CHATTERJEE & CHATTERJEE
Chartered Accountants

A-1, Commercial Centre,
Nimari Colony, Ashok Vihar,
New Delhi - 110052
Email : ca.ccnd@gmail.com

INDEPENDENT AUDITORS' REPORT

To The Members of GMR Aerostructure Services Limited

Report on the Ind AS standalone Financial Statements

Opinion

1. We have audited the accompanying standalone Ind AS financial statements of GMR Aerostructure Services Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Ind AS financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements for the year ended 31st March, 2019 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2019, its losses, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

   Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the report containing other information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Management's Responsibility for the Ind AS Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

9. 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.

10. A further description of our responsibilities for the audit of the financial statements is as follows:

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

(i) 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.

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

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

(iv) 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.

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(v) 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.

B. 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.

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

Report on Other Legal and Regulatory Requirements:

11. As required by the Companies (Auditor' s Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "**Annexure - A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable.

12. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of written representations received from the directors as on 31st March 2019 taken on record by the board of directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as directors in terms of section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" . Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

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g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
   i. The Company does not have any pending litigations which would impact its financial position;
   ii. The Company did not have 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.

For Chatterjee & Chatterjee
Chartered Accountants
Firm registration no:001109C

Gaurav Agarwal
Partner.
Membership No: 403788

Place: New Delhi
Date:

CHATTERJEE & CHATTERJEE
Chartered Accountants

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"Annexure A" to the Independent Auditor's Report referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements" of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2019:

Re: GMR Aerostructure Services Limited

I. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b. The fixed assets have been physically verified during the year by the management and there were no material discrepancies between the book records and the physical fixed assets.

c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the Company.

II. The nature of companies operation does not warrant holding of any stocks. Accordingly paragraph 3 (ii) of the Order is not applicable to the Company.

III. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act,2013.

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

V. According to the information and explanation given to us the company has not accepted deposits from the public during the year and as such this clause is not applicable.

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

VII. a.According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in payment of undisputed statutory dues including income tax, Goods and service tax, Professional tax and cess as applicable with appropriate authorities. We are informed by the company that the provisions of Provident Fund Act, Employee state insurance scheme, duty of customs, are not applicable.

b. According to the information and explanations given to us and the records of the company examined by us there are no disputed amounts payable in respect of income tax, Goods and service tax, Professional tax and cess as applicable as at 31st March 2019.We are informed by the company that the provisions of Provident Fund Act, Employee state insurance scheme, duty of customs ,are not applicable.

VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has not defaulted in repayments of dues to bank during the year. The company did not have any outstanding dues in respect of a financial institutions, debentureholders or to government during the year.

IX. The company did not raise any money by way of initial public offer or further public offer(Including debt instrument) or has taken term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

X. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud by the company or on the company by its officers or employees of the company during the year.

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

CHATTERJEE & CHATTERJEE
Chartered Accountants

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XI. According to the information and explanation given to us and the records of the company examined by us the Company has not paid or provided any managerial Remuneration. Accordingly, paragraph 3 (xi) of the order is not applicable.

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

XIII. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that all the transaction with the related parties are in compliance with section 177 and 188 of Companies Act.2013 and the details of the transactions have been disclosed in the Financial Statements as per applicable accounting Standards.

XIV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the Company has not made any preferential allotment or private placement of shares or fully or partly debentures during the year under review.

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

XVI. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company is not required to be Registered under Section 45 -IA of the Reserve Bank of India Act,1934.

For Chatterjee & Chatterjee
Chartered Accountants
Firm registration no:001109C

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

Gaurav Agarwal
Partner.
Membership No: 403788

Place: New Delhi
Date:

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Annexure B to Auditors' Report of even date

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

Re: GMR Aerostructure Services Limited

We have audited the internal financial controls over financial reporting of GMR Aerostructure Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chatterjee & Chatterjee
Chartered Accountants
Firm registration no:001109C

CHATTERJEE & CHATTERJEE
CHARTERED ACCOUNTANTS
NEW DELHI

Gaurav Agarwal
Partner.
Membership No: 403788

Place: New Delhi
Date:

GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
CIN:U74900TG2007PLC054821
BALANCE SHEET AS AT March 31, 2019

