

**INDEPENDENT AUDITOR'S REPORT
To The Members of GMR Aero Technic Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of GMR Aero Technic Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Material uncertainty related to Going Concern

We draw attention to Note 20(b) of the financial statements which indicates that as at March 31, 2019 the accumulated losses amounting to ₹ 42,672.29 Lakhs have completely eroded the net-worth of the Company, and the Company has incurred net loss in the current year and previous years. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. This financial statements has been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Impairment loss on Trade Receivables:</p> <p>We identified the impairment loss on trade receivables as a key audit matter due to the significance of Trade receivables to the financial statements and the significant degree of management judgement involved in assessing if any trade receivable is impaired.</p> <p>The carrying amount of trade receivables amounted to ₹ 41 Crores, net of impairment loss as at March 31, 2019. Refer to the note 10.8 in the financial statements with regard to management estimates involved in respect of the same.</p>	<p>Our procedures in relation to assessing the sufficiency of the impairment loss on trade receivables estimated by the management included:</p> <ul style="list-style-type: none"> • Reviewing the ageing of trade receivables for identifying overdue receivables including testing the ageing and the underlying balances. Comparing the overdue receivables with the customer payment terms by reading the related agreements. • We have circulated balances for direct confirmations and have performed alternate procedures on non-receipt of confirmations. We have also evaluated the subsequent realisations of dues. • Identifying receivables where there was a significant increase in credit risk, and making relevant disclosures in the financial statements. • Making enquiries of the Management, including the Chief Financial Officer (CFO) and the Board of Directors, in respect of recoverability of such overdues and the steps taken by the Management to recover such dues. • We have read the relevant correspondence with the customers for follow-up. Evaluating the Management's action plan, and enquired about Management's action plan. We have compared this with Management's past experience on overdue receivables. • The Company evaluates receivables for more than six months and those specific debts where the credit risk is being impaired, which takes into account historical credit loss experience and adjusted for current estimates.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the standalone financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Cash Flows 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) 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.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial
 - 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.

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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
(F.R.N.117366W/W-100018)

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date : April 26, 2019

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (g) 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 GMR Aero Technic Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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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.

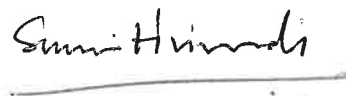
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N.117366W/W-100018)



Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date : April 26, 2019







ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

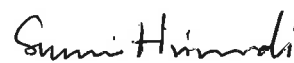
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification of fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified during the year and the management is in the process of reconciling the assets physically verified with asset register. Discrepancies arising on such reconciliation would be dealt with on completion of such reconciliation.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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 falling within the purview of the provisions of Section 73 to 76 of the Companies Act, 2013. There are no unclaimed deposits.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise 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, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

- (c) There are no dues of Income-tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds.
- (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) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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 financial statements etc. 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
(F.R.N. 117366W/W-100018)



Sumit Trivedi
(Partner)

(Membership No. 209354)

Place: Hyderabad
Date: April 26, 2019



GMR Aero Technic Limited
CIN:U35122TG2010PLC070489
Balance Sheet as at March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2019 (Refer Note 10)	As at March 31, 2018 (Refer Note 10)
Assets			
Non-current assets			
Property, plant and equipment	3	2.62	0.68
		2.62	0.68
Current assets			
Financial assets			
Other financial assets	4	24.42	25.89
		24.42	25.89
Assets Classified of discontinued operations	10	12,222.92	9,042.57
Total assets		12,249.96	9,069.14
Equity and liabilities			
Equity			
Equity share capital	5	2,500.00	2,500.00
Other equity	6	(27,056.55)	(28,364.52)
Total Equity		(24,556.55)	(25,864.52)
Liabilities directly associated with discontinued operations	10	36,806.51	34,933.66
Total Liabilities		36,806.51	34,933.66
Total Equity and Liabilities		12,249.96	9,069.14

Corporate information and 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

Sumit Trivedi
Partner



For and on behalf of the Board of Directors
GMR Aero Technic Limited

Rajesh Kumar Arora
Rajesh Kumar Arora
Director
DIN : 0374536

SGK Kishore
SGK Kishore
Director
DIN : 02916539

Ashok Gopinath
Ashok Gopinath
Chief Executive Officer

K Venkata Ramana
K Venkata Ramana
Chief Financial Officer

Apeksha Naidu
Apeksha Naidu
Company Secretary
M.No. ACS 42119

Place, Hyderabad
Date : April 26, 2019

Place: Hyderabad
Date : April 26, 2019



GMR Aero Technic Limited
CIN:U35122TG2010PLC070489

Statement of Profit and Loss for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2019 (Refer Note 10)	For the year ended March 31, 2018 (Refer Note 10)
Income			
Revenue from operations	7	11.61	37.90
Total income (i)		11.61	37.90
Expenses			
Employee benefits expense	8	10.21	10.21
Depreciation expense	9	0.92	0.56
Total Expenses (ii)		11.13	10.77
Profit from continuing operations before tax (i-ii)		0.48	27.13
Tax expense			
Current tax		-	-
Deferred tax charge/(credit)		-	-
Profit from continuing operations after tax (iii)		0.48	27.13
Loss from discontinued operations before tax	10	(1,147.16)	(3,308.59)
Tax expense from discontinued operations		(625.18)	2,465.92
Net loss from discontinued operations after tax (iv)	10	(521.98)	(5,774.51)
Net loss from continuing and discontinued operations for the year (iii+iv)		(521.50)	(5,747.38)
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement gains/(losses) on defined benefit plans		(22.88)	(31.48)
Other comprehensive loss for the year		(22.88)	(31.48)
Total Comprehensive loss for the year		(544.38)	(5,778.86)
Earnings per equity share for continuing operations of ₹ 10 each:			
Basic and diluted	11	0.00	0.11
Earnings per equity share for discontinued operations of ₹ 10 each:			
Basic and diluted	11	(2.09)	(23.10)
Earnings per equity share for continuing and discontinued operations of ₹ 10 each:			
Basic and diluted	11	(2.09)	(22.99)
Corporate information and 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

