

Fair value measurement of financial instruments

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

27. Gratuity and other post-employment benefit plans

a) Defined Contribution Plans :

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

(Amount Rs. Thousands)

Particulars	31st March 2023	31st March 2022
Provident and pension fund	43	44
Total	**43**	**44**

b) Defined Benefit Plan - Gratuity as per Actuarial Valuation as at March 31, 2023 [Funded]

(Amount Rs. Thousands)

Particulars		31st March 2023	31st March 2022
i) Change in defined benefit obligation			
Opening defined benefit obligation		151	171
Current Service Cost		32	32
Interest cost		11	12
Acquisition Cost/(Credit)		2	(64)
Re-measurement gains (losses) on defined benefit plans		-	-
Benefits paid		-	-
Closing defined benefit obligation		**196**	**151**
ii) Change in fair value of plan assets:			
Fair value of Plan Assets at the beginning of the year		-	-
Interest income on plan assets		-	-
Return on plan assets greater /(lesser) than discount rate		-	-
Contributions by employer		-	-
Benefits paid		-	-
Closing fair value of plan assets		**-**	**-**
iii) Amount Recognized in the Balance Sheet			
Present Value of Obligation as at year end		196	151
Fair Value of plan assets at year end		-	-
Funded status		**196**	151
Less : Asset ceiling adjustment	**-**	**-**	**-**
Net defined benefit asset/ (liability) recognized		**196**	**151**
iv) Expenses recognised during the period			
In Investment properties			
Current Service Cost		32	32
Net interest on net defined benefit liability / (asset)		11	12
	-	43	44
In Investment properties			
Actuarial (gain)/loss on defined benefit obligation - Experience		-	-
Actuarial changes arising from changes in demographic assumptions		-	-
Actuarial changes arising from changes in financial assumptions			-
Return on plan assets (greater)/less than discount rate		-	-
	-	**-**	-
Total expense	**-**	**43**	**44**
v) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:			
Investment with Insurer managed funds		100%	100%
vi) Principal actuarial assumptions used			
Discount rate (p.a.)		7.30%	7.10%
Expected rate of return on plan assets (p.a.)		7.30%	7.10%
Expected rate of increase in salary		6.00%	6.00%
Attrition Rate		5.00%	5.00%
Retirement Age		60 Years	60 Years

c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 1,72,796 as at March 31, 2023 [March 31, 2022: Rs.1,59,230].

28 Commitments and Contingencies

I Commitments

The Company doesn't have any commitments.

Estimated amount of Contracts

	31st March 2023	31st March 2022
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	NIL	NIL

II Contingencies

The Company's investment in shares of Kakinada Gateway Port Limited of Rs. 109.08 Crs has been pledged to Aurobindo Realty & Infrastructure Limited for group company borrowing of Rs.109.10 crs.

III Litigation

The company doesnot have any litigations.

29. Related Party transactions

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

(a) Subdiaries

Advika Properties Private Limited (Advika)
Aklima Properties Private Limited (Aklima)
Amartya Properties Private Limited (Amartya)
Asteria Real Estates Private Limited (Asteria)
Baruni Properties Private Limited (Baruni)
Camelia Properties Private Limited (Camelia)
Eila Properties Private Limited (Eila)
Gerbera Properties Private Limited (Gerbera)
Lakshmipriya Properties Private Limited (Lakshmipriya)
Honeysuckle Properties Private Limited (Honeysuckle)
Idika Properties Private Limited (Idika)
Krishnapriya Properties Private Limited (Krishnapriya)
Nadira Properties Private Limited (Nadira)
Prakalpa Properties Private Limited (Prakalpa)
Purnachandra Properties Private Limited (Purnachandra)
Shreydita Properties Private Limited (Shreyadita)
Sreepa Properties Private Limited (Sreepa)
Bougainvilla Properties Private Limited (Bougainvilla)
Deepesh Properties Private Limited (Deepesh)
Padmapriya Properties Private Limited (Padmapriya)
Larkspur Properties Private Limited (Larkspur)
Pranesh Properties Private Limited (Pranesh)
Radhapriya Properties Private Limited (Radhapriya)
Lantana Properties Private Limited (Lantana)
Honey Flower Estates Private Limited (HFEPL)
Namitha Real Estates Private Limited (Namitha)
Suzone Properties Private Limited (Suzone)
Lilliam Properties Private Limited (Lilliam)