(Amount in Rs)

Particulars	Note No.	Ind AS financial March'19	Ind AS financial March'18
ASSETS			
Non Current Assets			
(a) Financial Assets			
(i) Investments	3	2,49,50,00,000	2,49,50,00,000
(ii) Loans and Advances	4	2,33,89,22,687	1,12,96,85,918
(iii) Other non-current Financial Assets	5	15,96,79,318	2,21,87,100
		4,99,36,02,005	3,64,68,73,018
Current assets			
(a) Financial Assets			
(i) Loans and Advances	4	8,50,00,000	36,14,05,309
(ii) Cash and cash equivalents	6	2,23,853	1,16,145
(iii) Bank Balances other than above(refer note in the schedules	7	2,00,00,00,000	-
(iv) Other Assets	8	8,775	900
(b) Current Tax Assets (Net)	9	2,01,84,429	1,60,47,894
		2,10,54,17,057	37,75,70,249
Total Assets		7,09,90,19,063	4,02,44,43,266
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	5,00,000	5,00,000
(b) Other Equity	11	(76,76,58,817)	(23,44,16,566)
		(76,71,58,817)	(23,39,16,566)
Liabilities			
Non - current liabilites			
(a) Financial Liabilities			
(i) Borrowings	12	4,43,28,50,000	85,16,13,085
(ii) Other financial liabilities	13	52,88,80,497	54,15,40,299
		4,96,17,30,497	1,39,31,53,385
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	2,86,47,00,000	2,86,47,00,000
(ii) Other financial liabilities	13	-	-
(b) other Liabilities	14	3,97,47,385	5,06,447
		2,90,44,47,385	2,86,52,06,447
Total Equity and Liabilites		7,09,90,19,063	4,02,44,43,266

NOTES TO THE FINANCIAL STATEMENTS

Significant accounting policies 2

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

As per our report of even date attached
For Chatterjee and Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001109C

Gaurav Agrawal
Partner
Membership no.: 403788

Place : New Delhi
Date :

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Govindarajulu T
Director
DIN : 02734169
Place : New Delhi
Date :

Madhva Bhimacharya Terdal
Director
DIN: 05343139
Place : New Delhi
Date :

GMR Aerostructure Services Ltd.

GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
CIN:U74900TG2007PLC054821
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31, 2019

	Particulars		Note No.	Ind AS financial March'19	Ind AS financial March'18
I.	Revenue from Operations				
II.	Other Income		15	19,37,68,824	16,05,85,021
III.		Total Income (I + II)		19,37,68,824	16,05,85,021
IV.	Expenses				
	Finance Cost		16	58,69,75,006	39,43,23,373
	Other expenses		17	14,00,36,070	26,994
		Total expenses (IV)		72,70,11,076	39,43,50,367
V.	Profit before tax (III - IV)			(53,32,42,252)	(23,37,65,346)
VI.	Tax Expenses:			-	-
	a. Current Tax				
	i. Relating to current period				
	ii. Relating to prior periods				
		Total Tax Expenses (VI)		-	-
VII.	Profit for the period (V - VI)			(53,32,42,252)	(23,37,65,346)
VIII.	Other Comprehensive Income				
	i. Items that will not be reclassified subsequently to profit or loss			-	-
	ii. Income tax relating to items that will not be reclassified to profit or loss			-	-
	Total Other Comprehensive Income for the period			-	-
IX.	Total Comprehensive Income for The Period			(53,32,42,252)	(23,37,65,346)
X.	Earnings per equity share from Continuing operations:				
	Basic and Diluted		18	(10,665)	(4,675)

NOTES TO THE FINANCIAL STATEMENTS

Significant accounting policies 2

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

As per our report of even date attached
For Chatterjee and Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001109C

Gaurav Agrawal
Partner
Membership no.: 403788

Place : New Delhi
Date :

For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Govindarajulu T
Director
DIN : 02734169

Place : New Delhi
Date :

Madhva Bhimacharya Terdal
Director
DIN: 05343139

Place : New Delhi
Date :

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Ltd.

GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
Statement of standalone assets and liabilities as on 31st March 2019

(In Rs.)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
1 ASSETS		
a) Non-current assets		
Property, plant and equipment		
Financial assets		
Investments	2,49,50,00,000	2,49,50,00,000
Loans	2,33,89,22,687	1,12,96,85,918
Others	15,96,79,318	2,21,87,100
Other non-current assets		
	4,99,36,02,005	3,64,68,73,018
b) Current assets		
Financial assets		
Loans and advances	8,50,00,000	36,14,05,309
Cash and cash equivalents	2,23,853	1,16,145
Bank balance other than above	2,00,00,00,000	-
Others	8,775	900
Current tax assets (net)	2,01,84,429	1,60,47,894
	2,10,54,17,057	37,75,70,249
TOTAL ASSETS (a+b)	7,09,90,19,063	4,02,44,43,266
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	5,00,000	5,00,000
Other equity	(76,76,58,817)	(23,44,16,566)
Total equity	(76,71,58,817)	(23,39,16,566)
b) Non-Current liabilities		
Financial Liabilities		
Borrowings	4,43,28,50,000	85,16,13,085
Others	52,88,80,497	54,15,40,299
	4,96,17,30,497	1,39,31,53,385
c) Current liabilities		
Financial liabilities		
Borrowings	2,86,47,00,000	2,86,47,00,000
Other current liabilities	3,97,47,385	5,06,447
Current tax liabilities (net)		
	2,90,44,47,385	2,86,52,06,447
TOTAL EQUITY AND LIABILITIES (a+b)	7,09,90,19,063	4,02,44,43,266

Significant accounting policies and notes to accounts forming an integral part of the financial statements

As per our report of even date attached

For Chatterjee and Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001109C

Gaurav Agrawal
Partner
Membership no.: 403788

Place : New Delhi
Date :

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Govindarajulu T
Director
DIN : 02734169

Place : New Delhi
Date :

Madhva Bhimacharya Terdal
Director
DIN : 05343139

Place : New Delhi
Date :

GMR Aerostructure Services Ltd.

GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
CIN:U74900TG2007PLC054821

	Statement of Standalone Audited Results for Quarter and year ended March 31, 2019					
	Particulars	Quarter Ended			Year Ended	
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
	(Refer Notes Below)	Audited	Unaudited	Audited	Audited	Audited
A	**Continuing Operations**					
1	**Revenue**					
	a) Revenue from operations					
	i) Sales/Income from operations	-	-	-	-	-
	b) Other Income					
	i) Others	4,86,64,391	4,70,08,982	4,61,35,910	19,37,68,824	16,05,85,021
	Total revenue	4,86,64,391	4,70,08,982	4,61,35,910	19,37,68,824	16,05,85,021
2	**Expenses**					
	(a) Finance cost	14,99,56,367	14,28,11,482	12,16,49,300	58,69,75,006	39,43,23,373
	(a) Other expenses	14,00,12,850	3,700	15,000	14,00,36,070	26,994
	Total expenses	28,99,69,217	14,28,15,182	12,16,64,300	72,70,11,076	39,43,50,367
3	**Profit/(loss) from continuing operations before exceptional items and tax expense (1-2)**	(24,13,04,826)	(9,58,06,200)	(7,55,28,390)	(53,32,42,252)	(23,37,65,346)
4	**Exceptional items**	-	-	-	-	-
5	**Profit/(loss) from continuing operations before tax expenses (3 ± 4)**	(24,13,04,826)	(9,58,06,200)	(7,55,28,390)	(53,32,42,252)	(23,37,65,346)
6	**Tax expenses of continuing operations**					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
7	**Profit/(loss) after tax from continuing operations (5 ± 6)**	(24,13,04,826)	(9,58,06,200)	(7,55,28,390)	(53,32,42,252)	(23,37,65,346)
8	**Other Comprehensive Income**					
	(A) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
9	Total other comprehensive income, net of tax for the respective periods	-	-	-	-	-
10	**Total comprehensive income for the respective periods (11 ± 13) [comprising Profit (loss) and Other comprehensive income (net of tax) for the respective periods]**	(24,13,04,826)	(9,58,06,200)	(7,55,28,390)	(53,32,42,252)	(23,37,65,346)
11	**Earnings per equity share**					
	i) Basic/ Diluted before Exceptional Items	(4,826.10)	(1,916.12)	(1,510.57)	(10,664.85)	(4,675.31)
	ii) Basic/ Diluted after Exceptional items	(4,826.10)	(1,916.12)	(1,510.57)	(10,664.85)	(4,675.31)

Note 1 :-
The figures of the last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financials year and the published unaudited year to date figures for nine months ended for the respective years.