Sumit Trivedi
Partner



For and on behalf of the Board of Directors
GMR Aero Technic Limited

Rajesh Kumar Arora
Rajesh Kumar Arora
Director
DIN : 03174536

SGK Kishore
SGK Kishore
Director
DIN : 02916539

Ashok Gopinath
Ashok Gopinath
Chief Executive Officer

K Venkata Ramana
K Venkata Ramana
Chief Financial Officer

Apeksha Naidu
Apeksha Naidu
Company Secretary
M.No.ACS 42119

Place: Hyderabad
Date : April 26, 2019

Place: Hyderabad
Date : April 26, 2019



	For the year ended March 31, 2019 (Refer Note 10)	For the year ended March 31, 2018 (Refer Note 10)
Cash flow from operating activities		
Profit/(Loss) before tax from		
Continuing operations	0.48	27.13
Discontinued operations	(1,147.16)	(3,308.59)
	(1,146.68)	(3,281.46)
Adjustments for		
Depreciation and amortization expense	323.26	269.51
Unrealized foreign exchange Loss/(gain)	196.31	(50.17)
Provisions no longer required, written back	-	(39.55)
Foreign exchange gain written back	(43.78)	-
Inventory write off	33.26	52.58
Provision for doubtful receivables	20.33	3.94
Fair value gain on financial instruments at FVTPL (net)	(81.59)	(414.89)
Finance costs	2,135.19	1,827.86
Operating Profit/(loss) before working capital changes	1,436.30	(1,632.18)
Changes in working capital		
Increase in trade payables	1,235.61	2,555.64
(Decrease) in other payables	-	(2.29)
(Decrease) in other liabilities	(362.75)	(58.56)
(Decrease) in provisions	(0.14)	(61.39)
(Increase) in trade receivables	(2,343.78)	(1,505.67)
(Increase) in inventories	(275.15)	(539.06)
(Increase) in other financial assets	(192.89)	(267.05)
Decrease/(Increase) in other current assets	44.11	(108.83)
Cash (used in) operations	(438.69)	(1,619.39)
Direct taxes paid	(399.54)	(181.95)
Net cash flow (used in) operating activities (A)	(838.23)	(1,801.34)
Cash flows from investing activities		
Purchase of Property, plant and equipment including CWIP and capital advances	(695.39)	(306.21)
Fixed Deposits with Bank	(5.00)	-
Net cash (used in) investing activities (B)	(700.39)	(306.21)
Cash flows from financing activities		
Proceeds from NCDs	-	17,500.00
Proceeds from long-term borrowings - Loans from Holding Company	3,127.00	3,255.00
Repayment of long-term borrowings	-	(17,701.50)
Proceeds from short-term borrowings	0.06	695.09
Interest paid	(1,774.87)	(1,501.92)
Net cash flow from financing activities (C)	1,352.19	2,246.67
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(186.43)	139.12
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	0.23
Cash and cash equivalents at the beginning of the year	222.81	83.46
Cash and cash equivalents at the end of the year (see note below)	36.38	222.81
Components of cash and cash equivalents		
Cash in hand	0.11	-
With banks - on current accounts	25.24	0.61
With banks - on escrow accounts	1.00	4.10
With banks - on cash credit account	2.53	88.82
Exchange earners foreign currency account	7.50	129.28
Total cash and cash equivalents	36.38	222.81

Reconciliation of liabilities from financing activities:

Particulars	As at March 31, 2018	Proceeds	Repayment (net)*	Fair Value Changes	As at March 31, 2019
Borrowings	23,130.13	3,127.00	0.06	(2,117.20)	24,139.99
Total	23,130.13	3,127.00	0.06	(2,117.20)	24,139.99

* Short term borrowings (net) represents net of amounts received and payments made.

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

Sumit Trivedi
Partner



For and on behalf of the Board of Directors
GMR Aero Technic Limited

Rajesh Kumar Arora
Director
DIN : 0174536

SGJ Kishore
Director
DIN : 02916539

Ashok Gupta
Chief Executive Officer

K Venkata Ramana
Chief Financial Officer

Apeksha Naidu
Company Secretary
M.No. AC5-42119

Place: Hyderabad
Date : April 26, 2019

Place: Hyderabad
Date : April 26, 2019



GMR Aero Technic Limited
CIN:U35122TG2010PLC070489

Statement of Changes in Equity for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid

As at April 1, 2017

Issue of shares during the year

As at March 31, 2018

Issue of shares during the year

As at March 31, 2019

No. of shares	₹ in lakhs
25,000,000	2,500.00
-	-
25,000,000	2,500.00
-	-
25,000,000	2,500.00

B. Other Equity

(i) Equity component of other financial instruments

As at April 01, 2018 / April 01, 2017

Additions during the year (net of deferred tax)

Deletions during the year (net of deferred tax)

As at March 31, 2019 / March 31, 2018

As at March 31, 2019	As at March 31, 2018
13,806.82	16,546.44
1,852.35	3,114.46
-	(5,854.08)
15,659.17	13,806.82

(ii) Retained earnings

As at April 01, 2018 / April 01, 2017

Loss for the year

Remeasurement gains/ (losses) on defined benefit plans

Closing Balance

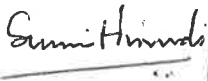
As at March 31, 2019	As at March 31, 2018
(42,171.34)	(36,392.48)
(521.50)	(5,747.38)
(22.88)	(31.48)
(42,715.72)	(42,171.34)
(27,056.55)	(28,364.52)

Total Other Equity

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



For and on behalf of the Board of Directors
GMR Aero Technic Limited


Rajesh Kumar Arora
Director
DIN : 03174536


SGK Kishore
Director
DIN : 02916539


Ashok Gopinath
Chief Executive Officer


K Venkata Ramana
Chief Financial Officer


Apeksha Naidu
Company Secretary
M.No. ACS 42119

Place : Hyderabad
Date : April 26, 2019

Place : Hyderabad
Date : April 26, 2019



1. Corporate information

GMR Aero Technic Limited ("the Company") is a 100% subsidiary of GMR Aerospace Engineering Limited. The Company was incorporated on September 20, 2010 to carry out the business of Maintenance, Repair and Overhaul facility (MRO) of Aircrafts and allied services and to promote, plan, design, develop, operate, market, alter the MRO facility and all other related allied and ancillary activities but limited to training, development, and maintenance of hangars and related workshops (also refer Note 20).

The Financial Statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue in accordance with a resolution on April 26, 2019.

2. Significant Accounting Policies

2.1 Basis of preparation and presentation:

(a) Statement of Compliance:

The 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 measurement:

The 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).

2.2 Summary of Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting 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 on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.



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.

c) 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

Foreign currency transactions are translated into functional currency using the exchange rates at the date of transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or 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. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

d) 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

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

e) Revenue recognition

Revenue from Services:

Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the financial statements.

Revenue is recognised upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the government. An entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

Revenue relating to fixed price contracts is recognised based on percentage of completion method (POC method).

Unearned revenue is recognised when there is billings in excess of revenues.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

f) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current income tax:

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

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



Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements 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.

g) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

Particulars	Useful Life (years)
Plant and equipment	15
Office equipment	5
Computer equipment and IT systems	3 - 6
Furniture and fixtures	10
Vehicles	8

The Company, based on assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which coincide with the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The identified components are depreciated separately over their useful lives; the remaining components



are depreciated over the life of the principal asset. Individual assets costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

However, in case of tools and equipment, where such individual items constitute more than 10% of the total cost of Tools and equipment, normal useful lives have been considered.

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

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

Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.

Spare parts are capitalized when they meet the definition of Property, plant and equipment and, i.e., when the company intends to use these during more than a period of 12 months.

h) Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortized on a straight – line basis over their useful life not exceeding six years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

i) Borrowing cost

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

j) 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.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee:

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



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

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

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

k) Inventories

Stores and spares are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value is estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

l) Impairment of non-financial assets

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

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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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 periods/ years. Such reversal is recognised in the statement of profit or loss.

m) Provisions, contingent liabilities and commitments

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

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



Contingent liability is disclosed in the case of:

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

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

n) Retirement and other Employee Benefits

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

Retirement benefit in the form of Superannuation Fund and Employee's State Insurance are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the respective trusts.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

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

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

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

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

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

Accumulated leave 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. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire 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.



o) 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 instruments.

