**Deloitte Haskins & Sells LLP**

Chartered Accountants
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# INDEPENDENT AUDITOR'S REPORT
**To The Members of GMR Hyderabad Air Cargo and Logistics Private Limited (formerly known as Hyderabad Menzies Air Cargo Private Limited)**

## Report on the Audit of the Financial Statements

### Opinion

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

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

### Basis for Opinion

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

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.

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

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

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

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

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 25, 2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**
**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of GMR Hyderabad Menzies Air Cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited) ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

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

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

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 25, 2019

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

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

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

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

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year falling within the purview of the Section 73 to 76 of the Companies Act, 2013. There are no unclaimed deposits.

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2019 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where Dispute is pending | Period to which the Amount relates | Amount involved (₹ in Lakhs) | Amount unpaid (₹ in Lakhs) |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income tax | CIT (Appeals), Hyderabad | AY 2008-09 | 84.98* | * |
| Income Tax Act, 1961 | Income tax | CIT (Appeals), Hyderabad | AY 2015-16 | 417.17 | 40.12# |
| Finance Act, 1994 | Service tax (including penalty) | Customs, Excise & Service Tax Tribunal, Hyderabad | March 2008 to June 2010 | 591.99@ | 591.99 |
| Finance Act, 1994 | Service tax (including penalty) | Customs, Excise & Service Tax Appellate Tribunal, Hyderabad | 2013-14 to 2015-16 | 128.05 | 118.49 |
| Income Tax Act, 1961 | Income tax | CIT (Appeals), Hyderabad | AY 2016-17 | 16.47 | 16.47 |

* The Assessing Officer has disallowed the amount which will impact the carry forward of loss for the relevant assessment year.
#The Assessing Officer has adjusted the amount refundable for AY 2017-18 to that extent.
@ Includes penalty of ₹ 296.00 Lakhs.

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

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

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

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

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

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

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

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

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

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

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 25, 2019

**GMR Hyderabad Air Cargo and Logistics Private Limited**
**(Formerly known as Hyderabad Menzies Air Cargo Private Limited)**
**CIN No: U62100TG2006PTC049243**
**Balance Sheet as at March 31, 2019**
**(All amounts are in Rs. Lakhs, unless otherwise stated)**

| Particulars | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | 3 | 1,611.01 | 1,444.64 |
| Intangible assets under development | 3.1 | 91.44 | 118.30 |
| Financial assets | | | |
| Other Financial assets | 4 | 24.97 | 31.34 |
| Deferred tax assets (net) | 16 | 32.70 | - |
| Non-current tax assets (net) | 6 | 1,283.31 | 1,362.05 |
| Other non-current assets | 7 | 318.87 | 371.93 |
| | | **3,362.30** | **3,328.26** |
| **Current assets** | | | |
| Financial Assets | | | |
| Investments | 5 | 301.56 | 4,979.29 |
| Trade Receivables | 8 | 368.37 | 856.79 |
| Cash and cash equivalents | 9 | 513.51 | 1,400.44 |
| Other bank balances | 9.1 | 3,469.00 | 1,794.99 |
| Loans | 10 | 5,000.00 | - |
| Other financial assets | 4 | 483.62 | 38.84 |
| Other current assets | 7 | 261.58 | 89.40 |
| | | **10,397.64** | **9,159.75** |
| **Total Assets** | | **13,759.94** | **12,488.01** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 11 | 1,903.87 | 1,903.87 |
| Other Equity | 12 | 8,649.63 | 8,058.33 |
| | | **10,553.50** | **9,962.20** |
| **Non-current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 13 | - | 30.74 |
| Provisions | 15 | 9.96 | 14.42 |
| Deferred tax liabilities (net) | 16 | - | 5.98 |
| | | **9.96** | **51.14** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Trade Payables | 17 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 53.11 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 2,164.71 | 1,841.82 |
| Other Financial liabilities | 14 | 338.65 | 99.00 |
| Provisions | 15 | 132.07 | 92.54 |
| Other current liabilities | 18 | 507.94 | 441.31 |
| | | **3,196.48** | **2,474.67** |
| **Total Equity and Liabilities** | | **13,759.94** | **12,488.01** |
| **Corporate information & Significant accounting policies** | 1 & 2 | | |

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

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*

Sumit Trivedi

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

**Sumit Trivedi**
Partner

Place: Hyderabad
Date: April 25, 2019

For and on behalf of the board of directors of
**GMR Hyderabad Air Cargo and Logistics Private Limited (Formerly known as Hyderabad Menzies Air Cargo Private Limited)**

Pradeep Panicker

**Pradeep Panicker**
Director
DIN No: 02730418

**Rajesh Kumar Arora**
Director
DIN No: 03174536

Saurabh Kumar

**Saurabh Kumar**
Chief Executive Officer

**Srikanth Vetcha**
Chief Financial Officer

GMR HYDERABAD AIR CARGO AND LOGISTICS PVT. LTD. GHACLPL

**Anshul Singhai**
Company Secretary
M.No: A55037

Place: Hyderabad
Date: April 25, 2019

**GMR Hyderabad Air Cargo and Logistics Private Limited**
**(Formerly known as Hyderabad Menzies Air Cargo Private Limited)**
**CIN No: U62100TG2006PTC049243**
**Statement of Profit and Loss for the year ended March 31, 2019**
**(All amounts are in Rs. Lakhs, unless otherwise stated)**

| Particulars | Notes | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|---|
| **I. Income** | | | |
| Revenue from operations | 19 | 9,857.35 | 9,485.76 |
| Other income | 20 | 720.42 | 884.75 |
| **Total Income (I)** | | **10,577.77** | **10,370.51** |
| **II. Expenses** | | | |
| Operations and maintenance expenses | | 566 24 | 294.54 |
| Employee benefits expense | 21 | 1,787.69 | 1,576.27 |
| Amortization expense | 23 | 393.51 | 307.72 |
| Finance cost | 24 | 19.64 | 21.18 |
| Concession fee | | 1,800.42 | 1,815.17 |
| Technical fee | | 468.73 | 806.74 |
| Other expenses | 22 | 4,111.84 | 2,358.05 |
| **Total expenses (II)** | | **9,148.07** | **7,179.67** |
| **III. Profit before tax (I - II)** | | **1,429.70** | **3,190.84** |
| **IV. Tax expense:** | 26 | | |
| Current Tax | | 574.50 | 681.65 |
| Deferred Tax charge / (credit) | | (24.76) | (39.84) |
| **Total Tax expense** | | **549.74** | **641.81** |
| **V. Profit for the year (III-IV)** | | **879.96** | **2,549.03** |
| **VI.** Other comprehensive income | | | |
| *i. Items that will not be reclassified to profit or loss* | 25 | | |
| Re-measurement gains/(losses) on defined benefit plans | | (31.55) | (5.00) |
| Tax relating to items that will not be reclassified to profit or loss | | 10.00 | 1.46 |
| **Total other comprehensive income** | | **(21.55)** | **(3.54)** |
| **VII. Total comprehensive income for the year (V + VI)** | | **858.41** | **2,545.49** |
| **VIII.** Earnings per equity share of par value of Rs.10 each : | | | |
| Basic and diluted (Rs. Per share) | 27 | 60.78 | 224.45 |
| **Corporate information & Significant accounting policies** | **1 & 2** | | |