(b) Fellow Subdiaries

GMR Krishnagiri SIR Limited (GKSIR)
GMR Highways Limited (GHWL)
Dhruvi Securities Limited (Dhruvi)
GMR Aerostructure service limited (GASL)
GMR Pochanapalli Expressway Limited (GPEL)
GMR Infra Developers Limited (GIDL)
Raxa Security Services Limited (Raxa)

(c) Holding company

GMR Power Urban Infra Limited (GPUIL)
GMR Enterprise Private Limited (GEPL)

(d) Key management personnel

Mr. Krishna Kumar Kollapureddy - Manager
Mr. Utkarsh Gupta - Company Secretary

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

(Amount Rs. Thousands)

Particulars	31st March 2023	31st March 2022
i) Redemption Optionally Convertible Debentures		
Holding Company - GPUIL	-	597,600
ii) Interest on debenture		
Holding Company - GPUIL	-	3
iii) CCD Issued		
Fellow Subsidiary – GHWL	1,260,000	-
iv) Loan taken		
Holding Company - GPUIL	626,050	2,488,636
Subsidiary - HFEPL	12,500	23,680
Fellow Subsidiary – GPEL	-	54,293
Fellow Subsidiary – GIL	15,700	-
Fellow Subsidiary - GASL	15,500	834,080
Fellow Subsidiary - GTTEL	-	23,500
Interest on CCD		
Fellow Subsidiary – GHWL	6	-
v) Interest on Borrowings		
Holding Company - GPUIL	120,826	206,100
Fellow Subsidiary - GPEL	30,120	19,948
Fellow Subsidiary - GASL	95,726	32,760
Fellow Subsidiary - GHWL	73,398	79,340
Fellow Subsidiary - GIL	3	-
Subsidiary - HFEPL	2,918	821
vi) Refund of Borrowings		
Holding Company - GPUIL	678,100	2,362,965
Fellow Subsidiary - GHWL	85,024	15,000
Subsidiary - HFEPL	12,500	-
Fellow Subsidiary - GASL	-	65,000

(Amount Rs. Thousands)

Particulars	31st March 2023	31st March 2022
vii) Interest income on Loan given to subsidiaries:		
Subsidiary - Amartya	62	-
Subsidiary - Camelia	1	-
Subsidiary - Gerbera	62	-
Subsidiary - Krishnapriya	53	-
Subsidiary - Pranesh	3	-
Subsidiary - Shreyadita	36	-
Subsidiary - Bougainvillea	0	-
Subsidiary - Aklima	0	-
viii) Investment in other equity-Loan given:		
Subsidiary - Amartya	3,204	-
Subsidiary - Camelia	412	-
Subsidiary - Gerbera	3,204	-
Subsidiary - Krishnapriya	3,284	-
Subsidiary - Pranesh	133	-
Subsidiary - Shreyadita	1,831	-
Subsidiary - Bougainvillea	18	-
Subsidiary - Aklima	343	
ix) Long term Loan Given to Subsidiaries :		
Subsidiary - Amartya	10,859	-
Subsidiary - Camelia	1,389	-
Subsidiary - Gerbera	10,859	-
Subsidiary - Krishnapriya	9,269	-
Subsidiary - Pranesh	450	-
Subsidiary - Shreyadita	6,205	-
Subsidiary - Bougainvillea	62	-
Subsidiary - Aklima	1,157	-
x) Loan given		
Fellow Subsidiary - GKSIR	35,200	66,450
Subsidiary - Asteria	710	14,210
Subsidiary - Advika	2,950	13,500
Subsidiary - Aklima	22,450	18,860
Subsidiary - Amartya	25,000	2,500
Subsidiary - Baruni	3,450	15,175
Subsidiary - Camelia	2,850	27,530
Subsidiary - Idika	464	8,145
Subsidiary - Gerbera	14,355	-
Subsidiary - Bougainvilla	110	1,300
Subsidiary - Honeysuckle	14,135	2,375
Subsidiary - Lakshmipriya	4,545	13,295
Subsidiary - Eila	160	1,850
Subsidiary - Sreepa	12,960	1,350
Subsidiary - Suzone	425	8,745
Subsidiary - Shreyadita	9,500	2,300
Subsidiary - Padmapriya	3,200	2,550
Subsidiary - Lilliam	110	190
Subsidiary - Lantana	100	-
Subsidiary - Prakalpa	737	14,335
Subsidiary - Purnachandra	6,810	1,625
Subsidiary - Larkspur	10,185	2,915
Subsidiary - Krishnapriya	31,142	1,600
Subsidiary - Nadira	1,416	2,603
Subsidiary - Pranesh	5,785	7,610
Subsidiary - Radhapriya	75	68,025
Subsidiary - Namitha	3,350	1,330