Financial assets

Initial recognition and measurement:

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

Subsequent measurement:

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 the purpose of subsequent measurement, financial instruments of the Company are classified into categories as explained below:

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

Debt instruments at amortised cost:

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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



Debt instrument at FVTPL:

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De recognition:

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

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

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

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

Impairment of financial assets:

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

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 17
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit



risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

- a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

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

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

Financial liabilities

Initial recognition and measurement:

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

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

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

Subsequent measurement:

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



Financial liabilities at fair value through profit or loss:

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

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

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

Loans and borrowings:

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

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

This category generally applies to borrowings. For more information refer Note 10.10.

Derecognition

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

p) Derivative financial instruments

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.



If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

q) Cash and cash equivalents

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

r) Earnings per share

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

For the purpose of calculating Diluted Earnings per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(s) Indian Accounting Standards (Ind AS) issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

Ind AS 116 is effective for the Group in the first quarter of fiscal year 2019 using either one of two methods:

(a) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or

(b) retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the



new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

(t) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standards:

i) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12, 'Income taxes'

The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.

This amendment clarifies how the recognition and measurement requirements of Ind AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. The amendment applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

ii) Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19, Employee Benefits.

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
- separately recognise any changes in the asset ceiling through other comprehensive income.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.



3 Property, plant and equipment

Cost or deemed cost

As at April 01, 2017

Additions

As at March 31, 2018

Additions

As at March 31, 2019

Accumulated depreciation

As at April 01, 2017

Depreciation charge for the year

As at March 31, 2018

Depreciation charge for the year

As at March 31, 2019

Net Block

As at March 31, 2019

As at March 31, 2018

Office equipment	Computer equipment and IT systems	Furniture and fixtures	Total
2.79	-	-	2.79
-	-	-	-
2.79	-	-	2.79
-	1.48	1.38	2.86
2.79	1.48	1.38	5.65
1.55	-	-	1.55
0.56	-	-	0.56
2.11	-	-	2.11
0.55	0.20	0.11	0.92
2.66	0.20	0.11	3.03
0.13	1.22	1.27	2.62
0.68	-	-	0.68

4 Other financial assets

Other receivables

Non-Current	Current
As at March 31, 2019	As at March 31, 2018
-	24.42
-	24.42
-	25.89

5 Equity share capital

Authorized share capital

As at April 1, 2017

Increase during the year

As at March 31, 2018

Increase during the year

As at March 31, 2019

Issued, subscribed and fully paid share capital

25,000,000 fully paid equity shares of ₹ 10 each (March 31, 2018: 25,000,000)

No. of shares	₹. in lakhs
25,000,000	2,500.00
-	-
25,000,000	2,500.00
-	-
25,000,000	2,500.00
As at March 31, 2019	As at March 31, 2018
2,500.00	2,500.00
2,500.00	2,500.00

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

As at April 01, 2017

Issue of shares during the year

As at March 31, 2018

Issue of shares during the year

As at March 31, 2019

No. of shares	₹. in lakhs
25,000,000	2,500.00
-	-
25,000,000	2,500.00
-	-
25,000,000	2,500.00

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by Holding Company

Out of equity shares issued by the Company, shares held by its holding company are as below :

GMR Aerospace Engineering Limited and its nominees

25,000,000 (March 31, 2018: 25,000,000) equity shares of ₹ 10 each fully paid up

As at March 31, 2019	As at March 31, 2018
2,500	2,500

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

Equity shares of ₹ 10 each fully paid

GMR Aerospace Engineering Limited and its nominees

March 31, 2019	March 31, 2018
No. of shares	No. of shares
25,000,000	25,000,000
100%	100%

6 Other equity

Equity component of other financial instruments

Opening balance

Additions during the year (net of deferred tax)

Deletions during the year (net of deferred tax)

Closing balance

As at March 31, 2019	As at March 31, 2018
13,806.82	16,546.44
1,852.35	3,114.46
-	(5,854.08)
15,659.17	13,806.82

Retained Earnings

Opening balance

Add: Loss for the year

Remeasurement gains/(losses) on the defined benefit plans

Closing balance

(42,171.34)	(36,392.48)
(521.50)	(5,747.38)
(22.88)	(31.48)
(42,715.72)	(42,171.34)
(27,056.55)	(28,364.52)

Note: In the absence of profits, the Company has not created Debenture Redemption Reserve as per the provisions of the Companies Act, 2013.



GMR Aero Technic Limited
CIN:U35122TG2010PLC070489

Notes to the Financial Statements as at March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

7 Revenue from operations

Revenue from services

For year ended March 31, 2019	For year ended March 31, 2018
11.61	37.90
11.61	37.90

8 Employee benefits expenses

Salaries, wages and bonus

For year ended March 31, 2019	For year ended March 31, 2018
10.21	10.21
10.21	10.21

9 Depreciation expense

Depreciation of property, plant and equipment (Refer Note 3)

For year ended March 31, 2019	For year ended March 31, 2018
0.92	0.56
0.92	0.56



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- (i) In view of the proposed demerger (refer note 20), as required by IndAS 105, the disclosures for prior-periods presented in the financial statements have been re-presented in respect of continuing and discontinued operations (MRO Business) so that the disclosures relate to latest period presented. MRO Consultancy Undertaking which means the Residual Business of providing MRO Consultancy and Training services are the continuing operations.

i) Audited financial results of the MRO business is given below:

S.No.	Particulars (Refer notes below)	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Income			
	Revenue from operations	10.16	15,353.67	10,418.04
	Other income	10.17	198.85	496.04
	Total income		15,552.52	10,914.08
2	Expenses			
	Lease rentals (Refer Note 1 below)		2,114.72	2,876.56
	Cost of stores and spares consumed	10.18	4,624.76	3,322.30
	Employee benefits expense	10.19	4,787.78	3,836.50
	Finance costs	10.20	2,135.19	1,827.86
	Depreciation and amortization expense	10.21	322.34	268.95
	Other expenses (Refer Note 2 below)	10.22	2,714.89	2,090.50
	Total Expenses		16,699.68	14,222.67
3	Loss from discontinued operation before tax (1-2)		(1,147.16)	(3,308.59)
4	Tax expense			
	Current tax		-	-
	Deferred tax charge/(credit)	10.6	(625.18)	2,465.92
5	Loss from discontinued operation after tax (3-4)		(521.98)	(5,774.51)

Note:

1. Lease Rentals includes reversal of opening balance of Straight lining of lease rentals for the year ended March 31, 2019 amounting to ₹ 363.52 Lakhs (March 31, 2018 ₹ Nil) on account of modification of terms of lease w.e.f April 01, 2018.

