Deloitte
Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT
To The Members of Hyderabad Menzies Air Cargo Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Hyderabad Menzies Air Cargo Private Limited** ("the Company"), which comprise the Balance Sheet as at March, 31 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor dated May 10, 2017 on the comparative financial information and the said opening balance sheet expressed an unmodified opinion.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, that:

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

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

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

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

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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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS 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.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

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Place: Hyderabad
Date: May 02, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Hyderabad Menzies Air Cargo Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, based on the criteria for internal financial control over financial reporting established by 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: May 02, 2018

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (intangible assets).

(b) The Company does not have any tangible fixed assets and accordingly the requirements under clause (i)(b) of the Order are not applicable to the Company.

(c) According to the information and explanations given by the Management, there are no immovable properties, included in intangible assets of the Company and accordingly, the requirement under clause (i)(c) of the Order are not applicable to the Company.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Service Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)
Income Tax Act, 1961	Income tax	CIT (Appeals)	AY 2008-09	84.98*	*
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal, Hyderabad	AY 2013-14	418.47^	Nil
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal, Hyderabad	AY 2014-15	310.92@	Nil
Income Tax Act, 1961	Income tax	CIT Appeals	AY 2015-16	417.17	417.17
Finance Act, 1994	Service tax (including penalty)	Customs, Excise & Service Tax Tribunal, Bengaluru	April 2007 to March 2012	591.99	591.99
Finance Act, 1994	Service tax (including penalty)	Additional Commission er of Income Tax Appeals, Hyderabad	April 2007 to March 2012	128.04	123.44

* The Assessing Officer has disallowed the amount which will impact the reduction of loss for the relevant assessment year.
^The Assistant Commissioner of Income Tax has reduced the amount refundable to that extent for the relevant assessment years.
@ The Income Tax Officer has reduced the amount refundable to that extent for the relevant assessment years.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the notes to the Ind AS financial statements as required by the applicable accounting standards.

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary, or associate Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

SP

Place: Hyderabad
Date: May 02, 2018

Hyderabad Menzies Air Cargo Private Limited
CIN No: U62100TG2006PTC049243
Balance Sheet as at March 31, 2018
(All amounts are in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Intangible assets	3	1,444.64	1,460.96
Intangible assets under development	3.1	118.30	0.41
Financial assets			
Other Financial assets	4	31.34	37.16
Non-current tax assets (net)	6	1,362.05	2,498.91
Other non-current assets	7	371.93	334.73
		3,328.26	**4,332.17**
Current assets			
Financial Assets			
Investments	5	4,979.29	2,017.38
Trade Receivables	8	856.79	668.10
Cash and cash equivalents	9	1,400.44	932.27
Other bank balances	9.1	1,794.99	3,154.02
Other financial assets	4	38.84	69.83
Other current assets	7	89.40	115.00
		9,159.75	**6,956.60**
Total Assets		**12,488.01**	**11,288.77**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,903.87	1,903.87
Other Equity	11	8,058.33	6,887.86
		9,962.20	**8,791.73**
Non-current liabilities			
Financial Liabilities			
Borrowings	12	30.74	36.55
Provisions	14	14.42	108.06
Deferred tax liabilities (net)	15	5.98	47.28
		51.14	**191.89**
Current liabilities			
Financial Liabilities			
Trade Payables	16	1,841.82	1,859.54
Others	13	99.00	62.29
Provisions	14	92.54	103.24
Other current liabilities	17	441.31	280.08
		2,474.67	**2,305.15**
Total Equity and Liabilities		**12,488.01**	**11,288.77**
Corporate information & Significant accounting policies	**1 & 2**		

The accompanying notes are an integral part of the Financial Statements.
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

Sumit Trivedi
Partner

Place: Hyderabad
Date: May 02, 2018

For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited

Rajesh Kumar Arora
Director
DIN No: 03174536

Kannan Gopalan
Director
DIN No: 06457047

HYDERABAD MENZIES AIR CARGO PVT. LTD.
HMACPL

Ravinder Bolangdy
Chief Executive Officer

Srikanth Vetcha
Chief Financial Officer

Anuja Mishra
Company Secretary
M.No. A37810
Place: Hyderabad
Date: May 02, 2018

Hyderabad Menzies Air Cargo Private Limited
CIN No: U62100TG2006PTC049243
Statement of Profit and Loss for the year ended March 31, 2018
(All amounts are in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. REVENUE			
Revenue from operations	18	9,485.76	8,905.00
Other income	19	884.75	457.70
Total Revenue (I)		**10,370.51**	**9,362.70**
II. EXPENSES			
Operations and maintenance expenses		294.54	385.99
Employee benefits expense	20	1,576.27	1,286.24
Amortization expense	22	307.72	271.23
Finance costs	23	21.18	21.01
Concession fee		1,815.17	1,622.35
Technical fee		806.74	721.05
Other expenses	21	2,358.05	2,382.84
Total expenses (II)		**7,179.67**	**6,690.71**
III. Profit before tax		**3,190.84**	**2,671.99**
IV. Tax expense:	25		
Current Tax		681.65	569.78
Deferred Tax charge / (credit)		(39.84)	0.54
Tax expense		**641.81**	**570.32**
V. Profit for the year (III-IV)		**2,549.03**	**2,101.67**
VI. Other comprehensive income			
i. Items that will not be reclassified to profit or loss	24		
Re-measurement gains / (losses) on defined benefit plans		(5.00)	(6.33)
Income tax relating to items that will not be reclassified to profit or loss		1.46	-
Total other comprehensive income		**(3.54)**	**(6.33)**
VII. Total comprehensive income for the year (V + VI)		**2,545.49**	**2,095.34**
VIII. Earnings per equity share of par value of Rs.10 each :			
Basic and diluted (Rs. Per share)	26	224.45	180.60
Corporate information & Significant accounting policies	**1 & 2**		

The accompanying notes are an integral part of the Financial Statements.
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Sumit Trivedi
Partner

Place: Hyderabad
Date: May 02, 2018

For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited

Rajesh Kumar Arora
Director
DIN No: 03174536

Kannan Gopalan
Director
DIN No: 06457047

HYDERABAD MENZIES AIR CARGO PVT. LTD. HMACPL

Ravinder Bolangdy
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Anuja Mishra
Company Secretary
M.No. A37810
Place: Hyderabad
Date: May 02, 2018

Hyderabad Menzies Air Cargo Private Limited
CIN No: U62100TG2006PTC049243
Cash Flow Statement for the year ended March 31, 2018
(All amounts are in Rs. Lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities			
Profit before tax		3,190.84	2,671.99
Adjustment for:			
Amortization expense		307.72	271.23
Interest income		(250.49)	(223.50)
Unrealized foreign exchange loss		1.56	0.20
Income from mutual funds		(32.59)	-
Finance income (including fair value change in financial instruments)		(224.65)	(121.19)
Finance costs (including fair value change in financial instruments)		26.64	10.77
Gain on sale of fixed assets (net)		(0.09)	(0.10)
Fixed assets written off		2.92	-
Operating profit before working capital changes		3,021.86	2,609.40
Movements in working capital:			
(Decrease)/Increase in trade payables		(19.28)	653.05
Increase in other liabilities		161.27	30.38
(Decrease)/Increase in provisions		(109.34)	50.23
(Increase) in trade receivables		(188.69)	(161.82)
Decrease/(Increase) in loans and advances		38.34	(35.38)
Cash generated from operations		2,904.16	3,145.86
Direct taxes paid (net of refunds)		455.21	(561.10)
Net cash flow from operating activities	(A)	3,359.37	2,584.76
Cash flows from investing activities			
Purchase of fixed assets, including capital work in progress and capital advances		(421.71)	(331.83)
Proceeds from sale of fixed assets		0.30	0.10
Purchase of current investments		(4,950.00)	(900.00)
Redemption of current investments		2,240.54	-
Investments in bank deposits (having original maturity of more than three months)		(2,094.99)	(5,822.79)
Redemption/maturity of bank deposits (having original maturity of more than three months)		3,454.02	5,257.85
Interest received		282.06	306.33
Net cash flow (used in) investing activities	(B)	(1,489.78)	(1,490.34)
Cash flows from financing activities			
Repayment of long-term borrowings		(10.00)	(10.00)
Dividends on equity and preference shares paid (including dividend distribution taxes)		(1,375.02)	(334.98)
Finance cost paid		(16.40)	-
Net cash flow used in financing activities	(C)	(1,401.42)	(344.98)
Net increase in cash and cash equivalents	(A+B+C)	468.17	749.44
Cash and cash equivalents at the beginning of the year		932.27	182.82
Cash and cash equivalents at the end of the year (Refer Note 9)		1,400.44	932.27