(Amount Rs. Thousands)

Particulars	31st March 2023	31st March 2022
xi) Refund of Loan given		
Subsidiary - Advika	42,875	35,920
Fellow Subsidiary - GKSIR	40,825	84,900
Subsidiary - Aklima	5,250	21,765
Subsidiary - Amartya	25,000	2,745
Subsidiary - Asteria	30,180	24,265
Subsidiary - Baruni	31,148	37,022
Subsidiary - Padmapriya	2,300	1,350
Subsidiary - Bougainvilla	30	37,922
Subsidiary - Camelia	1,050	27,530
Subsidiary - Deepesh	-	195
Subsidiary - Eila	27,150	-
Subsidiary - Gerbera	14,000	23,834
Subsidiary - Honeysuckle	22,641	27,731
Subsidiary - Idika	20,500	17,364
Subsidiary - Lilliam	6,500	-
Subsidiary - Lantana	30	250
Subsidiary - Larkspur	2,100	1,248
Subsidiary - Lakshmipriya	50,157	28,515
Subsidiary - Krishnapriya	28,805	29,048
Subsidiary - Nadira	28,388	3,000
Subsidiary - Prakalpa	50,520	3,755
Subsidiary - Purnachandra	2,210	31,990
Subsidiary - Shreyadita	8,150	45,545
Subsidiary - Sreepa	2,488	29,066
Subsidiary - Pranesh	58,015	19,650
Subsidiary - Suzone	6,900	-
Subsidiary - Radhapriya	37,732	26,028
Subsidiary - Namitha	5,680	-
xii) Interest on Lending / Debenture Investment		
Fellow Subsidiary - GKSIR	2,329	1,996
Subsidiary - Namitha	368	217
xiii) Consultancy Service given by		
Holding Company - GPUIL	82	131
xiv) Consultancy Service given to		
Subsidiary - Advika	353	344
Subsidiary - Aklima	121	184
Subsidiary - Amartya	214	158
Subsidiary - Asteria	74	192
Subsidiary - Baruni	228	223
Subsidiary - Bougainvilla	-	172
Subsidiary - Camelia	29	79
Subsidiary - Deepesh	9	23
Subsidiary - Eila	318	215
Subsidiary - Gerbera	82	149
Subsidiary - Honeysuckle	303	256
Subsidiary - Idika	409	271
Subsidiary - Krishnapriya	257	272
Subsidiary - Lakshmipriya	295	302
Subsidiary - Lantana	-	-
Subsidiary - Larkspur	150	120
Subsidiary - Lilliam	301	164
Subsidiary - Nadira	186	196
Subsidiary - Padmapriya	361	239
Subsidiary - Prakalpa	386	288
Subsidiary - Pranesh	134	380
Subsidiary - Purnachchandra	120	252
Subsidiary - Radhapriya	272	103
Subsidiary - Shreyadita	56	242
Subsidiary - Sreepa	244	261
Subsidiary - Suzone	559	341
xv) Security charges paid		
Fellow Subsidiary - Raxa	5,877	5,588
xvi) Logo fees paid		
Ultimate holdings Company - GEPL	1	1

(C) Outstanding Balances at the year end :