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

In terms of our report attached
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*

Sumit Trivedi

**Sumit Trivedi**
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: April 25, 2019

For and on behalf of the board of directors of
**GMR Hyderabad Air Cargo and Logistics Private Limited**
**(Formerly known as Hyderabad Menzies Air Cargo Private Limited)**

Pradeep Panicker

**Pradeep Panicker**
Director
DIN No: 02730418

**Rajesh Kumar Arora**
Director
DIN No: 03174536

Saurabh Kumar

**Saurabh Kumar**
Chief Executive Officer

**Srikanth Vetcha**
Chief Financial Officer

**Anshul Singhai**
Company Secretary
M.No: A55037
Place: Hyderabad
Date: April 25, 2019

GMR HYDERABAD AIR CARGO AND LOGISTICS PVT. LTD. GHACLPL

**GMR Hyderabad Air Cargo and Logistics Private Limited**
**(Formerly known as Hyderabad Menzies Air Cargo Private Limited)**
**CIN No: U62100TG2006PTC049243**
**Cash Flow Statement for the year ended March 31, 2019**
**(All amounts are in Rs. Lakhs, unless otherwise stated)**

| Particulars | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before tax | | 1,429.70 | 3,190.84 |
| Adjustment for | | | |
| Amortization expense | | 393.51 | 307.72 |
| Interest income | | (267.68) | (250.49) |
| Unrealized foreign exchange loss | | 0.15 | 1.56 |
| Income from mutual funds | | (362.32) | (32.59) |
| Finance income (including fair value change in financial instruments) | | (5.61) | (224.65) |
| Finance costs (including fair value change in financial instruments) | | 25.10 | 26.64 |
| Gain on sale of Property, plant and equipment (net) | | (5.03) | (0.09) |
| Property, plant and equipment written off | | 6.35 | 2.92 |
| **Operating profit before working capital changes** | | 1,214.17 | 3,021.86 |
| **Movements in working capital:** | | | |
| Increase/(Decrease) in trade payables | | 375.85 | (19.28) |
| Increase in other financial liabilities and other liabilities | | 68.94 | 161.27 |
| Increase/(Decrease) in provisions | | 3.52 | (109.34) |
| Decrease/(Increase) in trade receivables | | 488.42 | (188.69) |
| (Increase)/Decrease in other financial assets and other assets | | (551.58) | 38.34 |
| **Cash generated from operations** | | 1,599.32 | 2,904.16 |
| Direct taxes paid (net of refunds) | | (495.76) | 455.21 |
| **Net cash flow from operating activities** | (A) | 1,103.56 | 3,359.37 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment, including capital work in progress and capital advances | | (243.64) | (421.71) |
| Proceeds from sale of property, plant and equipment | | 5.03 | 0.30 |
| Investment in Inter Corporate Deposit | | (5,000.00) | - |
| Purchase of current investments | | (2,000.02) | (4,950.00) |
| Redemption of current investments | | 7,041.50 | 2,240.54 |
| Investments in bank deposits (having original maturity of more than three months) | | (6,463.77) | (2,094.99) |
| Redemption/maturity of bank deposits (having original maturity of more than three months) | | 4,789.76 | 3,454.02 |
| Interest received | | 207.86 | 282.06 |
| **Net cash flow (used in) investing activities** | (B) | (1,663.28) | (1,489.78) |
| **Cash flows from financing activities** | | | |
| Repayment of long-term borrowings | | (50.00) | (10.00) |
| Dividends on equity and preference shares paid (including dividend distribution taxes) | | (260.01) | (1,375.02) |
| Finance cost paid | | (17.20) | (16.40) |
| **Net cash flow (used in) financing activities** | (C) | (327.21) | (1,401.42) |
| Net (decrease)/increase in cash and cash equivalents | (A+B+C) | (886.93) | 468.17 |
| Cash and cash equivalents at the beginning of the year | | 1,400.44 | 932.27 |
| **Cash and cash equivalents at the end of the year (Refer Note 9)** | | 513.51 | 1,400.44 |

**Reconciliation of liabilities from financing activities**

| | As at March 31, 2018 | Proceeds | Repayment | Fair value changes & Other Adjustments | As at March 31, 2019 |
|---|---|---|---|---|---|
| Long term borrowings (including current maturity of long term borrowing) | 36.56 | - | (50.00) | 13.44 | - |
| **Total liabilities from Financing Activities** | 36.56 | - | (50.00) | 13.44 | - |

**Corporate information & Significant accounting policies** 1 & 2

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*

Sumit Trivedi

**Sumit Trivedi**
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: April 25, 2019

For and on behalf of the board of directors of
**GMR Hyderabad Air Cargo and Logistics Private Limited**
**(Formerly known as Hyderabad Menzies Air Cargo Private Limited)**

Pradeep Panicker

**Pradeep Panicker**
Director
DIN No: 02730418

**Rajesh Kumar Arora**
Director
DIN No: 03174536

Saurabh Kumar

**Saurabh Kumar**
Chief Executive Officer

**Srikanth Vetcha**
Chief Financial Officer

**Anshul Singhai**
Company Secretary
M. No: A55037
Place: Hyderabad
Date: April 25, 2019

GMR HYDERABAD AIR CARGO AND LOGISTICS PVT. LTD. GHACLPL

GMR Hyderabad Air Cargo and Logistics Private Limited
(Formerly known as Hyderabad Menzies Air Cargo Private Limited)