Chatterjee & Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001109C

Gaurav Agrawal
Partner
Membership no.: 403788

Place : New Delhi
Date :

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Limited

Govindarajulu T
Director
DIN : 02734169

Place : New Delhi
Date :

Madhwa Bhimacharya Terdal
Director
DIN: 05343139

Place : New Delhi
Date :

GMR Aerostructure Services Ltd.

GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Statement of changes of equity for the year ended March 31, 2019

(Amount in Rupees)

Particulars	Attributable to the equity holders		Total Equity
	Equity Share	Retained	
For the year ended March 31, 2019			
As at April 1, 2018	5,00,000	(23,44,16,565)	(23,39,16,565)
Profit /(loss) for the year	-	(53,32,42,252)	(53,32,42,252)
Other comprehensive income	-	-	-
Total comprehensive income	-	(76,76,58,817)	(76,71,58,817)
Movement during the year	-	-	-
As at March 31, 2019	5,00,000	(76,76,58,817)	(76,71,58,817)

For the year ended March 31, 2018			
As at April 01,2017	5,00,000	(6,51,220)	(1,51,220)
Profit /(loss) for the year	-	(23,37,65,346)	(23,37,65,346)
Other comprehensive income	-	-	-
Total comprehensive income	-	(23,44,16,565)	(23,39,16,565)
Movement during the year	-	-	-
As at March 31, 2018	5,00,000	(23,44,16,565)	(23,39,16,565)

Summary of significant accounting policies 2

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

As per our report of even date
Chatterjee & Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001109C

Gaurav Agrawal
Partner
Membership no.: 403788

Place : New Delhi
Date :

For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Govindarajulu T
Director
DIN : 02734169

Place : New Delhi
Date :

Madhva Bhimacharya Terdal
Director
DIN: 05343139

Place : New Delhi
Date :

GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
CIN:U74900TG2007PLC054821
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Amount in ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Cash flow from operating activities:		
A. Profit before tax	(53,32,42,252)	(23,37,65,346)
B. Adjustment for non-cash transactions:		
	-	-
C. Adjustment for investing and financing activities:		
- Interest Income:		
From bank deposits and others	(6,73,85,206)	(16,04,78,937)
- Interest Expense:		
From bank deposits and others	58,69,69,521	39,43,23,373
	51,95,84,315	23,38,44,436
D. Adjustment for changes in working capital:		
- (Increase) /Decrease in Other Assets	(13,75,00,093)	-
- (Increase) /Decrease in Other Bank Balances	-	
- (Decrease) /Increase in other financial term liabilities	(1,26,59,802)	
- (Decrease) /Increase in other current liabilities	3,92,40,938	1,84,587
	(11,09,18,958)	1,84,587
E. Cash generated from operations (A+B+C)	(12,45,76,895)	2,63,677
Less: Direct taxes paid (net of refunds)	(41,36,535)	(1,58,94,264)
Net cash flow from operating activities (I)	(12,87,13,430)	(1,56,30,587)
II. Cash flows from investing activities		
A. Interest income received	6,73,85,206	13,82,91,837
B. Purchase of investment	-	(2,49,50,00,000)
C. Investement in Term deposits	(2,00,00,00,000)	
D. Loans given	(93,28,31,460)	(1,49,10,91,227)
Net cash flow from/ (used in) investing activities (II)	(2,86,54,46,254)	(2,35,67,08,163)
III. Cash flows from financing activities		
A. Interest Expense paid	(58,69,69,521)	14,72,16,926
B. Proceeds from borrowing	3,58,12,36,915	3,71,63,13,085
C. Loans given		(1,49,10,91,227)
Net cash flow from/ (used in) financing activities (II)	2,99,42,67,394	2,37,24,38,785
IV. Net (decrease) in cash and cash equivalents (I + II + III)	1,07,709	1,00,035
Cash and cash equivalents at the beginning of the year	1,16,145	16,110
V. Cash and cash equivalents at the end of the year	2,23,855	1,16,145
VI. Components of cash and cash equivalents:		
a. Cash on hand	-	-
b. Cheques, Drafts and Stamps on hand	-	-
c. With banks:		
- On CURRENT Account	2,23,853	1,16,145
- On Deposit Account having original maturity less than tree months		-
Total cash and cash equivalents (note 4)	2,23,853	1,16,145