Particulars	31st March 2023	As at March 31, 2022
i) Allotment of Equity Share Capital		
Holding Company – GIL	479,900	479,900
ii) CCD Issued		
Fellow Subsidiary – GHWL	1,260,000	-
iii) Investment in equity shares		
Subsidiary - Advika	10,000	10,000
Subsidiary - Aklima	10,000	10,000
Subsidiary - Amartya	10,000	10,000
Subsidiary - Asteria	300	300
Subsidiary - Baruni	10,000	10,000
Subsidiary - Bougainvilla	10,000	10,000
Subsidiary - Camelia	10,000	10,000
Subsidiary - Deepesh	10,000	10,000
Subsidiary - Eila	10,000	10,000
Subsidiary - Gerbera	10,000	10,000
Subsidiary - Lakshmipriya	10,000	10,000
Subsidiary - Larkspur	10,000	10,000
Subsidiary - Lantana	100	100
Subsidiary - Honeysuckle	10,000	10,000
Subsidiary - Idika	10,000	10,000
Subsidiary - Krishnapriya	10,000	10,000
Subsidiary - Nadira	10,000	10,000
Subsidiary - Pranesh	10,000	10,000
Subsidiary - Padmapriya	10,000	10,000
Subsidiary - Prakalpa	10,000	10,000
Subsidiary - Purnachandra	10,000	10,000
Subsidiary - Shreyadita	10,000	10,000
Subsidiary - Sreepa	10,000	10,000
Subsidiary - Radhapriya	10,000	10,000
Subsidiary - HFEPL	332,600	332,600
Subsidiary - Namitha	100	100
Subsidiary - Suzone	100	100
Subsidiary - Lilliam	100	100
iv) Investment in equity shares		
Fellow Subsidiary - Dhruvi	5	5
v) Investment in other equity (Loan given):		
Subsidiary - Amartya	3,204	-
Subsidiary - Camelia	412	-
Subsidiary - Gerbera	3,204	-
Subsidiary - Krishnapriya	3,284	-
Subsidiary - Pranesh	133	-
Subsidiary - Shreyadita	1,831	-
Subsidiary - Bougainvillea	18	-
Subsidiary - Aklima	343	-

(Amount Rs. Thousands)

Particulars	31st March 2023	31st March 2022
vi) Loan taken		
Fellow Subsidiary – GTAEL	-	528,502
Fellow Subsidiary – GHWL	-	162,539
Fellow Subsidiary – GTTEL	-	454,900
Fellow Subsidiary – GISL		
Fellow Subsidiary – GPEL	251,000	251,000
Fellow Subsidiary – GASL	784,580	769,080
Subsidiary – HFEPL	23,680	23,680
Fellow Subsidiary – GIL	15,700	-
Holding Company - GPUIL	1,133,221	1,185,271
vi) Long term Loan given		
Subsidiary - Amartya	10,859	-
Subsidiary - Camelia	1,389	-
Subsidiary - Gerbera	10,859	-
Subsidiary - Krishnapriya	9,269	-
Subsidiary - Pranesh	450	-
Subsidiary - Shreyadita	6,205	-
Subsidiary - Bougainvillea	62	-
Subsidiary - Aklima	1,157	-
vii) Long/Short term Loan given		
Subsidiary - Advika	2,010	41,935
Subsidiary - Aklima	17,200	-
Subsidiary - Asteria	170	29,640
Subsidiary - Baruni	730	28,428
Subsidiary - Bougainvilla	-	-
Subsidiary - Eila	16,499	42,507
Subsidiary - Gerbera	355	-
Fellow Subsidiary - GKSIR	-	5,625
Subsidiary - Honeysuckle	26,250	34,756
Subsidiary - Idika	20,534	40,570
Subsidiary - Krishnapriya	11,660	9,323
Subsidiary - Lakshmipriya	660	46,272
Subsidiary - Lantana	70	-
Subsidiary - Lilliam	20,939	27,329
Subsidiary - Larkspur	9,900	1,815
Subsidiary - Nadira	910	27,882
Subsidiary - Prakalpa	7,801	56,848
Subsidiary - Pranesh	-	52,230
Subsidiary - Padmapriya	2,600	1,700
Subsidiary - Purnachandra	4,600	-
Subsidiary - Radhapriya	113,345	148,057
Subsidiary - Shreyadita	1,350	-
Subsidiary - Sreepa	11,800	1,328
Subsidiary - Suzone	16,311	22,786
Subsidiary - Namitha	-	2,330
viii) Accured Interest on Borrowing		
Holding Company - GPUIL	305,248	194,482
Fellow Subsidiary – GIL	3	-
Fellow Subsidiary – GPEL	32,075	4,472
Fellow Subsidiary – GHWL	-	34,245
Fellow Subsidiary – GTTEL	-	11,261
Fellow Subsidiary – GASL	124,563	32,432
Subsidiary – HFEPL	3,365	739
Fellow Subsidiary – GTAEL	-	43,968
ix) Accured Interest on Debentures		
Fellow Subsidiary – GHWL	5	-
x) Creditors / payable		
Fellow Subsidiary – Raxa	531	1,049
Holding Company - GPUIL	22	-