CIN No: U62100TG2006PTC049243

Statement of Changes in Equity for the year ended March 31, 2019

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

A. Share Capital

| Equity Shares of Rs.10 Each, Fully paid up | Number | Rs. lakhs |
|---|---|---|
| As at April 01, 2017 | 1,020,000 | 102.00 |
| Issued during the year | - | - |
| As at March 31, 2018 | 1,020,000 | 102.00 |
| Issued during the year | - | - |
| As at March 31, 2019 | 1,020,000 | 102.00 |

Preference Share Capital

| 11.97% compulsory convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up | Number | Rs. lakhs |
|---|---|---|
| As at April 01, 2017 | 18,735 | 1.87 |
| Issued during the year | - | - |
| As at March 31, 2018 | 18,735 | 1.87 |
| Issued during the year | - | - |
| As at March 31, 2019 | 18,735 | 1.87 |

| 11.97% compulsory convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up | Number | Rs. lakhs |
|---|---|---|
| As at April 01, 2017 | 18,000 | 1,800.00 |
| Issued during the year | - | - |
| As at March 31, 2018 | 18,000 | 1,800.00 |
| Issued during the year | - | - |
| As at March 31, 2019 | 18,000 | 1,800.00 |

| | |
|---|---|
| Total Share Capital as at March 31, 2018 | 1,903.87 |
| Total Share Capital as at March 31, 2019 | 1,903.87 |

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

GMR HYDERABAD AIR CARGO AND LOGISTICS PVT. LTD. GHACLPL

**GMR Hyderabad Air Cargo and Logistics Private Limited**
**(Formerly known as Hyderabad Menzies Air Cargo Private Limited)**

**CIN No: U62100TG2006PTC049243**

**Statement of Changes in Equity for the year ended March 31, 2019**

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

**B. Other Equity**

| Particulars | Reserves and Surplus | | | Total |
|---|---|---|---|---|
| | Equity component of related party loan | General Reserve | Retained Earnings | |
| **At April 1, 2017** | 58.27 | 1,327.74 | 5,501.85 | 6,887.86 |
| Profit for the year | - | - | 2,549.03 | 2,549.03 |
| Dividend on CCCPS (Series A) amount per share Rs. 1,197/- per share | - | - | (377.05) | (377.05) |
| Dividend on CCCPS (Series B) amount per share Rs. 1.197/- per share | - | - | (0 39) | (0.39) |
| Dividend distribution tax on CCCPS dividend | - | - | (76.84) | (76.84) |
| Dividend on equity shares (interim) | - | - | (765.00) | (765.00) |
| Dividend distribution tax on equity shares | - | - | (155.74) | (155.74) |
| Remeasurements of the defined benefit plans | - | - | (3.54) | (3.54) |
| **At March 31, 2018** | 58.27 | 1,327.74 | 6,672.32 | 8,058.33 |
| Profit for the year | - | - | 879.96 | 879.96 |
| Dividend on CCCPS (Series A) amount per share Rs. 1,197/- per share | - | - | (215.46) | (215.46) |
| Dividend on CCCPS (Series B) amount per share Rs. 1.197/- per share | - | - | (0.22) | (0.22) |
| Dividend distribution tax on CCCPS dividend | - | - | (44.33) | (44.33) |
| Remeasurements of the defined benefit plans | - | - | (21.55) | (21.55) |
| Less: Adjustment duing the year | (7.10) | - | - | (7.10) |
| **At March 31, 2019** | 51.17 | 1,327.74 | 7,270.72 | 8,649.63 |

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

In terms of our report attached
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*

Sumit Trivedi

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

**Sumit Trivedi**
Partner

Place: Hyderabad
Date: April 25, 2019

For and on behalf of the board of directors of
**GMR Hyderabad Air Cargo and Logistics Private Limited**
**(Formerly known as Hyderabad Menzies Air Cargo Private Limited)**

Pradeep Panicker

**Pradeep Panicker**
Director
DIN No: 02730418

**Rajesh Kumar Arora**
Director
DIN No: 03174536

Saurabh Kumar

**Saurabh Kumar**
Chief Executive Officer

**Srikanth Vetcha**
Chief Financial Officer

**Anshul Singhai**
Company Secretary
M. No: A55037
Place: Hyderabad
Date: April 25, 2019

GMR HYDERABAD AIR CARGO AND LOGISTICS PVT. LTD.
GHACLPL

GMR Hyderabad Air Cargo and Logistics Private Limited
(Formerly known as Hyderabad Menzies Air Cargo Private Limited)
CIN No: U62100TG2006PTC049243
Notes to the Financial Statements for the year ended March 31, 2019

## 1 Corporate information

GMR Hyderabad Air Cargo and Logistics Private Limited (GHACLPL) ("The Company") (formerly known as Hyderabad Menzies Air Cargo Private Limited) is a 100% subsidiary of GMR Hyderabad International Airport Limited (GHIAL) for Cargo Handling at the Rajiv Gandhi International Airport at Shamshabad, Hyderabad, Ranga Reddy District. The Company was incorporated on February 22, 2006. The Company commenced its operations on March 23, 2008.

The Financial Statements were adopted by the Board of Directors and authorized for issue in accordance with a resolution on April 25, 2019.

## 2 Basis of preparation and presentation

### (a) Statement of Compliance

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

### (b) Basis of preparation and presentation

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

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

### 2.1 Summary of significant accounting policies

### (a) Use of estimates

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

### (b) Revenue recognition

Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the Financial Statements.
Revenue is recognised to depict rendering of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. Revenue is reduced for estimated rebates and other similar allowances, taxes or duties collected on behalf of the government. An entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised service to a customer.

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

**Income from services :**

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

Income from the concession arrangements earned under the intangible asset model consists of :
(i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
(ii) payments actually received from the users.

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**Revenues and cost of improvements to concession assets :**

In conformity with appendix D of Ind AS 115, the Company recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the airports as established by the concession agreement. Revenues represent the value of the exchange between the Company and the government with respect to the improvements, given that the Company constructs or provides improvements to the airports as obligated under the concession agreement and in exchange, the government grants the Company the right to obtain benefits for services provided using those assets. The Company has determined that its obligations as per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfill the concession agreement are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit and loss when the expenditures are performed.