Reconciliation to liabilities whose cash flow movements are disclosed as part of financing activities:

Particulars	01-Apr-18	Cash flows	Non-cash changes					31-Mar-19
			Acquisition	Dilution	Foreign exchange movements	Fair Value changes		
Long term borrowings	85,16,13,085	3,58,12,36,915	-	-	-	-		4,43,28,50,000
Short term borrowings	2,86,47,00,000	-	-	-	-	-		2,86,47,00,000

As per the report of even date
For Chatterjee and Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001109C

Gaurav Agrawal
Partner
Membership no.: 403788

Place :
Date :

For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Govindarajulu T
Director
DIN : 02734169

Place : New Delhi
Date :

Madhva Bhimacharya Terdal
Director
DIN : 05343139

Place : New Delhi
Date :

1 Corporate Information

GMR Aerosructure Services Limited ('GASL' or 'the Company') is a limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company is wholly owned subsidiary of GMR Infrastructure limited.The Company has been incorporated with the objective of participation in various airport infrastructure related projects. Upon successful award of such bids, separate Special Purpose Vehicles (SPVs) are formed in consortium with other parties for execution of these projects. The expenses incurred by the company towards such projects are charged / recovered from the respective project companies.

The registered office of the company is located at GMR HIAL Airport Office Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500108.

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the period ended 31 March 2019 are the first the Company has prepared in accordance with Ind AS.

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

The stand-alone financial statements are presented in Rs.

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:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) 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:
a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities as non-current.

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

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

2.2 Fixed Assets

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

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

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 seperate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

2.3 Provisions

Provisions are recognised when the Comapny 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.

2.4 Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
a. Debt instruments at amortised cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)
Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on 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 P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Ltd.

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 P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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

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

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

Derecognition

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 14.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or 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.

GMR Aerostructure Services Ltd.

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

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 though 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.

Reclassification of financial assets

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

Offsetting of financial instruments

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

Derivative financial instruments

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

2.5 Cash and cash equivalents

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

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

2.6 Revenue recognition

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

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

2.7 Taxes on income

Current income tax

Tax expense comprises current and deferred tax.

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

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

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

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

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

2.8 Corporate Social Responsibility ('CSR') expenditure

There in no CSR expenditure during the year.

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Ltd.

GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Notes to account for the year ended March 31,2019

Note No.	Particulars	Non Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
3	Investments				
	Investment in Equity shares				
	Raxa Securities Private Limited	2,49,50,00,000	2,49,50,00,000		-
	(36,438,940 equity shares @ Rs. 68.47 each)				
	Total	2,49,50,00,000	2,49,50,00,000	-	-

Note No.	Particulars	Non Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
4	Loans & Advance				
	Loan to group companies unsecured considered good	2,47,89,22,687	1,12,96,85,918	8,50,00,000	36,14,05,309
	Less: Provision for doubtful debts	14,00,00,000			
	Total	2,33,89,22,687	1,12,96,85,918	8,50,00,000	36,14,05,309

Note No.	Particulars	Non Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
5	Other Financial Assets				
	Interest Accrued but not due	15,96,79,318	2,21,87,100	-	
	Total	15,96,79,318	2,21,87,100	-	-

Note No.	Particulars	Non Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
6	Cash and cash equivalents				
	Balances in bank A/c's				
	Current Accounts			2,23,853	1,16,145
	Total	-	-	2,23,853.17	1,16,145.47
7	Other Bank Balance				
	Bank Deposits with maturity < 12 months			2,00,00,00,000	-
	(Rs 100 Cr deposit is lien marked against the facility availed by Welfare Trust of GMR employees				
	Total	-	-	2,00,00,00,000	-

Note No.	Particulars	Non Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
8	Other Assets				
	IGST-Input			8,775	900
		-	-	8,775	900