(Amount Rs. Thousands)

Particulars	31st March 2023	31st March 2022
xi) Debtis / receivables		
Subsidiary - Advika	91	187
Subsidiary - Aklima	36	56
Subsidiary - Amartya	56	88
Subsidiary - Asteria	3	59
Subsidiary - Baruni	68	124
Subsidiary - Bougainvilla	-	62
Subsidiary - Camelia	9	32
Subsidiary - Deepesh	3	10
Subsidiary - Eila	90	121
Subsidiary - Gerbera	27	66
Subsidiary - Honeysuckle	97	68
Subsidiary - Idika	119	153
Subsidiary - Krishnapriya	69	154
Subsidiary - Lakshmipriya	65	88
Subsidiary - Larkspur	31	66
Subsidiary - Lilliam	99	108
Subsidiary - Nadira	50	105
Subsidiary - Padmapriya	105	135
Subsidiary - Prakalpa	94	161
Subsidiary - Pranesh	-	117
Subsidiary - Purnachandra	15	125
Subsidiary - Radhapriya	87	73
Subsidiary - Shreyadita	9	99
Subsidiary - Sreepa	58	140
Subsidiary - Suzone	183	195
xi) Accured Interest on Loan given		
Fellow Subsidiary – GKSIR	-	1,996
Subsidiary - Namitha	502	253

30 Disclosures on Financial instruments

Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022.

As at March 31, 2023 (Amount Rs. Thousands)

Particulars	Fair Value through other comprehensive income	Amortised Cost	Total Carrying value	Total Fair Value
Financial Assets				
i) Investments	28,614	1,814,107	1,842,721	1,842,721
ii) Loans & Advances	-	325,943	325,943	325,943
iii) Cash and Bank Balances	-	16,082	16,082	16,082
vi) Other Financial Assets	-	2,155	2,155	2,155
Total	**28,614**	**2,158,287**	**2,186,901**	**2,186,901**
Financial Liabilities				
i) Borrowings	-	3,488,637	3,488,637	3,488,637
ii) Trade Payable	-	1,022	1,022	1,022
iii) Other Financial Liabilities	-	480,990	480,990	480,990
iv) Financial Guarantee Contracts	-	-	-	-
Total	**-**	**3,970,649**	**3,970,649**	**3,970,649**

As at March 31, 2022 (Amount Rs. Thousands)

Particulars	Fair Value through other comprehensive income	Amortised Cost	Total Carrying value	Total Fair Value
Financial Assets				
i) Investments	16,187	2,024,107	2,040,293	2,040,293
ii) Loans & Advances	-	621,363	621,363	621,363
iii) Cash and Bank Balances	-	1,962	1,962	1,962
iv) Other Financial Assets	-	314,183	314,183	314,183
Total	**16,187**	**2,961,615**	**2,977,801**	**2,977,801**
Financial Liabilities				
i) Borrowings	-	4,863,502	4,863,502	4,863,502
ii) Trade Payable	-	1,118	1,118	1,118
iii) Other Financial Liabilities	-	337,231	337,231	337,231
Total	**-**	**5,201,851**	**5,201,851**	**5,201,851**

31 Financial risk management objectives and policies

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022 :

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.
The following assumptions have been made in calculating the sensitivity analyses:
► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have fluctuating interest rate borrowings, thus company does not have any interest rate risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 218.69 Crore and Rs. 297.78 Crore as at March 31, 2023 and March 31, 2022 respectively, being the total carrying value of investments, loans, trade receivables, balances with bank, bank deposits and other financial assets.