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

**Other operating revenue:**

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

**Interest income:**

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

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

**Dividends:**

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

**(c) Leases**

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

**Company as a lessor**

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

**Company as a lessee**

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

**(d) Foreign currencies**

**Functional and presentation currency**

The Financial Statements are presented in INR (Indian Rupees), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**Transactions and balances**

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

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

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Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

**(e) Borrowing costs**

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

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

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

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

**(f) Employee benefits**

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

Defined benefit costs are categorised as follows:

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

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

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

(iii) Compensated absences

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

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

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GMR HYDERABAD AIR CARGO AND LOGISTICS PVT. LTD. GHACLPL

**(g) Taxes**

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

**Current tax**

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

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

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

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

**(h) Intangible Assets**

**Service concession arrangements:**

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

Under Appendix D to Ind AS 115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the Company has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

GMR Hyderabad International Airport Limited (GHIAL) had entered into a Concession Agreement with Government of India, which gives GHIAL an exclusive right to design, finance, build, operate and maintain a world class, state of the art international airport at Shamshabad, Hyderabad, Telangana, India. The concession arrangement is a service concession arrangement under appendix D to Ind AS 115. Through the concession agreement, GHIAL has granted further concession to the Company along with sub-leasing of the part of cargo infrastructure facility to the Company and since the Company has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

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GMR HYDERABAD AIR CARGO AND LOGISTICS PVT. LTD. GHACLPL

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

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

**(i) Provisions and contingent liabilities**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**(j) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

*Initial recognition and measurement of financial instruments*

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

*Subsequent measurement of financial assets*

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

For purposes of subsequent measurement, financial assets are classified in four categories:
a. Debt instruments at amortised cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost :**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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**Debt instrument at FVTOCI:**

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

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

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

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

**Debt instrument at FVTPL:**

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

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

**Equity investments:**

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in statement of profit and loss.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure on any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

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

**Reclassification**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

*Derecognition of Financial assets*

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

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

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

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**Financial liabilities**

*Initial recognition and measurement*

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

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

*Subsequent measurement*

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

**Financial liabilities at fair value through profit and loss**

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

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

**Loans and borrowings**

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

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

*Derecognition*

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

**(k) Impairment of non-financial assets**

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

**(l) Cash and cash equivalents**

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

**(m) Earnings per share**

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

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

**(n) Fair value measurement**

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

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

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

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

**(o) 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.

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**(p) 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.

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.

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## 3. Intangible assets

| | Right to Operate - Cargo facility |
|---|---|
| **Cost** | |
| **As at April 01, 2017** | 1,892.97 |
| Additions | 294.54 |
| Disposals | (84.76) |
| **As at March 31, 2018** | **2,102.75** |
| Additions | 566.24 |
| Disposals | (34.68) |
| **As at March 31, 2019** | **2,634.31** |
| | |
| **Amortization** | |
| **As at April 01, 2017** | 432.01 |
| Charge for the year | 307.72 |
| Disposals | (81.62) |
| **As at March 31, 2018** | **658.11** |
| Charge for the year | 393.51 |
| Disposals | (28.32) |
| **As at March 31, 2019** | **1,023.30** |
| | |
| **Net block** | |
| **As at March 31, 2018** | 1,444.64 |
| **As at March 31, 2019** | 1,611.01 |

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## 3.1. Intangible Assets under development

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Capital expenditure incurred on intangible assets | 91.44 | 118.30 |
| **Total** | **91.44** | **118.30** |

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**4 Financial assets**

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| **Unsecured, considered good** | | | | |
| Security deposits to related parties -held at amortized cost | 24.26 | 30.74 | 6.48 | 5.82 |
| Other deposits | 0.71 | 0 60 | - | - |
| Unbilled revenue | - | - | 384.30 | - |
| Interest accrued on fixed deposits | - | - | 42.18 | 33.02 |
| Interest accrued on Inter Corporate Deposit | - | - | 50.66 | - |
| **Total** | 24.97 | 31.34 | 483.62 | 38.84 |

**5 Investments**

| | Current | |
|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 |
| **Non-trade investments** | | |
| **Investment in mutual funds (unquoted) (held at fair value through profit and loss)** | | |
| Nil units (March 31, 2018: 412,520.322) of Rs.100 each of Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan | - | 1,147.77 |
| Nil units (March 31, 2018: 26,516.073) of face value of Rs.1000 each IDFC Cash Fund- Growth-Regular Plan | - | 557 74 |
| Nil units (March 31, 2018: 19,363.460 units) of face value of Rs.1000 each SBI Liquid Fund Regular Growth | - | 525.83 |
| 72,819.237 units (March 31, 2018: 386,941.780 units) of face value of Rs.100 each ICICI Prudential Liquid Fund - Growth | 200.56 | 992.07 |
| Nil units (March 31, 2018: 27,286.005 units) of face value of Rs.1000 each Axis - Liquid Fund - Growth | - | 524.09 |
| Nil units (March 31, 2018: 27,960.641 units) of face value of Rs.1000 each IDBI Liquid Fund - Regular Plan - Growth | - | 517.42 |
| 257,486.852 units (March 31, 2018: 1,395,914.275 units) of face value of Rs.10 each Sundaram Money Fund Regular Growth | 101.00 | 509.38 |
| Nil units (March 31, 2018: 5,835.505 units) of face value of Rs.1000 each Kotak Liquid Regular Plan - Growth | - | 204.99 |
| **Total** | 301.56 | 4,979.29 |
| **Note :** | | |
| **Aggregate fair value of investments** | 301.56 | 4,979.29 |

**6 Tax assets (net)**

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| **Tax assets** | | | | |
| Advance income-tax (net of provision of Rs. 5,133.27 Lakhs (March 31, 2018: Rs. 4,558.77 Lakhs)) | 1,263.31 | 1,362.05 | - | - |
| **Total** | 1,283.31 | 1,362.05 | - | - |

**7 Other assets**

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| **Unsecured, considered good** | | | | |
| Capital advances | 20.38 | 72.94 | - | - |
| Advances recoverable in cash or kind | 272.55 | 272.55 | 9.37 | 20.79 |
| **Other loans and advances** | | | | |
| Prepaid expenses | 16.39 | 21.84 | 71.57 | 31.12 |
| Balances with statutory/ government authorities | 9.55 | 4.60 | 180.64 | 37.49 |
| **Total** | 318.87 | 371.93 | 261.58 | 89.40 |

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**8 Trade receivables**

| | Current | |
|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 |
| Trade receivables | | |
| - Considered Good, Secured | - | - |
| - Considered Good, Unsecured | 368.37 | 856.79 |
| - Have significant increase in Credit Risk | - | - |
| - Credit impaired | 4.29 | 4.29 |
| Less: Allowances for doubtful receivables | (4.29) | (4.29) |
| **Total** | **368.37** | **856.79** |