Reconciliation of liabilities from financial activities

	As at March 31, 2017	Proceeds	Repayment	Fair value changes	As at March 31, 2018
Long term borrowings (including current maturity of long term borrowing)	41.77	-	(10.00)	4.78	36.55
Total liabilities from Financial Activities	41.77	-	(10.00)	4.78	36.55

Corporate information & Significant accounting policies
The accompanying notes are an integral part of the Financial Statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: May 02, 2018

For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited

Rajesh Kumar Arora
Director
DIN No: 03174536

Kannan Gopalan
Director
DIN No: 06457047

MENZIES AIR CARGO PVT. LTD. HMACPL

Ravinder Bolangdy
Chief Executive Officer

Srikanth Vetcha
Chief Financial Officer

Anuja Mishra
Company Secretary
M.No. A37810
Place: Hyderabad
Date: May 02, 2018

Hyderabad Menzies Air Cargo Private Limited
CIN No: U62100TG2006PTC049243
Statement of Changes in Equity for the year ended March 31, 2018
(All amounts are in Rs. Lakhs, unless otherwise stated)

	Number	Rs. lakhs
A. Share Capital		
Equity Shares of Rs.10 Each, Fully paid up		
As at March 31, 2017	1,020,000	102.00
Issued during the year	-	-
As at March 31, 2018	1,020,000	102.00
Preference Share Capital	**No.**	**Rs. lakhs**
11.97% compulsory convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up		
As at March 31, 2017	18,735	1.87
Issued during the year	-	-
As at March 31, 2018	18,735	1.87
11.97% compulsory convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up	**No.**	**Rs. lakhs**
As at March 31, 2017	18,000	1,800.00
Issued during the year	-	-
As at March 31, 2018	18,000	1,800.00
Total Share Capital as at March 31, 2017		1,903.87
Total Share Capital as at March 31, 2018		1,903.87

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

HYDERABAD MENZIES AIR CARGO PVT. LTD.
HMACPL

Hyderabad Menzies Air Cargo Private Limited
CIN No: U62100TG2006PTC049243
Statement of Changes in Equity for the year ended March 31, 2018
(All amounts are in Rs. Lakhs, unless otherwise stated)

B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total (B)
	Equity component of related party loan	General Reserve	Retained Earnings	Remeasurements of the defined benefit plans	
At March 31, 2016	58.27	1,327.74	3,737.95	3.54	5,127.50
Profit for the year	-	-	2,101.67	-	2,101.67
Other Comprehensive Income (Note 24)	-	-	-	(6.33)	(6.33)
Total Comprehensive Income for the year					
Dividend on CCCPS (Series A) amount per share Rs. 1,197/- per share	-	-	(53.86)	-	(53.86)
Dividend on CCCPS (Series B) amount per share Rs. 1.197/- per share	-	-	(0.06)	-	(0.06)
Dividend distribution tax on CCCPS	-	-	(10.98)	-	(10.98)
Dividend on equity shares	-	-	(224.40)	-	(224.40)
Dividend distribution tax on equity shares	-	-	(45.68)	-	(45.68)
Total Comprehensive Income	-	-	**1,766.69**	**(6.33)**	1,760.36
At March 31, 2017	58.27	1,327.74	5,504.64	(2.79)	6,887.86
Profit for the year	-	-	2,549.03	-	2,549.03
Other Comprehensive Income net of tax(Note 24)	-	-	-	(3.54)	(3.54)
Total Comprehensive Income for the year			2,549.03	(3.54)	2,545.49
Dividend on CCCPS (Series A) amount per share Rs. 1,197/- per share	-	-	(377.05)	-	(377.05)
Dividend on CCCPS (Series B) amount per share Rs. 1.197/- per share	-	-	(0.39)	-	(0.39)
Dividend distribution tax on CCCPS	-	-	(76.84)	-	(76.84)
Dividend on equity shares (interim)	-	-	(765.00)	-	(765.00)
Dividend distribution tax on equity shares	-	-	(155.74)	-	(155.74)
At March 31, 2018	**58.27**	**1,327.74**	**6,678.65**	**(6.33)**	**8,058.33**

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

Sumit Trivedi
Partner

Place: Hyderabad
Date: May 02, 2018

For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited

Rajesh Kumar Arora
Director
DIN No: 03174536

Kannan Gopalan
Director
DIN No: 06457047

HYDERABAD MENZIES AIR CARGO PVT. LTD. HMACPL

Ravinder Bolangdy
Chief Executive Officer

Srikanth Vetcha
Chief Financial Officer

Anuja Mishra
Company Secretary
M.No. A37810
Place: Hyderabad
Date: May 02, 2018

1 Corporate information

Hyderabad Menzies Air Cargo Private Limited ("the Company") is a 51:49 Joint Venture ("JV") between GMR Hyderabad International Airport Limited ("GHIAL") and Menzies Aviation Plc, UK through its subsidiary ,Menzies Aviation Cargo (Hyderabad) Limited, Mauritius for Cargo Handling at the Rajiv Gandhi International Airport at Shamshabad, Hyderabad, Ranga Reddy District. The Company was incorporated on February 22, 2006. The Company commenced its operations on March 23, 2008.

The financial statements were adopted by the Board of Directors and authorized for issue in accordance with a resolution on May 02, 2018.

2 (a) Statement of Compliance

The IndAS Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(b) Basis of preparation and presentation

The IndAS Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of reporting period. (as explained in accounting policy regarding financial instruments).

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.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with IndAS requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(b) Revenue recognition

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

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

Income from services :

Revenue from outbound cargo is recognized at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers. The Company collects Service Tax (till June 30, 2017) and Goods and Services Tax (from July 01, 2017) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Income from the concession arrangements earned under the intangible asset model consists of :

(i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and

(ii) payments actually received from the users.

Revenues and cost of improvements to concession assets :

In conformity with appendix A of Ind AS 11, the Company recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the airports as established by the concession agreement. Revenues represent the value of the exchange between the Company and the government with respect to the improvements, given that the Company constructs or provides improvements to the airports as obligated under the concession agreement and in exchange, the government grants the Company the right to obtain benefits for services provided using those assets. The Company has determined that its obligations per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfill the concession agreement are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit and loss when the expenditures are performed.