2. Other expenses includes reversal of exchange loss on lease rentals for year ended March 31, 2019 ₹ 481.07 Lakhs (March 31, 2018: ₹ Nil) on account of modification of terms of lease w.e.f. March 01, 2019.

ii) Assets Classified and Liabilities directly associated with discontinued operations are as below:

Particulars (Refer notes below)	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	10.1	2,733.79	2,456.74
Intangible assets	10.2(a)	72.19	6.73
Intangible assets under development	10.2(b)	30.10	-
Financial assets			
Other financial assets	10.3	77.84	33.96
Deferred tax assets (net)	10.6	-	-
Non-current tax assets	10.4	1,005.10	605.56
Other non-current assets	10.5	18.30	2.24
		3,937.32	3,105.23
Current assets			
Inventories	10.7	3,368.33	3,126.44
Financial assets			
Trade receivables	10.8	4,138.70	1,941.11
Cash and cash equivalents	10.9(a)	36.18	222.81
Bank balance other than cash and cash equivalents	10.9(b)	5.00	-
Other financial assets	10.3	375.39	241.13
Current tax assets	10.4	172.68	172.68
Other current assets	10.5	189.12	233.17
		8,285.60	5,937.34
Total assets		12,222.92	9,042.57
Liabilities			
Non-current liabilities			
Financial Liabilities			
Long-term Borrowings	10.10	21,340.00	20,330.20
Provisions	10.14	89.80	98.26
		21,429.80	20,428.46
Current liabilities			
Financial Liabilities			
Short-term Borrowings	10.10	2,799.99	2,799.93
Trade payables	10.11	11,834.51	10,552.24
Other financial liabilities	10.12	111.97	109.54
Derivative instruments	10.13	-	81.69
Provisions	10.14	178.69	147.49
Other current liabilities	10.15	451.55	814.31
		15,376.71	14,505.20
Total Liabilities		36,806.51	34,933.66

Note:

- (iii) Borrowings of the MRO business includes 1750 Senior, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹1,000,000 each. The debenture trustees and debenture holder have given irrevocable and unconditional consent/no-objection to the proposed Scheme.

(iv) Cash flow from Discontinued operations:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net cash flow (used in) operating activities	(841.09)	(1,801.34)
Net cash flow (used in) investing activities	(697.53)	(306.21)
Net cash flow from financing activities	1,352.19	2,246.67
Net (decrease)/increase in cash and cash equivalents from discontinued operations	(186.43)	139.12

- (v) Commitments and contingencies including Contingent liabilities relating to Discontinued operations Refer Note 15



10.1 Property, plant and equipment

	Tools and equipment	Vehicles	Office equipment	Computer equipment and IT systems	Furniture and fixtures	Total
Cost or deemed cost						
As at April 01, 2017	2,939.87	3.68	10.43	16.99	118.02	3,088.99
Additions	152.28	-	1.08	22.24	-	175.60
As at March 31, 2018	3,092.15	3.68	11.51	39.23	118.02	3,264.59
Additions	387.56	-	11.20	114.80	78.94	592.50
As at March 31, 2019	3,479.71	3.68	22.71	154.03	196.96	3,857.09
Accumulated depreciation						
As at April 01, 2017	488.95	0.74	7.28	9.40	34.54	539.91
Depreciation charge for the year	240.74	0.64	1.04	7.36	17.16	266.94
As at March 31, 2018	729.69	1.38	8.32	16.76	51.70	807.85
Depreciation charge for the year	262.94	0.57	2.05	26.27	23.82	315.45
As at March 31, 2019	992.63	1.95	10.37	43.03	75.52	1,123.50
Net Block						
As at March 31, 2019	2,487.08	1.93	12.34	111.00	121.44	2,733.79
As at March 31, 2018	2,362.46	2.30	3.19	22.47	66.32	2,456.74

10.2(a) Intangible assets

	Computer software	Technical Know-how	Total
Cost or deemed cost			
As at April 01, 2017	282.61	898.29	1,180.90
Additions	-	-	-
As at March 31, 2018	282.61	898.29	1,180.90
Additions	72.35	-	72.35
As at March 31, 2019	354.96	898.29	1,253.25
Accumulated amortization			
As at April 01, 2017	273.87	898.29	1,172.16
Charge for the year	2.01	-	2.01
As at March 31, 2018	275.88	898.29	1,174.17
Charge for the year	6.89	-	6.89
As at March 31, 2019	282.77	898.29	1,181.06
Net Block			
As at March 31, 2019	72.19	-	72.19
As at March 31, 2018	6.73	-	6.73

10.2(b) Intangible assets under development

	As at March 31, 2019	As at March 31, 2018
Computer Software	30.10	-
	30.10	-

10.3 Other financial assets

	Non-Current	Current
	As at March 31, 2019	As at March 31, 2018
Security deposit		
Unsecured, considered good, to related parties (Refer Note 14)	27.70	25.63
Unsecured, considered good, to other parties	50.14	8.33
Unbilled Revenue	-	375.08
Interest accrued but not due on fixed deposits	-	0.31
	77.84	379.39

10.4 Tax assets

	Non-Current	Current
	As at March 31, 2019	As at March 31, 2018
TDS receivable	1,005.10	605.56
	1,005.10	605.56

10.5 Other assets

	Non-Current	Current
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Other receivables (Refer Note 14)	-	81.88
Advances recoverable in cash or kind	-	54.08
Prepaid expenses	18.30	41.68
Balances with Government authorities	-	37.51
	18.30	233.17



10.6 Deferred tax assets/(liability) (net)

Deferred tax liability (DTL) relating to
Impact due to temporary difference of interest free loans from related party
Gross deferred tax liability

Deferred tax assets (DTA) relating to
Unused tax losses/depreciation

Net deferred tax assets

Deferred tax assets/(liability):
For the year ended March 31, 2019:

	Opening balance	Recognised in other equity	Statement of profit and loss	Reversal of DTL on foreclosure of loan - Other Equity	Reversal of DTA on foreclosure of loan - Statement of Profit and Loss	Reversal of DTL/DTA on notional interest - Statement of Profit and Loss	Closing balance
DTL on impact due to temporary difference of interest free loans from related party	(3,701.69)	(625.18)	-	-	-	43.73	(4,283.14)
DTA on unused tax losses/depreciation	3,701.69	-	625.18	-	-	(43.73)	4,283.14
	-	(625.18)	625.18	-	-	-	-

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

	Opening balance	Recognised in other equity	Statement of profit and loss	Reversal of DTL on foreclosure of loan - Other Equity	Reversal of DTA on foreclosure of loan - Statement of Profit and Loss	Reversal of DTL/DTA on notional interest - Statement of Profit and Loss	Closing balance
DTL on impact due to temporary difference of interest free loans from related party	(6,444.94)	409.08	-	2,056.84	-	277.33	(3,701.69)
DTA on unused tax losses/depreciation	6,444.94	-	(409.08)	-	(2,056.84)	(277.33)	3,701.69
	-	409.08	(409.08)	2,056.84	(2,056.84)	-	-

Note:

The Company is entitled to claim tax holiday for first ten consecutive years, from the year of commencement of commercial operations in 2011-12 under Section 10AA of the Income Tax Act, 1961. The Company has recognised deferred tax asset on unabsorbed depreciation and carried forward losses to the extent the company has sufficient taxable temporary differences.

Since, the entire Deferred tax asset/Deferred tax liability on accelerated depreciation and unbilled revenue is reversed in the tax holiday period. No Deferred tax asset/Deferred tax liability is accounted for the same.