With respect to Trade receivables/ unbilled revenue, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

With respect to the investing activities of the Company, it has a risk management framework that monitors the sectors of the entities in which the Company has investments and evaluates whether the sectors operate within the defined risk appetite and risk tolerance levels as defined by the senior management. The credit risk function evaluates its investments based on well-established sector specific internal frameworks, in order to identify, mitigate and allocate risks as well as to enable appropriate valuation of investments.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from a bank. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

The Company monitors its risk of shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, sale of assets and strategic partnership with investors, etc

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

#REF!

Particulars	0-1 years	1- 5 years	> 5 years	Total
March 31, 2023				
Borrowings	240,085	3,248,552	-	3,488,637
Other Financial Liabilities	15,732	465,258	-	480,990
Trade Payable	1,022	-	-	1,022
Total	**256,840**	**3,713,810**	**-**	**3,970,649**
March 31, 2022				
Borrowings	1,191,475	3,672,027	-	4,863,501
Other Financial Liabilities	70,860	266,371	-	337,231
Trade Payable	1,118	-	-	1,118
Total	1,263,453	3,938,397	-	5,201,850

32. Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt.

(Amount Rs. Thousands)

	31st March 2023	At 31 March 2022
Borrowings	3,488,637	4,863,501
Less: Cash and cash equivalents	16,082	1,962
Net debts	**3,472,555**	**4,861,539**
Capital Components		
share Capital	479,900	479,900
Instruments entirely equity in nature	1,260,000	-
Other equity	**(3,522,399)**	(2,672,625)
Total Capital	**(1,782,499)**	**(2,192,725)**
Capital and net debt	**1,690,056**	**2,668,814**
Gearing ratio (%)	**205%**	**182%**

No changes were made in the objectives, policies or processes for managing capital during the period/year ended 31st March 2023 and 31 March 2022.

33. Recent accounting pronouncements

`Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and include corresponding amendments to IND AS 107 and IND AS 34. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Also there is corresponding amendment to IND AS 101. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

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

35: Ratios to be disclosed as per requirement of Schedule III to the Act

Ratio	Numerator	Denominator	As at 31 March 2023 Ratio	As at 31 March 2022 Ratio	Variance	Remarks
Current ratio	Current assets	Current liabilities	1.68	1.00	68%	Due to Repayment RTL-YES bank Loan and repayment of Interest during this year
Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total equity	(1.96)	10.13	-119%	Due to Repayment Group company Loans &RTL-YES bank Loan during this year
Debt service coverage ratio	Earnings before depreciation and amortisation and interest [Earnings = Profit after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	-0.16	0.00	0%	Due to increase the finance cost and repayment Group company Loans
Return on equity ratio	Profit after tax	Average of total equity	0.43	(1.47)	-129%	Due to increase the finance cost and issued CCD movement to other equity component during this year
Inventory turnover ratio	Costs of materials consume	Average inventories	-	-		
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	-	-		
Trade payables turnover ratio	Purchases	Average trade payables	-	-		
Net capital turnover ratio	Revenue from operations	Working capital [Current assets - Current liabilities	0.03	15.81	-100%	Due to reduction of current Assets during this year
Net profit ratio	Profit after tax	Revenue from operations	-155.61	-130.00	20%	
Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	(0.14)	(0.06)	141%	Due to increase the finance cost and repayment of YES bank loans
Return on investment	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	(1.77)	(1.47)	20%	

36 : Standalone summary of significant accounting policies and other explanatory information for the Year ended 31st March'23

A Ageing schedule of trade receivables

(Amount Rs. Thousands)

As at 31 March 2023	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	1,465	-	-	-	-	1,465
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-

(Amount Rs. Thousands)