**Notes:**

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

| **(ii) Movement in the allowance for doubtful debts** | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Balance at beginning of the year | 4.29 | 4.29 |
| Add: During the year | - | - |
| **Balance at the end of the year** | **4.29** | **4.29** |

**9 Cash and Cash Equivalents**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Cash and cash equivalents** | | |
| -Cash on hand | 2.01 | 0.88 |
| -Cheques on hand | 97.74 | 2.15 |
| -Balances with Banks | | |
| -In current accounts | 413.76 | 106.90 |
| -Deposits with maturity for less than 3 months | - | 1,290.51 |
| | **513.51** | **1,400.44** |

**9.1 Other bank balances**

| | | |
|---|---|---|
| - Deposits with maturity for more than three months but less than 12 months (Refer Note below) | 3,469.00 | 1,794.99 |
| **Total** | **3,469.00** | **1,794.99** |

Note: During the year ended March 31, 2019, the company made deposit of Rs. 2,821.00 lakhs with Abu Dhabi Commercial Bank under lien for overdraft facility of Rs. 2,800.00 Lakhs sanctioned by bank to GMR Aero Technic Limited (a wholly-owned subsidiary of GHIAL).

**10 Loans**

| | Current | |
|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 |
| Inter corporate deposit: | | |
| - Considered Good, Secured | - | - |
| - Considered Good, Unsecured | 5,000.00 | - |
| - Have significant increase in Credit Risk | - | - |
| - Credit impaired | - | - |
| **Total** | **5,000.00** | - |

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## 11 Share capital

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Authorised share capital :** | | |
| 2,500,000 (March 31, 2018: 2,500,000) equity shares of Rs. 10/- each | 250.00 | 250.00 |
| 50,000 (March 31, 2018: 50,000) compulsory convertible cumulative preference shares of Rs.10/- each | 5.00 | 5.00 |
| 18,450 (March 31, 2018: 18,450) compulsory convertible cumulative preference shares of Rs. 10,000/- each | 1,845.00 | 1,845.00 |
| | **2,100.00** | **2,100.00** |
| **Issued, Subscribed and Paid-up:** | | |
| 1,020,000 (March 31, 2018: 1,020,000) equity shares of Rs.10/- each fully paid up | 102.00 | 102.00 |
| 18,735 (March 31, 2018: 18,735) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up | 1.87 | 1.87 |
| 18,000 (March 31, 2018: 18,000) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up | 1,800.00 | 1,800.00 |
| **Total** | **1,903.87** | **1,903.87** |

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

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| **Equity Shares** | **In Numbers** | **Rs. in Lakhs** | **In Numbers** | **Rs. in Lakhs** |
| At the beginning of the year | 1,020,000 | 102.00 | 1,020,000 | 102.00 |
| Issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | **1,020,000** | **102.00** | **1,020,000** | **102.00** |
| **Preference shares - Series A** | | | | |
| **CCCPS of Rs.10,000/- each fully paid up** | | | | |
| At the beginning of the year | 18,000 | 1,800.00 | 18,000 | 1,800.00 |
| Issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | **18,000** | **1,800.00** | **18,000** | **1,800.00** |
| **Preference shares - Series B** | | | | |
| **CCCPS of Rs.10/- each fully paid up** | | | | |
| At the beginning of the year | 18,735 | 1.87 | 18,735 | 1.87 |
| Issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | **18,735** | **1.87** | **18,735** | **1.87** |

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**b. Terms/Rights Attached to equity Shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Terms/ rights attached to CCCPS**

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

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

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

**d. Shares held by holding company**

| Name of Shareholder | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of Shares held | Rs. in Lakhs | No. of Shares held | Rs. in Lakhs |
| GMR Hyderabad International Airport Limited, Holding Company (including its nominees) | | | | |
| 1,020,000 (March 31, 2018: 520,200) equity shares of Rs. 10/- each fully paid up | 1,020,000 | 102.00 | 520,200 | 52.02 |
| 18,000 (March 31, 2018: Nil) CCCPS Series A of Rs. 10,000/- each fully paid up | 18,000 | 1,800.00 | - | - |
| 18,735 (March 31, 2018: 18,735) CCCPS Series B of Rs. 10/- each fully paid up | 18,735 | 1.87 | 18,735 | 1.87 |

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

| Name of Shareholder | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of Shares held | % Holding in Class | No. of Shares held | % Holding in Class |
| **Equity shares of Rs.10/- each fully paid (Refer Note 36(a))** | | | | |
| GMR Hyderabad International Airport Limited (including its nominees) | 1,020,000 | 100.00% | 520,200 | 51.00% |
| Menzies Aviation Cargo (Hyderabad) Limited (Mauritius) | - | - | 499,800 | 49.00% |
| **CCCPS Series A of Rs.10,000/- each fully paid up (Refer Note 36(a))** | | | | |
| Menzies Aviation Cargo (Hyderabad) Limited (Mauritius) | - | - | 18,000 | 100.00% |
| GMR Hyderabad International Airport Limited | 18,000 | 100.00% | - | - |
| **CCCPS Series B of Rs.10/- each fully paid up** | | | | |
| GMR Hyderabad International Airport Limited | 18,735 | 100.00% | 18,735 | 100.00% |

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

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## 12 Other Equity

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Equity Component of Related party loans | 51.17 | 58.27 |
| General reserve | 1,327.74 | 1,327.74 |
| Retained Earnings | 7,270.72 | 6,672.32 |
| | **8,649.63** | **8,058.33** |

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 25.

## 12.1 Distributions made and proposed

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Cash dividends on equity shares declared and paid: (refer note (i) below)** | | |
| Interim Dividend on equity shares (March 31, 2018: amount per share Rs. 75/-) | - | 765.00 |
| Dividend distribution tax on dividend paid on above | - | 155.74 |
| **Cash dividends on CCCPS - Series A, and Series B declared and paid: (refer note ((a) to (k), except (i) below)** | | |
| Dividend on CCCPS (Series A) amount per share Rs. 1,197/- | 215.46 | 377.05 |
| Dividend on CCCPS (Series B) amount per share Rs. 1.197/- | 0.22 | 0.39 |
| Dividend distribution tax on on above | 44.33 | 76.84 |

**Notes**

During the year ended March 31, 2019:

The Board of Directors:

(a) Through circular resolution dated April 12, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) Quarter 4 of FY 2017-18.

(b) At their meeting held on May 02, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the month of April of FY 2018-19.