10.6.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

- unused tax losses

	As at March 31, 2019	As at March 31, 2018
	27,290.42	25,964.13
	27,290.42	25,964.13

10.6.2 Reconciliation of tax expenses to accounting profits is as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting (loss) before Tax	(1,147.16)	(3,308.59)
Applicable Tax Rate in India (%)	26.00%	30.90%
Expected Income tax expense	-	-
Adjustments:		
Deferred Tax asset on changes in equity component of holding, Company interest free loan	(625.18)	2,465.92
Tax expense reported in statement of profit and loss	(625.18)	2,465.92

10.7 Inventories

Stores and spares (valued at lower of cost or net realisable value)*

*includes material in transit of Rs.18.60 lakhs (March 31, 2018: ₹ Nil)

	As at March 31, 2019	As at March 31, 2018
	3,368.33	3,126.44
	3,368.33	3,126.44

10.8 Trade receivables

Trade receivables

- Considered good- Secured
- Considered good- Un Secured *
- Have significant increase in Credit Risk (Refer note below)
- Credit impaired
Less: Provisions for Trade receivables - credit impaired

*includes trade receivables from related parties (Refer Note 14)

	As at March 31, 2019	As at March 31, 2018
	3,108.38	1,941.11
	1,030.32	-
	24.27	3.94
	(24.27)	(3.94)
	4,138.70	1,941.11

Note:

During the current year, there has been a delay in payment by 2 customers in respect of their overdue amounts aggregating ₹ 1,030.32 lakhs due to the company. The Management of the Company has taken several initiatives and is rigorously following up with the customers and the lessons of the defaults to recover such overdue. Based on the measures taken up by the Company, the Company is confident of recovery of the dues and no impairment loss on such trade receivables has been recognised for the year ended March 31, 2019.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 10 to 30 days.

The Company maintains an allowance for impairment of doubtful accounts based on financial condition of the customer, ageing of the customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Company creates provision for past due receivables.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Movement in the allowance for doubtful debts		
Balance at beginning of the year	3.94	16.74
Provision for doubtful receivable	26.13	3.94
Amounts written off during the period as uncollectible	-	(16.74)
Balance at end of the year	24.27	3.94



10.9 Cash and Bank balances

		Long-term		Short-term	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
10.10	Borrowings				
	Unsecured				
	Redeemable Non-Convertible Debentures (Refer Note (i) below)	17,444.84	17,434.85	-	-
	Loan from Holding Company (Refer Note (ii) below)	3,895.16	2,895.35	-	-
	Overdraft facility from bank (Refer Note (iii) below)	-	-	2,799.99	2,799.93
		21,340.00	20,330.20	2,799.99	2,799.93

Notes:-

The Debentures are secured by:

(b) First ranking pari passu charge on the Transaction Accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, of Issuer, present and future of the Company.

(d) Unconditional and irrevocable corporate guarantee given by GMR Hyderabad International Airport Limited as per Deed of guarantee dated October 04, 2017.

(f) Redeemable Non-Convertible debentures includes an adjustment of unamortised upfront fee paid of ₹ 55.16 lakhs (₹ 65.15 lakhs as at March 31, 2018).

(ii) The unsecured loan is interest free and payable in twenty equal half yearly instalments beginning from September 30, 2031.

(iii) The Overdraft facility availed from Abu Dhabi Bank is repayable on demand and carries interest of FD rate plus min 1%pa which is secured by fixed deposit placed by GMR Hyderabad Air Cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited) (GHACLPL) with ADCB Bank as per the terms of the sanction letter.

10.11 Trade payables

Trade payables	Current	
	As at	As at
	March 31, 2019	March 31, 2018
Trade Payables other than acceptances:		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 21)		5.13
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-
(a) Trade payables to related parties (Refer Note 14)	10,340.48	9,525.65
(b) Trade payables to others	3,488.90	1,026.59
	11,834.51	10,552.24

10.12 Other financial liabilities

	Current	
	As at March 31, 2019	As at March 31, 2018
Payables for purchase of fixed assets*	70.46	68.04
Deposit from customers	0.93	0.93
Retention money	12.06	10.58
Interest Accrued but not due on borrowings	4.10	4.10
Other Payables	24.42	25.89
	111.97	109.54

Note:

*Rs. Nil (March 31, 2018 - includes an amount of Rs. 20.20 lakhs payable to related parties) (Refer Note 14)

10.13 Derivative instruments

Derivative instruments	Current	
	As at	As at
	March 31, 2019	March 31, 2018
Derivative instruments	-	81.69
	-	81.69

10.14 Provisions

Provisions	Long-term		Short-term	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gratuity (Refer Note 12(a))	89.80	98.26		
Leave entitlements (Refer Note 12(c))			178.69	147.49
	\$9.50	98.26	178.69	147.49

10.15 Other liabilities

Other Liabilities	Current	
	As at March 31, 2019	As at March 31, 2018
Advance from customers	-	4.97
Straight lining of lease rentals (Refer Note 16)	-	363.52
Statutory liabilities	301.03	281.45
Unearned Revenue	150.52	161.37
	451.55	814.31



10.16 Revenue from operations

Revenue from services

For the year ended March 31, 2019	For the year ended March 31, 2018
15,353.67	10,418.04
15,353.67	10,418.04

10.17 Other income

Fair value gain on financial instruments at fair value through profit or loss
Interest on Fixed deposits
Foreign exchange written back
Provisions no longer required, written back
Miscellaneous income

For the year ended March 31, 2019	For the year ended March 31, 2018
83.76	414.89
0.31	-
43.78	-
-	39.55
71.00	41.60
198.85	496.04

10.18 Cost of stores and spares consumed

Inventory at the beginning of the year
Add: Purchases

Less: Inventory written off
Less: Inventory at the end of the year
Cost of stores and spares consumed

For the year ended March 31, 2019	For the year ended March 31, 2018
3,126.44	2,639.96
4,899.91	3,861.36
8,026.35	6,501.32
33.26	52.58
3,368.33	3,126.44
4,624.76	3,322.30

10.19 Employee benefits expenses

Salaries, wages and bonus
Contribution to provident and other fund (Note 12 (b))
Gratuity expenses
Staff welfare expenses

For the year ended March 31, 2019	For the year ended March 31, 2018
4,190.91	3,297.15
188.77	160.83
49.04	50.64
359.06	327.88
4,787.78	3,836.50

10.20 Finance costs

Interest on:
Loan from holding company
Cash credit and overdraft facility from banks
Redeemable Non-Convertible Debentures
Interest others
Bank and Finance charges

For the year ended March 31, 2019	For the year ended March 31, 2018
350.33	807.50
239.53	257.23
1,506.24	725.58
0.04	2.38
39.05	35.17
2,135.19	1,827.86

10.21 Depreciation and amortization expense

Depreciation of property, plant and equipment (Refer Note 10.1)
Amortization of intangible assets (Refer Note 10.2(a))

For the year ended March 31, 2019	For the year ended March 31, 2018
315.45	266.94
6.89	2.01
322.34	268.95



GMR Aero Technic Limited
CIN:U35122TG2010PLC070489

Notes to the Financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

10.22 Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Rates and taxes	261.48	228.35
Electricity and water charges	354.78	338.33
Equipment hire charges	63.04	45.99
Insurance	160.23	134.98
Repairs and Maintenance		
IT Systems	78.09	93.24
Others	351.11	297.73
Sub-contracting expenses	91.58	80.92
Travelling and conveyance	293.01	168.96
Communication expenses	21.96	23.55
Printing and stationery	16.16	30.29
Security expenses	28.93	24.30
House Keeping Charges	40.82	29.61
Business development expenses	111.47	58.48
Membership and Subscriptions	78.34	27.15
Legal and professional fees	550.75	414.42
Board meeting expenses	1.96	1.75
Payment to auditors (Refer Note below)*	11.61	8.40
Loss on account of forex fluctuation (net)	144.73	27.51
Provision for doubtful receivable	20.33	3.94
Inventory written off	33.26	52.58
Miscellaneous expenses	1.25	0.02
	2,714.89	2,090.50