Note No.	Particulars	Non Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
9	Current Tax Assets (Net)				
	Advance Income Tax (Net of Provisions)			2,01,84,429	1,60,47,894
		-	-	2,01,84,429	1,60,47,894

GMR Aerostructure Services Ltd. *

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

10 Equity Share Capital

	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital:		
50,000 Equity Shares of Rs. 10/- each	5,00,000	5,00,000
Total	5,00,000	5,00,000
Issued, Subscribed and Fully Paid up share capital:		
50,000 Equity Shares of Rs. 10/- each	5,00,000	5,00,000
	5,00,000	5,00,000

Reconciliation of the shares outstanding at the beginning and at the end of year:

	No. of Shares		In Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	50000	50000	5,00,000	5,00,000
Share Capital issued during the year	-	-	-	-
Outstanding at the end of the year	50000	50000	5,00,000	5,00,000

Rights attached to the Equity Shares:

The company has only one class of equity shares having a face value of Rs. 10/- per share with one vote per each share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by Holding Company:	As at March 31, 2019	As at March 31, 2018
M/s. GMR Infrastructure Limited	50000	-
M/s. GMR Hyderabad International Airport Limited	-	50000

Details of Shareholders holding more than 5% shares in the company:		
Equity Shares:		
M/s. GMR Infrastructure Limited	100%	
M/s. GMR Hyderabad International Airport Limited		100%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

No Shares has been issued by the company for consideration other than cash, during the period of five years immediately preceding the reporting date.

11 Other Equity:	As at March 31, 2019	As at March 31, 2018
(Defecit)/Surplus in Statement of Profit and Loss		
At the beginning of the period	(23,44,16,565)	(6,51,220)
Profit for the year	(53,32,42,252)	(23,37,65,346)
At the end of the period	(76,76,58,817)	(23,44,16,565)

	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
12 Borrowings				
Loans from group companies	4,43,28,50,000	85,16,13,085	2,86,47,00,000	2,86,47,00,000
Total	4,43,28,50,000	85,16,13,085	2,86,47,00,000	2,86,47,00,000

	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
13 Other Financial Liabilities				
Interest Accrued but not due	52,88,80,497	54,15,40,299		
Total	52,88,80,497	54,15,40,299	-	-

	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
14 Other Liabilities				
Dues to Others			6,490	15,000
TDS payable			3,97,40,895	4,91,447
Provisions for Doubtful Debts				
Total	-	-	3,97,47,385	5,06,447

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Ltd.

GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Notes to account for the year ended March 31,2019

Note No.	Particulars	For the period ended March 31, 2019	For the year ended March 31, 2018
15	**Other Income**		
	Interest Income on		
	Interest Received-ICD	12,21,49,919	16,04,78,937
	Interest Received-Bank Deposits	6,73,85,206	-
	Interest Received-Deposits with Others	42,33,699	-
	Interest Received-IT Refund	-	1,01,600
		19,37,68,824	16,05,80,537
	Other Non-operating Income (Net of Expenses)		
	Misc Income	-	4,484
		-	4,484
	Total	19,37,68,824	16,05,85,021
16	**Finance Costs**		
	Interest on Borrowings	58,69,69,521	39,43,21,746
	Bank Charges	5,485	1,627
	Total	58,69,75,006	39,43,23,373
17	**Other expenses**		
	Payments to Auditors		
	Stautory Audit fee	13,000	20,000
	Rates and Taxes	2,020	-
	Travelling and Conveyance	-	6,994
	Bad & Doubtful Debts - Provision	14,00,00,000	
	Legal and professional charges	21,050	-
	Total	14,00,36,070	26,994

GMR Aerostructure Services Ltd. *

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Notes to account for the year ended March 31,2019

18. Earnings Per Share (EPS)

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

Amounts in Rs.

Particulars	31-Mar-19	31-Mar-18
Profit attributable to equity holders of the parent	(53,32,42,252)	(23,37,65,346)
Continuing operations	-	-
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	(53,32,42,252)	(23,37,65,346)
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	(53,32,42,252)	(23,37,65,346)
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	50,000	50,000
Effect of dilution:	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	50,000	50,000
Earning Per Share (Basic) (Rs)	(10,664.85)	(4,675.31)
Earning Per Share (Diluted) (Rs)	(10,664.85)	(4,675.31)
Face value per share (Rs)	10	10

GMR Aerostructure Services Ltd.