(c ) At their meeting held on July 30, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the months of May and June of FY 2018-19.

(d) Through circular resolution dated September 10, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the months of July and August of FY 2018-19.

(e) Through circular resolution on October 20, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the months of September and October of FY 2018-19.

(f ) At their meeting held on January 24, 2019 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the months of November and December of FY 2018-19.

(g) At their meeting held on April 25, 2019 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for Quarter 4 of FY 2018-19. (Refer note 32(B))

During the year ended March 31, 2018:

The Board of Directors:

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

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

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

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

## 13 Financial liabilities - Borrowings

| Particulars | Non - Current borrowings | | Current maturities of non current borrowings | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Term loans | | | | |
| Intercorporate deposit from related party (unsecured) -- held at amortized cost | - | 30.74 | - | 5.82 |
| Less : amount disclosed under other current financial liabilities (refer note 14) | - | - | - | (5.82) |
| Total | - | 30.74 | - | - |

Note :

(a) The inter-corporate deposit is interest free and is repayable in 15 equal annual instalments of Rs. 1,000,000 each year from April 1, 2009.
During the year ended March 31, 2019 the Company has repaid total inter corporate deposit.

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**14 Other financial liabilities**

| Particulars | Current | |
|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 |
| Current maturities of long term borrowings - held at amortized cost | - | 5.82 |
| Security Deposit received from customers | 53.36 | 51.07 |
| Payable for purchase of fixed assets | 285.29 | 42.11 |
| **Total** | **338.65** | **99.00** |

**15 Provisions**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| **Provision for employee benefits (Refer note 28)** | | | | |
| Provision for compensated absences | - | - | 132.07 | 92.54 |
| Provision for gratuity | 9.96 | 14.42 | - | - |
| **Total** | **9.96** | **14.42** | **132.07** | **92.54** |

**16 Deferred tax liabilities/(assets) [net] :**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Deferred tax liability:** | | |
| Impact of WDV of Intangible assets | 11.91 | 37.25 |
| Impact of notional interest on loans | - | 3.92 |
| Impact of fair value adjustments on Investments in Mutual Funds | 0.42 | - |
| **Deferred tax asset:** | | |
| Impact of notional interest on deposits and loans | (3.67) | (4.04) |
| Impact of temporary differences due to disallowances of Gratuity and Leave encashment | (41.36) | (31.15) |
| **Net deferred tax liabilities/(assets)** | **(32.70)** | **5.98** |

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

| | Opening Balance | Recognised in profit & loss | Recognised in other comprehensive income | Other Adjustments (Equity Component of Related Party Loans) | Closing balance |
|---|---|---|---|---|---|
| **Deferred tax liability:** | | | | | |
| Related to Intangible Assets | 37.25 | (25.34) | - | - | 11.91 |
| Impact of notional interest on loans | 3.92 | - | - | (3.92) | 0.00 |
| Impact of fair value adjustments on Financial Assets | | 0.42 | - | - | 0.42 |
| **Total deferred tax liability (A)** | **41.17** | **(24.92)** | - | **(3.92)** | **12.33** |
| **Deferred tax assets:** | | | | | |
| Impact of temporary differences due to disallowances of Gratuity and Leave encashment | (31.15) | (0.21) | (10.00) | - | (41.36) |
| Impact of notional interest on deposits | (4.04) | 0.37 | - | - | (3.67) |
| **Total deferred tax assets (B)** | **(35.19)** | **0.16** | **(10.00)** | - | **(45.03)** |
| **Deferred Tax Liability/(Asset) (Net) (A - B) (Refer Note below)** | **5.98** | **(24.76)** | **(10.00)** | **(3.92)** | **(32.70)** |

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

Note:
Minimum Alternate Tax (MAT) Credit entitlement (cumulative balance) claimed by the Company as per the income tax return filed for the FY 2017-18 on November 30, 2018 aggregating Rs. 3,701.03 lakhs has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

## 17 Trade Payables

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Trade Payables | | |
| (i) Total Outstanding dues of micro enterprises and small enterprises | 53.11 | - |
| (ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises | 2,164.71 | 1,841.82 |
| **Total** | **2,217.82** | **1,841.82** |

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

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (i) Principal amount due to suppliers under MSMED Act, as at the end of the year | 53.11 | - |
| (ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year | - | - |
| (iii) Payment made to suppliers (other than interest) beyond the appointed day during the year | - | - |
| (iv) Interest paid to suppliers under MSMED Act (other than Section 16) | - | - |
| (v) Interest paid to suppliers under MSMED Act (Section 16) | - | - |
| (vi) Interest due and payable to suppliers under MSMED Act for payments already made | - | - |
| (vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi) | - | - |

## 18 Other current liabilities

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Advances received from customers | 253.60 | 223.99 |
| **Statutory liabilities** | | |
| TDS payable | 68.41 | 39.08 |
| Other statutory dues | 185.93 | 178.24 |
| **Total** | **507.94** | **441.31** |

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## 19 Revenue from operations

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| **Income from cargo operations** | | |
| Cargo operations | 8,976.97 | 8,914.01 |
| Improvements to concession asset | 566.24 | 294.54 |
| | 9,543.21 | 9,208.55 |
| **Other operating revenue** | | |
| Document handling charges | 77.25 | 80.05 |
| Container handling charges | 53.81 | 24.61 |
| Rent | 146.47 | 136.59 |
| Parking income | 36.61 | 35.96 |
| | 314.14 | 277.21 |
| **Revenue from operations** | **9,857.35** | **9,485.76** |

## 20 Other income

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Interest income on bank deposits | 211.60 | 250.49 |
| Interest income on Inter Corporate Deposit | 56.08 | - |
| Fair value gain on financial instruments at fair value through profit or loss | 1.43 | 219.87 |
| Profit on sale of Mutual Funds | 362.32 | 32.59 |
| Interest on income tax refund | - | 332.41 |
| Interest income on financial assets held at amortised cost | 4.18 | 4.77 |
| Other non operating income | 58.41 | 17.34 |
| Miscellaneous income | 26.40 | 27.28 |
| **Total** | **720.42** | **884.75** |

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

| **Particulars** | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| In relation to financial assets classified at amortised cost | 4.18 | 4.77 |
| **Total** | **4.18** | **4.77** |

## 21 Employee benefits expense

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Salaries, wages and bonus | 1,562.03 | 1,356.85 |
| Contribution to provident and other fund (Refer note 28) | 85.86 | 84.75 |
| Gratuity expenses (Refer note 28) | 29.53 | 43.69 |
| Staff welfare expenses | 110.27 | 90.98 |
| **Total** | **1,787.69** | **1,576.27** |