As at 31 March 2022	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	2,589	-	-	-	-	
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	
Disputed trade receivables – considered good	-	-	-	-	-	-	
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	-	

B Ageing schedule of trade payables

(Amount Rs. Thousands)

As at 31 March 2023	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium exterprises	531	-	-	-	531
Others	491	-	-	-	491
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-

(Amount Rs. Thousands)

As at 31 March 2022	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium exterprises	1,117	-	-	-	1,117
Others	1	-	-	-	1
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-

C Details of promoter shareholding

Name of promoter*	As at 31 March 2023			As at 31 March 2022		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
GMR Power Urban Infra Limited, the immediate holding company and its nominees.	47,990,000	100%	Nil	47,990,000	100%	Nil
GMR Infrastructure Limited, the immediate holding company and its nominees.	-	-		-	-	-

D End use of borrowings **(Amount Rs. Thousands)**

Name of Bank / Financial Instituition	As at 31 March 2023			As at 31 March 2022		
	Amount borrowed	Purpose of borrowing	Purpose for which amount has been used	Amount borrowed	Purpose of borrowing	Purpose for which amount has been used
GMR Power Urban Infra Limited	626,050	Investment & repayment of old loan	Investment & repayment of old loan	2,488,636	Repayment of old loan	Repayment of old loan
Honey flower Real Estates Private Limited	12,500	Repayment of old loan & Operational expenses	Repayment of old loan & Operational expenses	23,680	-	-
GMR Pochanapalli Expressway Limited	-	Payment of interest on borrowing	Payment of interest on borrowing	54,293	-	-
GMR Tuni Anakapalli Expressway Limited	-	-	-	-	Payment of interest on borrowing	Payment of interest on borrowing
GMR Highways Limited	-	-	-	-	Payment of interest on borrowing	Payment of interest on borrowing
GMR Airport Infrastructue Limited (GIL)	15,700	Repayment of old loan	Repayment of old loan			
Gmr Aerostructure service limited	15,500	Repayment of old loan	Repayment of old loan	834,080		
GMR Tambaram Tindivanam Expressway Limited	-	Payment of interest on borrowing	Payment of interest on borrowing	23,500	Payment of interest on borrowing	Payment of interest on borrowing

E Loan or advances to Directors, Promoters, KMPs and related parties- either repayble on demand or without any terms of repayment

(Amount Rs. Thousands)

	As at 31 March 2023		As at 31 March 2022	
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-

F The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

G The Company does not have any transactions/ balances with companies struck off under section 248 of Companies Act, 2013 to the best of knowledge of Company's management.

H The Company has not traded or invested funds in Crypto currency of Virtual currency.

I The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

J The Company has not received any fund from any person(s) or entity(ies), including foreign entities(Funding Party) with the understating (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

K The Company has not declared wilful defaulter by any bank of financial institution of other lender.

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

As per our report of even date

For Girish Murthy & Kumar
Firm Registration No. : 000934S
Chartered Accountants

ACHYUTHAVENKATA SATISH KUMAR
Digitally signed by ACHYUTHAVENKATA SATISH KUMAR
Date: 2023.04.29 17:28:10 +05'30'

A.V. Satish Kumar
Partner
Membership no.: 026526

Place: Bangalore
Date: 29th April 2023

For and on behalf of the board of directors of
GMR SEZ & Port Holdings Limited

MOHAN RAO MURTHY
Digitally signed by MOHAN RAO MURTHY
Date: 2023.04.29 16:16:16 +05'30'

M Mohan Rao
Director
DIN 02506274

SANJAY KUMAR JAIN
Digitally signed by SANJAY KUMAR JAIN
Date: 2023.04.29 15:54:51 +05'30'

Sanjay Kumar Jain
Director
DIN 07963436

UTKARSH GUPTA

Utkarsh Gupta
Company Secretary

ANNAPPAYYA PRABHU NAIKANAKATTE
Digitally signed by ANNAPPAYYA PRABHU NAIKANAKATTE
Date: 2023.04.29 16:00:20 +05'30'

Annappayya Prabhu
Chief Financial Officer

Place: Hosur
Date: 29th April 2023