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The cost for such additions and improvements to concession assets is based on actual costs incurred by the Company in the execution of the additions or improvements, considering the requirements in the concession agreement. The amount of revenues for these services is equal to the amount of costs incurred, as Company do not obtain any profit margin for these construction services. The amounts paid are set at market value.

Other operating revenue:

Other operating revenue includes income from ancillary revenue generating activities and is recognized based on the terms agreed with the customers when the services are rendered.

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.

For others, Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included in other income in the statement of profit and loss.

Dividends:

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

(c) Leases

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

Company as a lessor

Leases in which the Company doesn't transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss as per the lease agreement. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Company as a lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(d) Foreign currencies

Functional and presentation currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the company at it's functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

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(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund administered under a scheme of the Life Insurance Corporation of India, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) , is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(iii) Compensated absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. However, the Company presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date based on the actuarial valuation using the projected unit credit method at the year-end.

(g) Taxes

Income tax expense comprises current income-tax and deferred tax. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

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 recognized on temporary differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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 assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

(h) Intangible Assets

Service concession arrangements:

The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the Company has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

GMR Hyderabad International Airport Limited (GHIAL) had entered into a Concession Agreement with Government of India, which gives GHIAL an exclusive right to design, finance, build, operate and maintain a world class, state of the art international airport at Shamshabad, Hyderabad, Telangana, India. The concession arrangement is a service concession arrangement under appendix A to Ind AS 11. Through the concession agreement, GHIAL has granted further concession to the Company along with sub-leasing of the part of cargo infrastructure facility to the Company and since the Company has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

The intangible asset is amortised over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

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(i) Provisions and contingent liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of 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.

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

(j) 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 and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit or loss. 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 of financial assets

For the purpose of subsequent measurement, financial assets of the Company are classified into categories as explained below. The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements. Management determines the classification of its financial instruments at initial recognition.

For purposes of subsequent measurement, financial assets are classified in four categories:
a. Debt instruments at amortised cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
d. 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:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables.

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Debt instrument at FVTOCI:

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

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

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

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

Debt instrument at FVTPL:

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

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

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 profit and loss, 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 profit and loss.

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 financial assets and credit risk exposure on 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.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

Reclassification

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. 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.

Derecognition of Financial assets

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

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

b. The Company has transferred its rights to receive cash flows from the asset and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and 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.

Subsequent measurement

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

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through 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 profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

(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 unit's (CGU) fair value less costs of disposal and its value in use. 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 groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations 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.

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

(l) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

(m) Earnings per share

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

Diluted earnings per share is computed by dividing the net profit after tax,adjusted for effects of dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares except where the results are anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(n) 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:

► In the principal market for the asset or liability, or
► 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.

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o) New standards and interpretations not yet adopted

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.
The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after 1 April 2018.
The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.

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Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in Rs. Lakhs, unless otherwise stated)

3. Intangible assets

	Right to Operate - Cargo facility
Cost	
As at March 31, 2016	1,515.90
Additions	385.99
Disposals	(8.92)
As at March 31, 2017	1,892.97
Additions	294.54
Disposals	(84.76)
As at March 31, 2018	**2,102.75**
Amortization	
As at March 31, 2016	169.69
Charge for the year	271.23
Disposals	(8.92)
As at March 31, 2017	432.01
Charge for the year	307.72
Disposals	(81.62)
As at March 31, 2018	**658.11**
Net block	
As at March 31, 2016	1,346.21
As at March 31, 2017	1,460.96
As at March 31, 2018	1,444.64

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3.1. Intangible Assets under development

		As at March 31, 2018	As at March 31, 2017
Capital expenditure incurred on intangible assets		118.30	0.41
	(i)	**118.30**	**0.41**
Total		**118.30**	**0.41**

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4 Financial assets

	Non Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good				
Security deposits to related parties -held at amortized cost	30.74	36.56	5.82	5.23
Other deposits	0.60	0.60	-	-
Interest accrued on fixed deposits	-	-	33.02	64.60
Total	31.34	37.16	38.84	69.83

5 Investments

	Current	
	As at March 31, 2018	As at March 31, 2017
Non-trade investments		
Investment in mutual funds (unquoted) (held at fair value through profit and loss)		
412,520.322 units (March 31, 2017: 412,520.322) of Rs.100 each of Aditya Birla Sun Life Cash Plus- Growth-Regular Plan	1,147.77	1,074.67
26,516.073 units (March 31, 2017: 47,830.704) of face value of Rs.1000 each IDFC Cash Fund- Growth-Regular Plan	557.74	942.71
19,363.460 units (March 31, 2017: Nil) of face value of Rs.1000 each SBI Premier Liquid Fund - Growth (Regular Plan)	525.83	-
386,941.780 units (March 31, 2017: Nil) of face value of Rs.100 each ICICI Prudential - Growth (Liquid Plan)	992.07	-
27,286.005 units (March 31, 2017: Nil) of face value of Rs.1000 each Axis - Liquid Fund - Growth	524.09	-
27,960.641 units (March 31, 2017: Nil) of face value of Rs.1000 each IDBI - Liquid Fund - Growth - Regular Plan	517.42	-
1,395,914.275 units (March 31, 2017: Nil) of face value of Rs.10 each Sundaram Money Fund - Growth	509.38	-
5,835.505 units (March 31, 2017: Nil) of face value of Rs.1000 each Kotak Liquid Regular Plan - Growth	204.99	-
Total	4,979.29	2,017.38
Note :		
Aggregate fair value of investments	4,979.29	2,017.38

6 Tax assets (net)

	Non Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Tax assets				
Advance income-tax (net of provision of Rs. 4,558.77 Lakhs (March 31, 2017: 3,877.12 Lakhs))	1,362.05	2,498.91	-	-
Total other assets	1,362.05	2,498.91	-	-

7 Other assets

	Non Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good				
Capital advances	72.94	27.54	-	-
Advances recoverable in cash or kind	272.55	272.55	20.79	8.38
Other loans and advances				
Prepaid expenses	21.84	27.30	31.12	37.98
Balances with statutory/ government authorities	4.60	7.34	37.49	68.64
Total other assets	371.93	334.73	89.40	115.00

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8 Trade receivables

	Current	
	As at March 31, 2018	**As at March 31, 2017**
Trade receivables	861.08	672.39
Less: Allowances for doubtful receivables	(4.29)	(4.29)
Total	856.79	668.10

Notes:

(i) The average credit period is 30 - 60 days. No interest is charged on overdue receivables.

(ii) Movement in the allowance for doubtful debts	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at beginning of the year	4.29	4.29
Add: During the year	-	-
Balance at the end of the year	**4.29**	**4.29**

9 Cash and Cash Equivalents

	Non Current		Current	
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
Cash and cash equivalents				
-Cash on hand	-	-	0.88	1.31
-Cheques on hand	-	-	2.15	-
-Balances with Banks				
-In current accounts	-	-	106.90	131.27
Deposits with maturity for less than 3 months	-	-	1,290.51	799.69
	-	-	1,400.44	932.27
9.1 Other bank balances				
- Deposits with maturity for more than three months but less than 12 months	-	-	1,794.99	3,154.02
Total	-	-	1,794.99	3,154.02

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10 Share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised share capital :		
2,500,000 (March 31, 2017: 2,500,000) equity shares of Rs. 10/- each	250.00	250.00
50,000 (March 31, 2017: 50,000) compulsory convertible cumulative preference shares of Rs.10/- each	5.00	5.00
18,450 (March 31, 2017: 18,450) compulsory convertible cumulative preference shares of Rs. 10,000/- each	1,845.00	1,845.00
	2,100.00	**2,100.00**
Issued, Subscribed and Paid-up:		
1,020,000 (March 31, 2017: 1,020,000) equity shares of Rs.10/- each fully paid up	102.00	102.00
18,735 (March 31, 2017: 18,735) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up	1.87	1.87
18,000 (March 31, 2017: 18,000) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up	1,800.00	1,800.00
Total	**1,903.87**	**1,903.87**