Payment to auditors

As auditor:

Statutory audit fee including Limited Review

Other services

Reimbursement of expenses

6.60	6.60
4.75	0.50
0.26	1.30
11.61	8.40

*net of reimbursement, aggregating ₹ 37.35 lakhs



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

11. Earnings per Share (EPS)

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit from continuing operations	0.48	27.13
Loss from discontinued operations	(521.98)	(5774.51)
Loss from continuing and discontinued operations	(521.50)	(5747.38)
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted)	25,000,000	25,000,000
Earnings Per Share (Basic and diluted) – Continuing operations ₹	0.00	0.11
Earnings Per Share (Basic and diluted) – Discontinued operations ₹	(2.09)	(23.10)
Earnings Per Share (Basic and diluted) – Continuing and Discontinued operations ₹	(2.09)	(22.99)

12. Employee benefits plan

a. Defined benefits plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days last drawn salary for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Statement of profit and loss

Net employee benefit expense (recognized in the employee cost)

	March 31, 2019	March 31, 2018
Current service cost (including past service cost)	44.62	46.67
Interest cost on benefit obligation	4.42	3.97
Net benefit expense	49.04	50.64

Balance sheet

Details of provision for gratuity

	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	(253.27)	(196.76)
Fair value of plan assets	163.47	98.50
Plan liability	(89.80)	(98.26)

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

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	196.77	138.67
Interest cost	13.86	9.03
Current service cost (including past service cost)	44.62	46.67
Benefits paid	(28.49)	(23.07)
Actuarial (gain)/loss on obligation	26.51	25.47
Closing defined benefit obligation	253.27	196.77



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

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

	March 31, 2019	March 31, 2018
Opening fair value of plan assets	98.50	42.93
Expected return	9.47	5.06
Contributions by employer	80.37	79.59
Actuarial gain/(loss)	3.62	(6.01)
Benefits paid	(28.49)	(23.07)
Closing fair value of plan assets	163.47	98.50

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2019	March 31, 2018
Investments with insurer	100%	100%

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

	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.60%
Salary escalation Rate	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%

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

Expected Benefit payments for the year ending

Year ending	March 31, 2019
March 31, 2020	11.93
March 31, 2021	15.74
March 31, 2022	19.38
March 31, 2023	25.62
March 31, 2024	33.96
March 31, 2025 to March 31, 2029	272.93

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by ₹ 26.83 lakhs (increase by ₹ 32.10 lakhs) as of March 31, 2019.

If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 22.83 lakhs (decrease by ₹ 21.94 lakhs) as of March 31, 2019.

Note:

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

ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risk of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019
 (All amounts are in ₹ lakhs, unless otherwise stated)

b. Defined contribution plan

Contribution to provident and other funds under employee benefit expenses are as under:

	March 31, 2019	March 31, 2018
Contribution to Provident Fund	157.25	118.94
Contribution to Superannuation Fund	31.50	31.57
Contribution to ESI	12.50	10.32

- c. Leave benefit liabilities provided based on actuarial valuation amounts to ₹ 178.69 lakhs (March 31, 2018: ₹ 147.49 lakhs) as at March 31, 2019.

The actuarial assumptions (demographic & financial) employed for the calculations as at March 31, 2019 and March 31, 2018 are as follows:

	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.60%
Salary escalation rate	8.00%	8.00%
Withdrawal rate	5.00%	5.00%

13. Segment Reporting

The Company is engaged to carry out the business of maintenance, repair and overhaul (MRO), which in the context of Ind-AS 108- Segment reporting, notified under Section 133 of the Companies Act, 2013 is considered as single business segment. Hence, reporting under the requirements of the said standard does not arise.

14. Related Party transactions:

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period and balances outstanding as on period end date.

A. Names of related parties and description of relationship:

Sl. No.	Relationship	Related party Name
(i)	Holding company	GMR Aerospace Engineering Limited (GAEL)
(ii)	GAEL's holding company	GMR Hyderabad International Airport Limited (GHIAL)
(iii)	GHIAL's holding company	GMR Airports Limited (GAL)
(iv)	GAL's holding company	GMR Infrastructure Limited (GIL)
(v)	Ultimate holding company	GMR Enterprises Private Limited (Formerly known as GMR Holdings Private Limited)
(vi)	Fellow Subsidiary Companies (where transactions have taken place)	GMR Hyderabad Aviation SEZ Limited (GHASL)
		RAXA Security Services Limited
		GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)
		GMR Aviation Private Limited
		Asia Pacific Flight Training Academy Limited
		Delhi International Airport Limited
		GMR Airport Developers Limited
		GMR Hyderabad Air cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited)
(vii)	Key managerial personnel (KMP)	Mr. SGK Kishore -Director
		Mr. P. S. Nair -Director
		Mr. Rajesh Kumar Arora -Director



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019
 (All amounts are in ₹ lakhs, unless otherwise stated)

Sl. No.	Relationship	Related party Name
		Mr. Ramamurti Akella -Independent Director (Resigned w.e.f. September 18, 2017)
		Mr. P.Vijay Bhaskar- -Independent Director (Resigned on September 18, 2017)
		Dr. Kavita Gudapati – Independent & Woman Director (w.e.f. January 07, 2018)
		Mr. Abdul Rahman Harith Saif Al Busaidi-Independent Director (w.e.f. April 18, 2018)
		Mr. Uday Naidu – Chief Executive Officer (Retired on July 31, 2017)
		Mr. Ashok Gopinath – Chief Executive Officer (w.e.f. August 01, 2017)
		Mr. K Venkata Ramana – Chief Financial Officer
		Mr. Lalit Kumar Tiwari – Company Secretary (Resigned w.e.f. March 24, 2018)
		Ms Apeksha Naidu-Company Secretary (w.e.f. May 02,2018)

B. Transactions with Key Managerial Personnel for the year ended:

Details of Key Managerial Personnel	March 31, 2019		March 31, 2018	
	Remuneration	Sitting Fees	Remuneration	Sitting Fees
Mr. Ramamurthi Akella	-	-	-	0.80
Mr. P. Vijay Bhaskar	-	-	-	0.80
Ms. Kavita Gudapati	-	1.15	-	0.15
Mr. Uday Kumar Naidu	-	-	36.11	-
Mr. Abdul Rahman Harith Saif Al Busaidi	-	0.81	-	-
Mr. Ashok Gopinath	160.98	-	103.33	-
Mr. K Venkata Ramana	66.89	-	68.13	-
Total	227.87	1.96	207.57	1.75