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**22 Other expenses**

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Cargo handling charges | 380.29 | 333.89 |
| Power and water charges (net of recoveries) | 258.19 | 272.36 |
| Concessionaire rent | 598.39 | 598.15 |
| Security charges (Refer Note 35) | 226.66 | 314.08 |
| Insurance | 74.47 | 78.92 |
| Repairs and maintenance | | |
| - Plant and machinery | 198.36 | 167.13 |
| - Buildings | 119.43 | 46.45 |
| - Others | 130.11 | 63.22 |
| Advertising and sales promotion | 43.50 | 40.92 |
| Travelling and conveyance | 204.41 | 177.36 |
| Communication costs | 26.13 | 22.07 |
| Printing and stationery | 13.54 | 9.24 |
| Charity and Donations (Refer Note below) | 1,501.00 | - |
| Corporate social responsibility expense | 59.62 | 55.43 |
| Legal and professional fees | 74.18 | 32.02 |
| Property, plant and equipment written off | 6.35 | 2.92 |
| Payment to auditor (excluding Service tax/GST)* | | |
| - Statutory audit fee | 8.36 | 8.36 |
| - Tax audit fee | - | 1.10 |
| - Out of pocket expense | 0.33 | 1.16 |
| Rates and taxes | 20.93 | 20.88 |
| Exchange difference (net) | 0.30 | 1.56 |
| Miscellaneous expenses | 167.29 | 110.83 |
| **Total** | **4,111.84** | **2,358.05** |

*net of reimbursements, aggregating to Rs. 42.20 Lakhs.

Note: The Company has made a Donation to Prudent Electoral Trust (formerly known as Satya Electoral Trust) for political purpose amounting to Rs. 1,500.00 Lakhs during the year ended March 31, 2019.

**23 Amortization expense**

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Amortization of intangible assets | 393.51 | 307.72 |
| **Total** | **393.51** | **307.72** |

**24 Finance costs**

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Interest on financial liabilities held at amortized cost | 2.44 | 4.78 |
| Bank charges | 17.20 | 16.40 |
| **Total** | **19.64** | **21.18** |

**25 Components of Other Comprehensive Income (OCI)**

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

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Re-measurement gains/(losses) on defined benefit plan | (31.55) | (5.00) |
| Deferred tax impact on the above | 10.00 | 1.46 |
| **Total** | **(21.55)** | **(3.54)** |

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**26 Tax expense**

**(a) Income tax expense:**

The major components of income tax expenses for the year ended March 31, 2019 and for the year ended March 31, 2018 are:

**(i) Profit or loss**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Current tax | 574.50 | 681 65 |
| Deferred tax charge/(credit) | (24.76) | (39.84) |
| **Total income tax expense recognised in statement of Profit & Loss** | **549.74** | **641.81** |

**(ii) OCI**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Income tax effect on remeasurement of defined benefit plans | (10.00) | (1.46) |
| Income tax charge / (credit) to OCI | **(10.00)** | **(1.46)** |

**(b) Reconciliation of effective tax rate:**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Profit Before Tax (A) | 1,429.70 | 3,190.84 |
| Enacted tax rate (B) | 29.12% | 34.61% |
| Expected tax expenses (C = A * B) | 416.33 | 1,104.35 |
| **Add:** | | |
| Effect of tax on disallowed expenses and taxable income | 624.56 | 156.70 |
| Effect of tax on other heads of income and others | 197.87 | 18.23 |
| **Less:** | | |
| Effect of tax on exempted/non taxable income/allowable expenses | (218.63) | (163.94) |
| Deductions allowed under Chapter VI-A | (445.63) | (894.49) |
| Total Adjustments to Tax Expense (D) | 158.17 | (883.50) |
| Expected tax expense under normal provisions of Income-tax Act, 1961 (E = C+D) | **574.50** | **220.85** |
| Taxable Income - Book Profit as per Section 115JB of the Income-tax Act, 1961 | 1,403.39 | 3,193.98 |
| Expected tax expense as per Section 115JB of the Income-tax Act, 1961 (F) | 302.41 | 681.65 |
| Current Tax (G) - Higher of E and F | 574.50 | 681.65 |
| Deferred Tax (H) | (24.76) | (39.84) |
| **Net tax expense recognised in statement of Profit & Loss (G+H)** | **549.74** | **641.81** |
| **Effective tax rate** | **38.45%** | **20.11%** |

(c) The details of component of deferred tax assets/liabilities are given under note 16

**27 Earnings per share (EPS)**

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

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| Profit for the year | 879.96 | 2,549.03 |
| Less : Preference dividend and tax thereon | (260.01) | (259.59) |
| **Profit attributable to equity shareholders** | **619.95** | **2,289.44** |
| Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted) | 1,020,000 | 1,020,000 |
| Earning Per Share (Basic and diluted) (Rs) | 60.78 | 224.45 |

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

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**28 Employee benefits plan**

**a) Gratuity**

**Defined Benefit Plans**

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

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **A) Net employee benefit expense (recognised in Employee benefits expenses)** | | |
| Current service cost | 30.86 | 40.14 |
| Interest cost | (1.33) | 3.55 |
| **Net employee benefit expenses** | **29.53** | **43.69** |
| **B) Amount recognised in the Balance Sheet** | | |
| Defined benefit obligation | 9.96 | 14.42 |
| | **9.96** | **14.42** |
| **C) Changes in the present value of the defined benefit obligation** | | |
| **Opening defined benefit obligation** | 184.23 | 138.92 |
| Current service cost | 30.86 | 39.43 |
| Interest cost | 12.68 | 9.14 |
| Benefits paid | (17.94) | (4.80) |
| Net Actuarial (gains) / losses on obligation for the period recognised under OCI | 28.59 | 1.54 |
| **Closing defined benefit obligation** | **238.42** | **184.23** |
| **D) Change in the fair value of plan assets** | | |
| Opening fair value of plan assets | 169.81 | - |
| Adjustment to opening fair value of plan asset | - | (0.72) |
| Return on plan assets excl. interest income | (2.96) | (3.46) |
| Interest income | 14.02 | 5.58 |
| Contributions | 65.53 | 168.41 |
| Benefits paid | (17.94) | - |
| **Closing fair value of plan assets** | **228.46** | **169.81** |
| **E) Net Defined Benefit Obligation recognised in Balance Sheet** | | |
| Defined Benefit Obligation | 238.42 | 184.23 |
| Fair value of Plan Assets | 228.46 | 169.81 |
| Net Defined Benefit Obligation | **9.96** | **14.42** |
| **F) Actuarial (gain) / loss on obligation:** | | |
| Experience loss/ (gain) | 25.20 | 5.76 |
| Financial loss/ (gain) | 3.39 | (4.27) |
| **Total actuarial (gain) /loss** | **28.59** | **1.54** |
| **G) Amount recognised in other comprehensive income (OCI):** | | |
| Opening amount recognised in OCI | 7.79 | 2.79 |
| Remeasurement for the year - Obligation (gain)/loss | 28.59 | 1.54 |
| Return on Plan Assets excluding net interest | 2.96 | 3.46 |
| **Closing amount recognised in OCI** | **39.34** | **7.79** |