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

	As at March 31, 2018		As at March 31, 2017	
Equity Shares	**In Numbers**	**Rs. in Lakhs**	**In Numbers**	**Rs. in Lakhs**
At the beginning of the year	1,020,000	102.00	1,020,000	102.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,020,000**	**102.00**	**1,020,000**	**102.00**
Preference shares - Series A				
CCCPS of Rs.10,000/- each fully paid up				
At the beginning of the year	18,000	1,800.00	18,000	1,800.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**18,000**	**1,800.00**	**18,000**	**1,800.00**
Preference shares - Series B				
CCCPS of Rs.10/- each fully paid up				
At the beginning of the year	18,735	1.87	18,735	1.87
Issued during the year	-	-	-	-
Outstanding at the end of the year	**18,735**	**1.87**	**18,735**	**1.87**

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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. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms/ rights attached to CCCPS

The Company has issued 18,000 fully paid up CCCPS (Series A) of Rs. 10,000/- each fully paid up and 18,735 fully paid up CCCPS (Series B) of Rs. 10/- each.

CCCPS (Series A) and CCCPS (Series B) carry cumulative dividend @ 11.97% and the Company declares the dividend in Indian Rupees. CCCPS (Series A) and CCCPS (Series B) shall be compulsorily converted into equity shares of Rs. 10/- each at the rate of one equity shares for each CCCPS (Series A) and CCCPS (Series B) share, as the case may be, after the expiry of the concession period.

Other than the right to receive the dividends and preference rights on voluntary winding up, the CCCPS (Series A) and CCCPS (Series B) shall not have any rights including but not limited to the voting rights. These preference shares shall rank pari-passu for the all the rights other than the par value of each share and the dividends thereon.

d. Shares held by holding company

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	Rs. in Lakhs	No. of Shares held	Rs. in Lakhs
GMR Hyderabad International Airport Limited, Holding Company				
520,200 (March 31, 2017: 520,200) equity shares of Rs. 10/- each fully paid up	520,200	52.02	520,200	52.02
18,735 (March 31, 2017: 18,735) CCCPS Series B of Rs. 10/- each fully paid up	18,735	1.87	18,735	1.87

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Equity shares of Rs.10/- each fully paid				
GMR Hyderabad International Airport Limited	520,200	51.00%	520,200	51.00%
Menzies Aviation Cargo (Hyderabad) Limited (Mauritius)	499,800	49.00%	499,800	49.00%
CCCPS Series A of Rs.10,000/- each fully paid up				
Menzies Aviation Cargo (Hyderabad) Limited (Mauritius)	18,000	100.00%	18,000	100.00%
CCCPS Series B of Rs.10/- each fully paid up				
GMR Hyderabad International Airport Limited	18,735	100.00%	18,735	100.00%

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

f. Also refer note 35

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11 Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
Equity Component of Related party loans	58.27	58.27
General reserve	1,327.74	1,327.74
Retained Earnings	6,678.65	5,504.64
Remeasurements of the defined benefit plans	(6.33)	(2.79)
	8,058.33	6,887.86

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 24.

11.1 Distributions made and proposed

Particulars	As at March 31, 2018	As at March 31, 2017
Cash dividends on equity shares declared and paid: (refer note (c) below)		
Dividend for the year ended (on March 31, 2017: Rs. Nil per share)	765.00	224.40
Dividend distribution tax on dividend paid on above	155.74	45.68
Cash dividends on CCCPS - Series A, and Series B declared and paid: (refer note ((a),(b) and (d) below)		
Series A CCCPS dividend for the year ended on March 31, 17: Rs. 1,197 per share	377.05	53.86
Series B CCCPS dividend for the year ended on March 31, 17: Rs. 1.197 per share	0.39	0.06
Dividend distribution tax on on above	76.84	10.98

Notes

(a) The Board of Directors at their meeting held on August 28, 2017 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the FY 2016-17 and for the Quarter 1 of FY 2017-18.

(b) The Board of Directors at their meeting held on December 12, 2017 have declared quarterly preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for for the Quarter 2 of FY 2017-18.

(c) The Board of Directors at their meeting held on August 28, 2017 have declared interim equity dividend for Quarter 1 of FY 2017-18 of 750% @ Rs. 75 per share on face value of Rs. 10/- each.

(d) The Board of Directors through circular resolution dated January 23, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for Quarter 3 of FY 2017-18.

(e) The Board of Directors through circular resolution dated April 12, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for Quarter 4 of FY 2017-18. (refer Note 31(B))

12 Financial liabilities - Borrowings

Particulars	Non - Current borrowings		Current maturities of non current borrowings	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Term loans				
Intercorporate deposit from related party (unsecured) -- held at amortized cost	30.74	36.55	5.82	5.22
Less : amount disclosed under other current financial liabilities (refer note 13)	-	-	(5.82)	(5.22)
Total	30.74	36.55	-	-

Note :

(a) The inter-corporate deposit is interest free and is repayable in 15 equal annual instalments of Rs. 1,000,000 each year from April 1, 2009.

13 Other financial liabilities

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Current maturities of long term borrowings - held at amortized cost	-	-	5.82	5.22
Security Deposit received from customers	-	-	51.07	51.06
Payable for purchase of fixed assets	-	-	42.11	6.01
Total other financial liabilities	-	-	99.00	62.29

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14 Provisions

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits (Refer note 27)				
Provision for compensated absences	-	-	92.54	72.38
Provision for gratuity	14.42	108.06	-	30.86
Total	**14.42**	**108.06**	**92.54**	**103.24**

15 Deferred tax liabilities (net) :

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liability:		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the year	37.25	42.71
Impact of notional interest on loans	3.92	4.57
Deferred tax asset:		
Impact of notional interest on deposits and loans	(4.04)	
Impact of temporary differences due to disallowances of Gratuity and Leave encashment	(31.15)	-
Net deferred tax liabilities	**5.98**	**47.28**

Deferred tax (assets)/ liabilities:
For the year ended March 31, 2018

	Opening Balance	Recognised in profit & loss	Recognised in other comprehensive income	Closing balance
Deferred tax liability:				
Related to Intangible Assets	42.71	(5.46)	-	37.25
Impact of notional interest on loans	4.57	(0.65)	-	3.92
Total deferred tax liability (A)	**47.28**	**(6.11)**	**-**	**41.17**
Deferred tax assets:	-	-	-	-
Impact of temporary differences due to disallowances of Gratuity and Leave encashment	-	(29.69)	(1.46)	(31.15)
Impact of notional interest on deposits	-	(4.04)	-	(4.04)
Total deferred tax assets (B)	**-**	**(33.73)**	**(1.46)**	**(35.19)**
Deferred Tax Liability (Net) (A - B) (Refer Note below)	**47.28**	**(39.84)**	**(1.46)**	**5.98**

For the year ended March 31, 2017

	Opening Balance	Recognised in profit & loss	Recognised in other comprehensive income	Closing balance
Deferred tax liability:				
Related to Intangible Assets	42.17	0.54	-	42.71
Impact of notional interest on loan taken from Menzies Aviation	4.57	-	-	4.57
Total deferred tax liability (A)	**46.74**	**0.54**	**-**	**47.28**
Deferred tax assets	-	-	-	-
Total deferred tax assets (B)	**-**	**-**	**-**	**-**
Deferred Tax Liability (Net) (A - B)	**46.74**	**0.54**	**-**	**47.28**

Note:
Minimum Alternate Tax (MAT) Credit entitlement claimed by the Company in the income tax returns aggregating Rs. 3,230.65 lakhs have not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

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16 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Payables		
- Related parties	323.62	640.32
- Others	1,518.20	1,219.22
Total	1,841.82	1,859.54

Management has determined that there are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company as at March 31, 2018. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year.