C. Transactions with related parties for the year ended:

S. No.	Related Party Transactions	March 31, 2019	March 31, 2018
(i)	GMR Hyderabad International Airport Limited		
	Lease rental and other related expenses	40.86	41.69
	Deputation Charges	173.32	157.28
	Corporate Guarantee given in relation to Redeemable Non-Convertible Debentures	-	17,500.00
(ii)	GMR Aerospace Engineering Limited		
	Lease rental expenses	2,027.05	2,862.23
	Loans taken	3,127.00	3,255.00
	Equity component of related party loans – received (net of deferred tax)	1,852.35	3,114.47
	Secured loans – repaid	-	7,424.00
	Unsecured Loans- repaid	-	8,592.43
	Secured Funded interest term loan – repaid	-	1,685.07
	Equity component of related party loans-repaid (net of deferred tax)	-	5,854.08



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

S. No.	Related Party Transactions	March 31, 2019	March 31, 2018
	Interest on Loans	-	420.50
	Interest on account of amortization of interest free loan	350.33	387.00
	Fair Value gain on financial instruments at FVTPL - Embedded Derivative	-	414.75
	Sale of Capital Work in Progress	-	271.87
	GMR Hyderabad Aviation SEZ Limited		
(iii)	Electricity and water charges	351.58	336.33
	Communication Expenses	-	5.40
	Repairs and Maintenance - Others	22.08	20.99
	GMR Airport Developers Limited		
(iv)	Management consultancy charges-Hangar Door	-	22.45
	Repairs and maintenance - IT	53.08	-
	Repairs and maintenance - Others	184.08	226.93
	GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)		
(v)	Lodging and food expenses (Travelling and conveyance)	18.64	52.47
	Raxa Security Services Limited		
(vi)	Security services	28.93	24.30
	Delhi International Airport Limited		
(vii)	Finance income from debt instrument through FVTPL	2.08	0.14
	Lease Rental and other related expenses	56.70	2.83
	Asia Pacific Flight Training Academy Limited		
(viii)	Revenue from operations	12.94	19.58
	GMR Hyderabad Air cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited)		
(ix)	Freight charges/Handling charges	0.92	-
	GMR Airports Limited		
(x)	Training charges	-	0.43
	Reimbursement of expenses	37.35	-
	GMR Aviation Private Limited		
(xi)	Revenue from Operations	-	1.27

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

D. Balances Outstanding Debit / (Credit):

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	GMR Hyderabad International Airport Limited		
(i)	Trade payables	(287.00)	(139.15)
	Security Deposit	5.04	5.04
	Corporate guarantee given in relation to Redeemable Non-Convertible Debentures	17,500.00	17,500.00
	GMR Aerospace Engineering Limited		
(ii)	Loan Outstanding (Including FITL)	(3,895.16)	(2,895.35)
	Trade Payables (Lease Rental)	(7,315.33)	(6,912.91)
	Lease rental Payable (Straight lining impact)	-	(363.52)



	Derivative instruments at FVTPL - Embedded Derivative	-	(81.69)
	Receivables for sale of capital work-in-progress	-	81.88
(iii)	GMR Hyderabad Aviation SEZ Limited		
	Trade payables	(2,619.93)	(2,394.75)
(iv)	GMR Airport Developers Limited		
	Trade payables	(109.25)	(64.75)
	Payables for purchase of fixed assets	-	(20.20)
(v)	GMR Hospitality and Retail Limited (formerly known as GMR Hotels and Resorts Limited)		
	Trade payables	(2.39)	(9.06)
(vi)	Delhi International Airport Limited		
	Security Deposit	22.66	20.59
	Prepaid expenses	2.19	4.37
	Trade payables	(1.76)	(2.90)
(vii)	Raxa Security Services Limited		
	Trade payables	(4.82)	(2.01)
(viii)	GMR Airports Limited		
	Trade Payables	-	(0.12)
(ix)	GMR Aviation Private Limited		
	Trade receivables	-	3.23
(x)	Asia Pacific Flight Training Academy Limited		
	Trade receivables	4.69	4.08

15. Commitments and Contingencies:

I. Leases

Operating lease commitments: Company as lessee

The Company has entered into commercial leases of hangar facility. The lease is initially for a period of seven years with further renewal option included in the contract. There is no restrictions placed upon the Company by entering into this lease.

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

	March 31, 2019	March 31, 2018
Within one year	2,412.72	2,053.21
After one year but not more than five years	9,890.62	-
More than 5 years	2,537.42	-
	14,840.76	2,053.21

II. Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) amounting to ₹ 356.86 lakhs (March 31, 2018: ₹ 245.59 lakhs)

III. Contingent Liabilities

- A penalty of ₹ 5 lakhs has been imposed on the Company by the Development Commissioner, Vishakhapatnam Special Economic Zone for acceptance of payments in INR for services rendered. The Company, has filed an appeal to the Additional Secretary, Department of Commerce and Industry, Government of India against the penalty order received; and is expecting a favorable order for the same.
- The Company has received letter from specified officer stating to pay customs duty on components used in Maintenance Repair and Overhaul (MRO) services for aircraft sent from Special Economic Zone to Domestic Tariff Area. Management is confident that no liability in this regard would be



payable, based on the clarification obtained by the Company from Ministry of Commerce and Industry, customs duty is not applicable on such transactions.

- c. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The financial impact on a prospective basis from the date of the SC order is not material and hence, no adjustments have been made to the financial statements of the Company. The company will update its provision, on receiving further clarity on the subject.

16. 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.

	Carrying value#		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets				
Valued at Amortised cost				
Security deposit	77.84	56.39	77.84	56.39
Unbilled Revenue	375.08	218.70	375.08	218.70
Other financial assets	24.73	25.89	24.73	25.89
Trade receivables	4,138.70	1,941.11	4,138.70	1,941.11
Cash and bank balances	41.38	222.81	41.38	222.81
Total	4,657.73	2,464.90	4,657.73	2,464.90
Financial liabilities				
Valued at Amortised cost				
Borrowings	24,139.99	23,130.13	24,139.99	23,130.13
Trade Payables	11,834.51	10,552.24	11,834.51	10,552.24
Other financial liabilities	111.97	109.54	111.97	109.54
Financial liabilities carried at fair value through profit or loss				
Derivative instruments	-	81.69	-	81.69
Total	36,086.47	33,873.60	36,086.47	33,873.60

includes balances relating to discontinued operations which has been considered in Note 10

The management assessed the cash and cash equivalent, trade receivables trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Assumption used in estimating the fair values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The Company makes payment in USD towards a rent payment obligation fixed in Indian Rupee converted at fixed rate as per the agreement. The rent equivalent shall be calculated in Indian rupees as a string of dollar payment at the fixed conversion rate discounted at borrowing rate. Dollar payment outstanding on the agreement shall be value at forward rate obtained from the market on the valuation date and discount it appropriately at borrowing cost. Net rent value Indian rupee and the dollar payment leg shall be the present value of embedded lease agreement.



17. Fair Value Hierarchy:

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

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

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			Level 1	Level 2	Level 3
Liabilities measured at fair value					
Derivative instrument	March 31, 2019	-	-	-	-

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

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			Level 1	Level 2	Level 3
Liabilities measured at fair value					
Derivative instrument	March 31, 2018	81.69	-	81.69	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

18. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade, other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company has entered into derivative transactions.

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, equity risk, commodity risk and demand risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at 31 March 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates. The Company does not have any long-term debt with floating interest rates. Refer Note 10.10 for fixed interest rate.