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

19. Significant accounting judgements, estimates and assumptions

ESTIMATES AND ASSUMPTIONS

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

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingencies

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

Fair value measurement of financial instruments

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

GMR Aerostructure Services Ltd. *

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS * NEW DELHI *

20. Disclosures on Financial Instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018.

As at March 31, 2019

Particulars	Amortised cost	Total Carrying value	Total Fair value
Financial assets			
(i) Investments (other than investments in associates and joint ventures)	2,49,50,00,000	2,49,50,00,000	2,49,50,00,000
(ii) Loans	2,42,39,22,687	2,42,39,22,687	2,42,39,22,687
(iii) Cash and cash equivalents and Other Bank Balances	2,00,02,23,853	2,00,02,23,853	2,00,02,23,853
(iv) Other financial assets	-	-	-
Total	6,91,91,46,540	6,91,91,46,540	6,91,91,46,540
Financial liabilities			
(i) Borrowings	7,29,75,50,000	7,29,75,50,000	7,29,75,50,000
(ii) Other financial liabilities	52,88,80,497	52,88,80,497	52,88,80,497
Total	7,82,64,30,497	7,82,64,30,497	7,82,64,30,497

As at March 31, 2018

Particulars	Amortised cost	Total Carrying value	Total Fair value
Financial assets			
(i) Investments (other than investments in associates and joint ventures)	2,49,50,00,000	2,49,50,00,000	2,49,50,00,000
(ii) Loans	1,49,10,91,227	1,49,10,91,227	1,49,10,91,227
(iii) Cash and cash equivalents	1,16,145	1,16,145	1,16,145
(iv) Other financial assets	2,21,87,100	2,21,87,100	2,21,87,100
Total	4,00,83,94,472	4,00,83,94,472	4,00,83,94,472
Financial liabilities			
(i) Borrowings	3,71,63,13,085	3,71,63,13,085	3,71,63,13,085
(ii) Other financial liabilities	54,15,40,299	54,15,40,299	54,15,40,299
Total	4,25,78,53,385	4,25,78,53,385	4,25,78,53,385

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Ltd.

GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Notes to account for the year ended March 31,2019

21. Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

(a) Market risk- 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 and short-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

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

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2019		
INR	+50	-
INR	-50	-
March 31, 2018		
INR	+50	-
INR	+50	-

The company does not have any loan bearing floating rare of interest.

Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs.6,91,91,46,540 and Rs 400,83,94,472 as at March 31, 2019 and March 31, 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments and other financial assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security.

The Company's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2019 and March 31, 2018.

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

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

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

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Ltd.

GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Notes to account for the year ended March 31,2019
Liquidity risk

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

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

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31, 2019				
Borrowings (other than convertible preference shares)	2,86,47,00,000	4,43,28,50,000		7,29,75,50,000
Other financial liabilities				-
Total	2,86,47,00,000	4,43,28,50,000	-	7,29,75,50,000
March 31, 2018				
Borrowings (other than convertible preference shares)	2,86,47,00,000	85,16,13,085	-	3,71,63,13,085
Other financial liabilities	-	54,15,40,299	-	54,15,40,299
Total	2,86,47,00,000	1,39,31,53,385	-	4,25,78,53,385

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 policies and procedures of the Company include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

GMR Aerostructure Services Ltd.

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

22. Standard (Ind AS) issued not effecitve

A) 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.

A) 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:

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.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments.

This amendment enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation' must be 'reasonable compensation for early termination of the contract'.

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI

GMR Aerostructure Services Ltd.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

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.

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.

Annual Improvements to Ind AS

- **Ind AS 23, 'Borrowing Cost'**- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- **Ind AS 103, 'Business Combination'**- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.
- **Ind AS 111, 'Joint arrangements'**- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.
- **Ind AS 12, 'Income Taxes'**- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

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.

GMR Aerostructure Services Ltd. *

CHATTERJEE & CHATTERJEE CHARTERED ACCOUNTANTS NEW DELHI *