17 Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Advances received from customers	223.99	197.40
Statutory liabilities		
TDS payable	39.08	68.14
Other statutory dues	178.24	14.54
Total	**441.31**	**280.08**

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18 Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Income from cargo operations		
Cargo operations	8,914.01	8,256.93
Improvements to concession asset	294.54	385.99
	9,208.55	8,642.92
Other operating revenue		
Document handling charges	80.05	77.70
Container handling charges	24.61	20.66
Rent	136.59	129.54
Parking income	35.96	34.18
	277.21	262.08
Revenue from operations	**9,485.76**	**8,905.00**

19 Other income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on bank deposits	250.49	223.50
Fair value gain on financial instruments at fair value through profit or loss	219.87	115.88
Profit on sale of Mutual Funds	32.59	-
Interest on income tax refund	332.41	30.86
Interest income on financial assets held at amortised cost	4.77	5.31
Miscellaneous income	44.62	82.15
Total	**884.75**	**457.70**

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit and loss.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
In relation to financial assets classified at amortised cost	4.77	5.31
Total	**4.77**	**5.31**

20 Employee benefits expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	1,356.85	1,111.15
Contribution to provident and other fund (Refer note 27)	84.75	66.70
Gratuity expenses (Refer note 27)	43.69	35.60
Staff welfare expenses	90.98	72.79
Total	**1,576.27**	**1,286.24**

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21 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cargo handling charges	333.89	283.97
Power and water charges (net of recoveries)	272.36	255.04
Concessionaire rent	598.15	600.80
Security charges (Refer Note 34)	314.08	358.34
Insurance	78.92	80.73
Repairs and maintenance		
Plant and machinery	167.13	148.41
Buildings	46.45	23.26
Others	63.22	61.44
Advertising and sales promotion	40.92	37.55
Travelling and conveyance	177.36	158.98
Communication costs	22.07	22.36
Printing and stationery	9.24	8.69
Corporate social responsibility expense	55.43	52.61
Legal and professional fees	32.02	22.18
Fixed assets written off	2.92	-
Payment to auditor (excluding Service tax/GST)		
- Statutory audit fee	8.36	10.36
- Tax audit fee	1.10	1.10
- Out of pocket expense	1.16	0.50
Rates and taxes	20.88	159.72
Exchange difference (net)	1.56	-
Miscellaneous expenses	110.83	96.80
Total	**2,358.05**	**2,382.84**

22 Amortization expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Amortization of intangible assets	307.72	271.23
Total	**307.72**	**271.23**

23 Finance costs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on financial liabilities held at amortized cost	4.78	5.31
Bank charges	16.40	15.70
Total	**21.18**	**21.01**

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss :

Particulars	March 31, 2018	March 31, 2017
In relation to Financial liabilities classified at amortised cost	4.78	5.31
Total	**4.78**	**5.31**

24 Components of Other Comprehensive Income (OCI)

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Re-measurement gains (losses) on defined benefit plan	(5.00)	(6.33)
Deferred tax impact on the above	1.46	-
Total	**(3.54)**	**(6.33)**

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25 Tax expense

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2018 and for the year ended March 31, 2017 are:

(i) Profit or loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	681.65	569.78
Deferred tax charge/ (credit)	(39.84)	0.54
Total income tax expense recognised in statement of Profit & Loss	**641.81**	**570.32**

(ii) OCI

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income tax effect on remeasurement of defined benefit plans	1.46	-
Income tax charge / (credit) to OCI	1.46	-

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit Before Tax (A)	3,190.84	2,671.99
Enacted tax rate (B)	34.61%	34.61%
Expected tax expenses (C = A * B)	1,104.35	924.78
Permanent differences		
Deduction under Section 80-IA of the Income Tax Act, 1961	2,556.77	2,526.12
Deduction under Section 80-G of the Income Tax Act, 1961	27.71	14.10
Total (D)	**2,584.48**	**2,540.22**
Profit after adjusting permanent differences (E) = (A-D)	606.36	131.77
Expected tax expense (F = E * B)	**209.86**	**45.60**
Taxable Income - Book Profit as per Section 115JB of the Income-tax Act, 1961 (G)	3,193.98	2,671.99
Expected tax expense as per Section 115JB of the Income-tax Act, 1961 (H)	681.65	569.78
Business losses carried forward/ (set-off) (I)	-	-
Current Tax (J) - Higher of H and F	681.65	569.78
Deferred Tax (K)	(39.84)	0.54
Net current tax expense recognised in statement of Profit & Loss (L = J + K)	**641.81**	**570.32**
Effective tax rate	**20.11%**	**21.34%**

(c) The details of component of deferred tax assets are given under note 15

26 Earnings per share (EPS)

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year	2,549.03	2,101.67
Less : Preference dividend and tax thereon	(259.59)	(259.59)
Profit attributable to equity shareholders	**2,289.44**	**1,842.08**
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted)	1,020,000	1,020,000
Earning Per Share (Basic and diluted) (Rs)	224.45	180.60

The conversion of compulsorily convertible cumulative preference shares into equity shares, if made, would have the effect of increasing the profit per share and would therefore be anti - dilutive and hence, are ignored for the purpose of computing diluted earnings per share.

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27 Employee benefits plan

a) Gratuity

Defined Benefit Plans

The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The following tables summarise net benefit expenses recognised in the statement of profit and loss and the amount recognised in the Balance sheet for the gratuity plan:

	March 31, 2018	March 31, 2017
A) Net employee benefit expense (recognised in Employee benefits expenses)		
Current service cost	40.14	28.21
Interest cost	3.55	7.39
Net employee benefit expenses	**43.69**	**35.60**
B) Amount recognised in the Balance Sheet		
Defined benefit obligation	14.42	138.92
	14.42	**138.92**
C) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	138.92	101.03
Adjustment to Opening Balance	0.72	-
Current service cost	39.44	28.21
Interest cost	3.55	7.39
Contribution paid	(168.41)	(4.04)
Benefits paid	(4.80)	-
Net Actuarial (gains) / losses on obligation for the period/ year recognised under OCI	5.00	6.33
Closing defined benefit obligation	**14.42**	**138.92**
D) Change in the fair value of plan assets		
Opening fair value of plan assets	-	-
Adjustment to opening fair value of plan asset	(0.72)	-
Return on plan assets excl. interest income	(3.46)	-
Interest income	5.58	-
Contributions	168.41	4.04
Benefits paid	-	(4.04)
Closing fair value of plan assets	**169.81**	**-**
E) Actuarial (gain) / loss on obligation:		
Experience loss/ (gain)	5.76	1.92
Financial loss/ (gain)	(4.22)	4.42
Total actuarial (gain) /loss	**1.54**	**6.34**
F) Amount recognised in statement of other comprehensive income (OCI):		
Opening amount recognised in OCI	2.79	(3.55)
Remeasurement for the period/ year - Obligation (gain)/loss	1.54	6.34
Return on Plan Assets excluding net interest	3.46	-
Closing amount recognised in OCI	**7.79**	**2.79**