Interest rate sensitivity



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in Interest rate	Effect on profit before tax
As at March 31, 2019		
Unsecured Overdraft facility from bank	+0.50%	(14.00)
Unsecured Overdraft facility from bank	- 0.50%	14.00
As at March 31, 2018		
Unsecured Overdraft facility from bank	+0.50%	(14.00)
Unsecured Overdraft facility from bank	- 0.50%	14.00

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company exposure to foreign currency risk at the end of reporting year expressed in Indian Rupees is as follows:

Particulars	Currencies Exposure	As at March 31, 2019		As at March 31, 2018	
		Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs
Trade payables	USD	10,33,316	714.74	11,230,727	7,304.93
	EURO	8,667	6.73	10,228	8.25
	GBP	160	0.14	150	0.14
Trade receivables	USD	5,926,985	4,099.70	2,984,301	1,941.11
Cash and Bank Balances	USD	10,843	7.50	198,755	129.28
Deposit from customers	USD	1,500	0.93	1,500	0.93
Deposit - Loans	USD	-	-	35,000	22.42
Unbilled revenue	USD	542,253	375.08	336,235	218.70



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019
 (All amounts are in ₹ lakhs, unless otherwise stated)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	March 31, 2019	March 31, 2018
Particulars	Impact on profit after tax	Impact on profit after tax
USD Sensitivity		
INR/USD- Increase by 5%	188.38	(275.37)
INR/USD- Decrease by 5%	(188.38)	275.37
EURO Sensitivity		
INR/EURO- Increase by 5%	(0.34)	(0.34)
INR/EURO- Decrease by 5%	0.34	0.34
GBP Sensitivity		
INR/GBP- Increase by 5%	(0.01)	(0.01)
INR/GBP- Decrease by 5%	0.01	0.01

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. Also parent company will provide support in order to meet financial obligations of the Company.

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

Year ended March 31, 2019	upto 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Redeemable Non-Convertible Debentures and interest there on	1,496.25	5,989.10	18,270.67	25,756.02
Loan from Holding Company-Un Secured	-	-	3,895.16	3,895.16
Overdraft facility from a bank	2,799.99	-	-	2,799.99
Trade payables	11,834.51	-	-	11,834.51
Other financial liabilities	111.97	-	-	111.97

Year ended March 31, 2018	upto 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Redeemable Non-Convertible Debentures and interest there on	1,496.25	5,989.10	19,766.92	27,252.27
Loan from Holding Company-Un Secured	-	-	2,895.35	2,895.35
Overdraft facility from a bank	2,799.93	-	-	2,799.93
Trade payables	10,552.24	-	-	10,552.24
Derivative instruments	81.69	-	-	81.69
Other financial liabilities	108.61	0.93	-	109.54

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

Trade receivables

Customer credit risk is managed by the Company as per approved debtors policy and established procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company is trying to expand the customers' base from Middle East and SAARC countries. Also the additional revenue stream is in the pipeline i.e. from Line Maintenance business.

19. Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, equity includes issued equity share capital and other equity. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company# :

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	24,139.99	23,130.13
Cash and cash equivalents	(41.38)	(222.81)
Net debt	24,098.61	22,907.32
Equity	(24,556.55)	(25,864.52)
Net debt to equity ratio	(0.98)	(0.89)

includes balances relating to discontinued operations which has been considered in Note 10

There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current year. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019.



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

20. (a) The Board of Directors of the Company in their meeting held on December 10, 2018 has approved, subject to the required approvals, the Composite Scheme of Arrangement amongst GMR Hyderabad Air Cargo and Logistics Private Limited ("GHACLPL"/"Transferor Company") and GMR Aero Technic Limited ("GATL"/"Demerged company") and GMR Aerospace Engineering Limited ("GAEL"/"Transferee"/"Resulting Company") and their respective Shareholders and Creditors ("Scheme"), wherein GATL will demerge the Maintenance, Repair and Overhauling (MRO) business/demerged undertaking into GAEL with an Appointed Date of April 01, 2018. The Company is in the process of obtaining requisite approvals (including from the National Company Law Tribunal (NCLT)), under applicable laws/regulations to give effect to the above Scheme. In view of the above and in accordance with the Indian Accounting Standard (Ind AS) 105 Non-current Assets Held for Sale and Discontinued Operations, the Maintenance, Repair and Overhauling (MRO) business of the Company has been disclosed as discontinued operation (Refer note 10).

Pursuant to the Scheme with effect from the Appointed Date and upon the Scheme becoming effective, the MRO business/Demerged undertaking of the Company shall be transferred on going concern basis to GAEL. Pursuant to the Scheme, no shares will be issued in relation to the Demerger since GATL is a wholly owned subsidiary of GAEL. The shares of Company to the extent of 24,900,000 equity shares of ₹ 10 each which reflect the MRO business/demerged undertaking being demerged to GAEL shall stand cancelled and shares to the extent 100,000 equity shares of ₹ 10 each which represents the residual business shall continue in the books of the demerged company.

(b) The Company has incurred Total Comprehensive loss of ₹ 544.38 Lakhs during the year ended March 31, 2019 (₹ 5,778.86 Lakhs for the year ended March 31, 2018). Further, as at March 31, 2019, the Company has accumulated losses of ₹ 42,672.29 Lakhs (as at March 31, 2018 is ₹ 42,150.79 Lakhs) and its net-worth has been fully eroded. The Company has incurred net loss in the current year and previous years. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

GMR Aerospace Engineering Limited ("the Holding Company"/"GAEL") and GMR Hyderabad International Airport Limited ("Holding Company of GAEL"/"GHIAL") has confirmed its continuous financial support to the Company to meet its operational requirements as they arise and to meet its liabilities as and when they fall due. The Board has approved a Composite Scheme of Arrangement to transfer the MRO business to GAEL, which is subject to NCLT approval (Refer Note 20 (a)). Accordingly, these audited financial statements have been prepared on a Going Concern basis and do not include any adjustments relating to the recoverability of assets or the amounts of liabilities that may be necessary if the entity is unable to continue as a going concern.



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

21. Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below #:

Sl .No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	5.13	-
(ii)	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi)	Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

includes balances relating to discontinued operations which has been considered in Note 10

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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

23. Use of estimates and judgement

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income tax and Deferred Tax

Significant judgements are required in determining the provision for income taxes, including the amount expected to be paid/recovered for uncertain tax provisions. Deferred tax assets are generally recognized for all deductible temporary difference to the extent that it is probable that sufficient future taxable profit will be available against which those deductible temporary difference can be utilized.



GMR Aero Technic Limited
CIN: U35122TG2010PLC070489

Notes to the Financial Statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment and Intangible assets at the end of each reporting period. This assessment may result in change in the depreciation / amortization expense in future periods.

Provision for doubtful receivables

The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.

Other estimates

The preparation of Financial Statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of Financial Statements and the reported amount of revenues and expenses for the reporting period.



For and on behalf of the Board of Directors
GMR Aero Technic Limited


Rajesh Kumar Arora
Director
DIN: 03174536


SGK Kishore
Director
DIN: 02916539


Ashok Gopinath
Chief Executive Officer


K Venkata Ramana
Chief Financial Officer


Apeksha Naidu
Company Secretary
M.No. ACS 42119

Place: Hyderabad
Date: April 26, 2019