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

	March 31, 2018	March 31, 2017
Discount rate	7.24%	6.69%
Salary rise	7.50%	7.50%
Attrition Rate	20.00%	20.00%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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(ii) **Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:**

Expected benefit payments for the period/ year ending:

Period/ year ending	March 31, 2018	March 31, 2017
Within 1 year	49.62	30.86
1 - 2 year	39.99	58.03
2 - 3 year	46.70	70.07
3 - 4 year	36.47	89.00
4 - 5 year	36.72	95.89
5 - 10 years	188.74	173.01

(iii) **Sensitivity analysis:**

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2018	March 31, 2017
(a) Effect of 1% change in assumed discount rate		
- 1% increase	177.03	133.24
- 1% decrease	192.06	145.13
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	191.17	144.25
- 1% decrease	177.72	133.89

b) Defined Contribution Plan

	March 31, 2018	March 31, 2017
Contribution to Provident Fund	84.75	66.70
Contribution to ESI	28.49	20.15

c) Compensated absences

Based upon Actuarial valuation, the company has made a provision towards compensated absences of Rs. 92.54 Lakhs (March 31, 2017: Rs. 72.38 Lakhs)
The principal actuarial assumptions used are as follows

	March 31, 2018	March 31, 2017
Discount rate	7.24%	6.69%
Salary rise	7.50%	7.50%
Attrition Rate	20.00%	20.00%

28 The Company is engaged solely in the business of providing air cargo facilities located in India. As such, the Company operates in a single business and geographic segment and hence disclosing information as per the requirements of Indian Accounting Standard (Ind AS) 108 on Operating segments are not applicable.

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29 Commitments and Contingencies

Operating leases:

Company as lessee

Lease payments made under cancellable operating leases amounting to Rs. 598.15 Lakhs (March 31, 2017: Rs. 600.80 Lakhs) have been recognized as an expense in the statement of profit and loss.

Company as lessor

Lease receipts under cancellable operating leases amounting to Rs. 136.59 Lakhs (March 31, 2017: Rs. 129.54 Lakhs) have been recognized as rental income in the statement of profit and loss.

30 Capital and other commitments

a)Estimated amount of contracts remaining to be executed on capital account and not provided for during the year Rs. 65.73 Lakhs (March 31, 2017: Rs. 13.31 Lakhs).

31 Contingent Liabilities

(A) Claims against the Company not acknowledged as debts Rs. Nil (March 31,2017: Rs. Nil)

(B) Preference dividend

As per the amended and restated joint venture agreement dated November 16, 2010 executed between GMR Hyderabad International Airport Ltd, Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited, Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited, the Company shall pay preference dividends at a coupon rate of 11.97% on the paid up value of compulsorily convertible cumulative preference shares(Series A & B) which is amounting to Rs. 53.92 lakhs and tax thereon for the quarter ended March 31, 2018. Subsequent to the reporting date of Financial statements, the Board of Directors have approved the declaration of preference dividend for the quarter ended March 31, 2018 on April 12, 2018 through circular resolution.

Other Litigations

(a) Custom officer's Salary

The Company accrued Customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the Customs Department on GMR Hyderabad International Airport Limited (GHIAL) as the ultimate cost has to be borne by the custodian i.e. the Company. GHIAL filed a writ petition under article, 226 of the constitution of India in the Honorable High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised in previous years. GHIAL received an order from the Honorable High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by Customs Department were wholly unsustainable and accordingly the Company had reversed the accrued customs cost amounting to Rs. 1,402.09 Lakhs for the period from March 23, 2008 to March 31, 2012.

Subsequent to the above order, the Customs Department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Honorable High Court of Andhra Pradesh passed an order for interim suspension of the said order passed by the Honorable Single Judge and the matter is pending. The Management, based on internal assessment, is confident that there is no financial impact of this interim suspension order and accordingly, no provision has been made in these financial statements.

(b) Income Tax Matters

(i) The Company had received assessment order during previous years for the assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961 and demanding tax of Rs. 154.18 Lakhs (including interest of Rs 21.64 Lakhs), Rs. 272.51 Lakhs (including interest of Rs 69.52 Lakhs), Rs. 302.70 Lakhs (including interest of Rs.74.38 Lakhs) and Rs. 254.40 Lakhs (including interest of Rs 65.96 Lakhs) for the respective assessment years. The Company had filed an appeal with Commissioner of Income - Tax (Appeals), Hyderabad and had paid Rs. 154.18 Lakhs, Rs. 272.51 Lakhs, Rs. 302.70 Lakhs, and Rs. 254.40 Lakhs for the assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13 respectively under protest. During the previous years, the said appeals were dismissed by the Commissioner of Income - Tax (Appeals), Hyderabad against which the Company had filed an appeal with the Income Tax Appellate Tribunal, Hyderabad.

During the previous year i.e. FY 2016-17, the company has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

(ii) The Company had received an order during previous years for the assessment year 2013-14 and 2014-15 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961. Per this order the refund receivable to the Company has reduced by Rs. 418.47 Lakhs for A.Y. 2013-14 and Rs. 310.92 Lakhs for A.Y 2014-15 . Aggrieved by the reduction in refund and the demand, the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad. During the current year, the Company has received a favourable order from Commissioner of Income -Tax (Appeals), Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the CIT order before ITAT in respect of the aforesaid years which is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

(iii) The Company has received an order during the current year for the assessment year 2015-16 denying the deduction u/s 80-IA of the Income Tax Act, 1961 Subsequently, the company filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 417.17 Lakhs for AY 2015-16. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad which matter is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

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(iv) During previous years the Company has received an order from Deputy Commissioner of Income Tax, Hyderabad for the reopening of the assessment year 2008-09 disallowing an item of expense amounting to Rs. 84.98 Lakhs. The Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad on May 5, 2015 and based on an internal assessment, the Management is of the opinion that the said order is time barred and will not be sustainable under law.

(c) Service Tax

i) The Company had rendered cargo handling services for export cargo during the period March 2008 to June 2010 on which the Company had not paid service tax in view of the exemption available under cargo handling services. The Company had received a show cause notice from the Office of Commissioner of Customs & Central Excise requiring the Company to show cause as to why the services rendered during March 2008 to June 2010 should not be classified under "Airport Services" and "Storage and Warehousing Services" ("Taxable Service").

On May 3, 2013, the Company had received an order from Commissioner of Customs, Central Excise and Service tax. As per the said order, the commissioner had concurred with the departments view and classified the services of cargo handling for export cargo as Taxable Service. As a result of which, there was a demand levied of Rs. 188.64 Lakhs as service tax for the period March 2008 to June 2010 under Airport Services and Rs. 107.35 Lakhs as service tax for the period March 2008 to June 2010 on Storage and Warehousing Services along with applicable interest and penalty.
Subsequently, the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in its stay order dated October 25, 2013 has mentioned that X-ray Screening, Terminal Storage and Processing, Unitization and Demurrage would be incidental and ancillary in relation to cargo handling service. As a result, there shall be a waiver of pre deposit of the dues and stay against recovery during pendency of the appeal.

Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

ii) The Company has received a show cause notice from the Office of Commissioner (Audit) Central tax requiring the Company to show cause as to why CENVAT credit of Rs. 64.86 Lakhs along with applicable interest and penalty should not be reversed/demanded on certain exempted services. The Company has filed a reply to the Show Cause notice with the Office of Commissioner (Audit) Central tax on October 10, 2017. Personal hearing completed on March 27, 2018, AC has passed a order dated March 28, 2018 by disallowing Company demand, order received on April 9, 2018. As a result of which, there is a demand levied of Rs. 64.86 Lakhs as service tax along with penalty of Rs. 63.19 Lakhs. Further, the company is in the process of filing an appeal against the order with Commissioner (Appeals), Central tax.

Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

32 Net dividend remitted in foreign exchange

(a) Compulsorily Convertible Cumulative Preference Shares

Year of remittance (ending on)	March 31, 2018		March 31, 2017	
Period to which relates	April 01, 2017 to December 31, 2017	Apr 01, 2016 to March 31, 2017	April 01, 2016 to December 31, 2016	January 01, 2016 to March 31, 2016
Number of non-resident shareholders	1	1	1	1
Number of CCCPS (Series A) of nominal value Rs.10,000 per share held on which dividend was remitted	18,000	18,000	18,000	18,000
Amount remitted in USD	250,330	335,555	-	80,468
Amount remitted in Rs. Lakhs	161.60	215.45	-	53.86

(b) Equity shares

Year of remittance (ending on)	March 31, 2018		March 31, 2017	
Period to which relates	April 01, 2017 to June 30, 2017	April 01, 2016 to March 31, 2017	April 01, 2016 to December 31, 2016	January 01, 2016 to March 31, 2016
Number of non-resident shareholders	1	1	1	1
Number of equity shares of nominal value Rs.10 per share held on which dividend was remitted	499,800	499,800	499,800	499,800
Amount remitted in USD	583,788	-	-	163,905
Amount remitted in Rs. Lakhs	374.85	-	-	109.96

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33 **Transfer pricing**
The Company has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the international and domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

34 Bureau of Civil Aviation (BCAS), through its order dated April 28, 2010, decided that there shall be a Sterile Cargo Holding Area at the airports. The access to cargo processing area will be regulated by airport entry permits issued by BCAS. Accordingly, Central Industrial Security Force (CISF) personnel were deployed as per the instructions of BCAS and the security charges includes accrual of security cost of CISF personnel amounting to Rs. 254.99 Lakhs (March 31, 2017: Rs. 247.47 Lakhs). The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

35 In accordance with the provisions of the amended and restated Joint Venture agreement (JVA) dated November 16, 2010 executed between GMR Hyderabad International Airport Ltd (GHIAL), Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited, (Mauritius) (MACL), Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited, GHIAL exercised its Buy Back Rights to buy the shares held by MACL in Hyderabad Menzies Air Cargo Private Limited (HMACPL). MACL disputed GHIAL's position as regards exercise of the Buy Back Rights. In view of the above dispute, GHIAL invoked Arbitration and post conclusion of proceedings the Arbitral Tribunal issued the Final Award on 29th January 2018 concluding that, since the Reference Firm did not determine Fair Market Value as per the requirement of JVA, GHIAL has not exercised its buy back rights validly and hence dismissed the claims of GHIAL with costs.

However, in parallel both the shareholders have reached amicable settlement and are in the process of executing necessary agreements for buy back. The management believes that there shall be no impact on the continuity in the business operations of the Company post the Final Award.

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

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value As at		Fair value As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
Valued at fair value through profit and loss				
Investments	4,979.29	2,017.38	4,979.29	2,017.38
Valued at amortized cost				
Trade receivables	856.79	668.10	856.79	668.10
Other financial assets	70.18	106.99	70.18	106.99
Cash and cash equivalents and Other bank balances	3,195.43	4,086.29	3,195.43	4,086.29
Total	9,101.69	6,878.76	9,101.69	6,878.76
Financial liabilities				
Valued at amortized cost				
Borrowings	30.74	36.55	30.74	36.55
Trade payables	1,841.82	1,859.54	1,841.82	1,859.54
Other financial liabilities	99.00	62.29	99.00	62.29
Total	1,971.56	1,958.38	1,971.56	1,958.38

The management assessed that cash and cash equivalents, short-term borrowings, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

37 **Fair value hierarchy**
The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 :

Particulars	Date of valuation	Total	Fair value measurement using Quoted prices in active markets# (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments held at fair value through profit and loss	March 31, 2018	4,979.29	4,979.29	-	-

There have been no transfers between Level 1 and Level 2 during the year ending March 31, 2018.

#The mutual funds are valued using the closing NAV.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Particulars	Date of valuation	Total	Fair value measurement using Quoted prices in active markets# (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments held at fair value through profit and loss	March 31, 2017	2,017.38	2,017.38	-	-

There have been no transfers between Level 1 and Level 2 during the year ending March 31, 2017.

#The mutual funds are valued using the closing NAV.

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38 **Related Party transactions**
Names of Related parties and nature of related party relationships

Description of relationship	Name of the related party	
Holding company	GMR Hyderabad International Airport Limited (GHIAL)	
GHIAL's holding company	GMR Airports Limited (GAL)	
GAL's holding company	GMR Infrastructure Limited	
Ultimate holding company	GMR Enterprises Private Limited	
Fellow subsidiary companies (where transactions have taken place)	Raxa Security Services Private Limited	
	GMR Airport Developers Limited	
	GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited)	
Post-employment benefit plan	Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust	
Enterprises having significant influence	Menzies Aviation Cargo (Hyderabad) Limited, Mauritius	
	Menzies Aviation Plc (UK)	
	Menzies Aviation (India) Private Limited	
Key management personnel	Gopalakrishna Kishore Surey	Chairman
	Kamesh Rao Peri (upto September 15, 2017)	Director
	Kannan Gopalan	Director
	Charles Brodie Joseph Wyley (from September 15, 2017)	Director
	Rajesh Kumar Arora	Director
	Ravela Srisatya Lakshmi Narsimha Bhaskarudu (upto August 28, 2017)	Independent Director
	Somayajulu Ayyanna Kodukula (upto August 28, 2017)	Independent Director
	Ravinder Bolangdy	Chief Executive Officer
	Srikanth Vetcha	Chief Financial Officer

Related Party Transactions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Equity dividend paid		
GMR Hyderabad International Airport Limited	390.15	114.44
Menzies Aviation Cargo (Hyderabad) Limited, Mauritius	374.85	109.96
Preference dividend paid		
GMR Hyderabad International Airport Limited	0.39	0.06
Menzies Aviation Cargo (Hyderabad) Limited, Mauritius	377.05	53.86
Concessionaire rent		
GMR Hyderabad International Airport Limited	598.15	600.80
Concessionaire fee		
GMR Hyderabad International Airport Limited	1,815.17	1,622.35
Technical fees		
Menzies Aviation Plc (UK)	806.74	721.05
Unsecured loans repaid		
Menzies Aviation (India) Private Limited	10.00	10.00

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Related Party Transactions (continued)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Reimbursement of salary cost		
Menzies Aviation (India) Private Limited	11.75	21.76
Deposits received back		
GMR Hyderabad International Airport Limited	10.00	10.00
Sale of Laptop		
Menzies Aviation (India) Private Limited	0.30	-
Repairs & Maintenance - Buildings		
GMR Hyderabad International Airport Limited	0.77	0.38
Repairs and Maintenance - Plant and machinery		
GMR Hyderabad International Airport Limited	0.31	0.27
Training charges		
GMR Hyderabad International Airport Limited	-	5.59
GMR Airports Limited	10.06	0.78
Reimbursement of property insurance		
GMR Hyderabad International Airport Limited	1.72	1.28
Reimbursement of rates and taxes		
GMR Hyderabad International Airport Limited	20.84	159.29
Security charges		
Raxa Security Services Private Limited	59.10	110.87
Capital work-in-progress		
GMR Airport Developers Limited	-	3.02
Power and water charges		
GMR Hyderabad International Airport Limited	284.16	266.77
Repairs & Maintenance - Others		
Menzies Aviation Plc (UK)	48.57	49.33
GMR Hyderabad International Airport Limited	0.91	0.84
Communication expenses		
Menzies Aviation Plc (UK)	9.48	9.60
Bank charges - Reimbursement		
GMR Hyderabad International Airport Limited	7.50	7.50
Menzies Aviation Plc (UK)	7.52	7.52
Legal and professional charges		
GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited)	0.06	0.20
Travelling and conveyance		
GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited)	0.08	0.06

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Related Party Transactions (continued)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Advertising and sales promotion		
GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited)	-	0.15
GMR Hyderabad International Airport Limited	-	0.08
Contribution to the Gratuity fund		
Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust	168.41	-
Administrative expenses for maintenance of Gratuity fund		
Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust	0.90	-
Sitting Fees to Independent Directors		
Ravela Srisatya Lakshmi Narsimha Bhaskarudu	0.30	1.25
Somayajulu Ayyanna Kodukula	0.65	1.20
Interest on security deposit - Unwinding of discount and changes in the discount rate		
GMR Hyderabad International Airport Limited	4.77	5.31
Amortization of prepaid expense - Unwinding of discount and changes in the discount rate		
GMR Hyderabad International Airport Limited	5.46	5.46
Interest on loan - Unwinding of discount and changes in the discount rate		
Menzies Aviation (India) Private Limited	4.78	5.31
Remuneration to Key Management Personnel (excluding Provision for employee benefits)		
Ravinder Bolangdy	62.36	56.69
Srikanth Vetcha	35.47	31.51

Balance outstanding as of:

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables		
GMR Hyderabad International Airport Limited	256.35	187.71
Menzies Aviation Plc (UK)	66.50	439.78
Menzies Aviation (India) Private Limited	-	1.91
GMR Airports Limited	0.06	-
Raxa Security Services Limited	-	10.91
Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust	0.70	-
Advances recoverable in cash or kind		
Raxa Security Services Limited	0.04	-
Prepaid expenses (Unwinding of discount and changes in discount rates)		
GMR Hyderabad International Airport Limited	27.83	37.33
Borrowings		
Menzies Aviation (India) Private Limited	36.55	41.77
Security deposit given		
GMR Hyderabad International Airport Limited	36.56	41.79
Equity Component of Related party loans		
Menzies Aviation (India) Private Limited	58.27	58.27

The Company has received certain corporate group support services from its holding company, which are free of charge.

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39 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.

(A) JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating Lease commitments -

(i) Company as a Lessee

The Company entered into lease arrangement with GMR Hyderabad International Airport Limited for an initial period of 15 years from the commencement of its operations i.e March 23, 2008. There is no escalation clause in the lease agreements. The Company has a right to sub lease as per terms of the agreement. The company has determined based on an evaluation of the terms and conditions of the arrangement, such as the lease term not constituting a major part of the economic life of the land and other facilities and fair value of the asset, that it does not retain significant risk and rewardsof ownership of the lease assets and accounts for the arrangement as an operating lease.

(ii) Company as a Lessor

The Company leases out a part of it's premises to the various airline's offices situated in the cargo terminal and since the Company does not transfer substantially all the risks and benefits of ownership of the asset , the same are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term.

Service Concession Arrangements -

Management has assessed applicability of Appendix A to Ind AS 11 - "Service Concession Arrangements" to operations and maintenance agreements entered into by the Company for provisioning of cargo services at Hyderabad Airport. In assessing the applicability, management has exercised significant judgement in relation to the underlying ownership of the assets, terms of the arrangement entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meets the criteria for recognition as service concession arrangements.

(B) ESTIMATES AND ASSUMPTIONS

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

Defined benefit plans (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 Discounting cash flow 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. See Note 36 and 37 for further disclosures.

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40 Financial risk management objectives and policies

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A 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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk:
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 856.79 Lakhs and Rs. 668.10 Lakhs as of March 31, 2018 and March 31, 2017 respectively, being the total of the carrying amount of balances with trade receivables.

B 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 manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2018

	Upto 1 year	1 - 5 years	More than 5 years	Total contracted cash flows
Trade payables	1,841.82	-	-	1,841.82
Borrowings	10.00	40.00	-	50.00
Other financial liabilities	93.18	-	-	93.18
Total	**1,945.00**	**40.00**	**-**	**1,985.00**

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2017

	Upto 1 year	1 - 5 years	More than 5 years	Total contracted cash flows
Trade payables	1,859.54	-	-	1,859.54
Borrowings	10.00	50.00	-	60.00
Other financial liabilities	57.07	-	-	57.07
Total	**1,926.61**	**50.00**	**-**	**1,976.61**

C Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

D 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 change in market interest rates. As the Company has no debt obligation with floating interest rates, exposure to the risk of changes in market interest rates are substantially independent of changes in market interest rates.

As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

E Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates has a minimal impact on the statement of profit or loss and other comprehensive income and equity as majority of the transactions are in reporting currency only.

a) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under -

	March 31, 2018		March 31, 2017	
	Amount in Foreign Currency	Amount in Rs. (Lakhs)	Amount in Foreign Currency	Amount in Rs. (Lakhs)
Trade payables				
USD	2,150	1.43	2,150	1.40
GBP	5,219	4.88	9,694	7.87
Trade receivables				
USD	8,638	5.62	13,001	8.44

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(All amounts are in Rs. Lakhs, unless otherwise stated)

b) Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in US Dollar and GB Pound. The following table details the Company's sensitivity to a Re. 1 increase and decrease against the US Dollar and GB Pound. Re. 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a Re. 1 change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by Re. 1 against the US Dollar. For a Re. 1 weakening against the US Dollar and GB Pound, there would be a comparable impact on the profit or equity.

Currency USD impact on:	As at March 31, 2018	As at March 31, 2017
Impact of Re.1 strengthening against US Dollar on profit or loss for the year	(0.06)	(0.11)
Impact of Re.1 weakening against US Dollar on profit or loss for the year	0.06	0.11
Impact of Re.1 strengthening against US Dollar on equity as at the end of the reporting period	(0.06)	(0.11)
Impact of Re.1 weakening against US Dollar on equity as at the end of the reporting period	0.06	0.11

Currency GBP impact on:	As at March 31, 2018	As at March 31, 2017
Impact of Re.1 strengthening against GB Pound on profit or loss for the year	0.05	0.10
Impact of Re.1 weakening against GB Pound on profit or loss for the year	(0.05)	(0.10)
Impact of Re.1 strengthening against GB Pound on equity as at the end of the reporting period	0.05	0.10
Impact of Re.1 weakening against GB Pound on equity as at the end of the reporting period	(0.05)	(0.10)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

Sumit Trivedi
Partner

Place: Hyderabad
Date: May 02, 2018

For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited

Rajesh Kumar Arora
Director
DIN No: 03174536

Kannan Gopalan
Director
DIN No: 06457047

HYDERABAD MENZIES AIR CARGO PVT. LTD.
HMACPL

Rajinder Bolangdy
Chief Executive Officer

Srikanth Vetcha
Chief Financial Officer

Anuja Mishra
Company Secretary
M.No. A37810
Place: Hyderabad
Date: May 02, 2018