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

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Discount rate | 6.90% | 7.24% |
| Salary rise | 7.50% | 7.50% |
| Attrition Rate | 20.00% | 20.00% |

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

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

Expected benefit payments for the period ending:

| Year ending | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Within 1 year | 43.48 | 49.62 |
| 1 - 2 year | 45.16 | 39.99 |
| 2 - 3 year | 56.28 | 46.70 |
| 3 - 4 year | 49.80 | 36.47 |
| 4 - 5 year | 51.56 | 36.72 |
| 5 - 10 years | 231.29 | 188.74 |

(iii) **Sensitivity analysis:**

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

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| (a) Effect of 1% change in assumed discount rate | | |
| - 1% increase | (9.70) | 177.03 |
| - 1% decrease | 10.57 | 192.05 |
| (b) Effect of 1% change in assumed salary escalation rate | | |
| - 1% increase | 10.43 | 191.17 |
| - 1% decrease | (9.76) | 177.72 |

b) **Defined Contribution Plan**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Contribution to Provident Fund | 85.86 | 84.75 |
| Contribution to ESI | 33.89 | 28.49 |

c) **Compensated absences**

Based upon Actuarial valuation, the company has made a provision towards compensated absences of Rs. 132.07 Lakhs (March 31, 2018: Rs. 92.54 Lakhs) The principal actuarial assumptions used are as follows:

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Discount rate | 6.90% | 7.24% |
| Salary rise | 7.50% | 7.50% |
| Attrition Rate | 20.00% | 20.00% |

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

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**30 Operating leases:**

**Company as lessee**

Lease payments made under cancellable operating leases amounting to Rs. 598.39 Lakhs (March 31, 2018: Rs. 598.15 Lakhs) have been recognized as an expense in the statement of profit and loss.

**Company as lessor**

Lease receipts under cancellable operating leases amounting to Rs. 146.47 Lakhs (March 31, 2018: Rs. 136.59 Lakhs) have been recognized as rental income in the statement of profit and loss.

**31 Capital and other commitments**

a)Estimated amount of contracts remaining to be executed on capital account and not provided for during the period Rs. 58.22 Lakhs (March 31, 2018: Rs. 65.73 Lakhs).

**32 Contingent Liabilities**

(A) Claims against the Company not acknowledged as debts Rs. Nil (March 31, 2018: Rs. Nil)

(B) Preference dividend

As per the terms of issuance of Compulsory Convertible Cumulative Preference Shares (Series A and Series B), the Company shall pay preference dividends at a coupon rate of 11.97% on the paid up value of compulsorily convertible cumulative preference shares (Series A and Series B) which is amounting to Rs. 53.92 lakhs and tax thereon for the period relating to Quarter 4 of FY 2018-19. Subsequent to the reporting date of Financial Statements, the Board of Directors have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for Quarter 4 of FY 2018-19 at their meeting held on April 25, 2019.

**Other Litigations**

**(a) Custom officer's Salary**

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

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

**(b) Income Tax Matters**

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

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

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(ii) The Company had received an order during previous years for the assessment year 2013-14 and 2014-15 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961. Per this order the refund receivable to the Company has reduced by Rs. 418.47 Lakhs for A.Y. 2013-14 and Rs. 310.92 Lakhs for A.Y 2014-15 . Aggrieved by the reduction in refund and the demand, the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad. During the previous year, the Company has received a favourable order from Commissioner of Income -Tax (Appeals), Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the CIT order before ITAT in respect of the aforesaid years. During the current year, the company has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2013-2014 and 2014-2015. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

(iii) The Company has received an order during the previous year for the assessment year 2015-16 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, the company filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 417.17 Lakhs for AY 2015-16. During the current year, the department has issued a refund order advice stating that refund for AY 2017-18 has been adjusted against the demand for AY 2015-16 to the extent of Rs. 377.05 Lakhs. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad which matter is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

(iv) The Company has received an order during the current year for the assessment year 2016-17 denying the deduction u/s 80-IA of the Income Tax Act, 1961 and as per the order there is a tax demand amounting to Rs. 16.47 Lakhs for AY 2016-17. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad which matter is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

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

**(c) Service Tax**

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

On May 3, 2013, the Company had received an order from Commissioner of Customs, Central Excise and Service tax. As per the said order, the commissioner had concurred with the departments view and classified the services of cargo handling for export cargo as Taxable Service. As a result of which, there was a demand levied of Rs. 188.64 Lakhs as service tax for the period March 2008 to June 2010 under Airport Services and Rs. 107.35 Lakhs as service tax for the period March 2008 to June 2010 on Storage and Warehousing Services along with applicable interest and penalty.

Subsequently, the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in its stay order dated October 25, 2013 has mentioned that X-ray Screening, Terminal Storage and Processing, Unitization and Demurrage would be incidental and ancillary in relation to cargo handling service. As a result, there shall be a waiver of pre deposit of the dues and stay against recovery during pendency of the appeal.

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

ii) The Company has received a show cause notice from the Office of Commissioner (Audit) Central tax requiring the Company to show cause as to why CENVAT credit of Rs. 64.86 Lakhs along with applicable interest and penalty should not be reversed/demanded on certain exempted services. The Company has filed a reply to the Show Cause notice with the Office of Commissioner (Audit) Central tax on October 10, 2017. Personal hearing completed on March 27, 2018, AC has passed a order dated March 28, 2018 by disallowing Company demand, order received on April 9, 2018. As a result of which, there is a demand levied of Rs. 64.86 Lakhs as service tax along with penalty of Rs. 63.19 Lakhs. Further, the company has filed an appeal against the order with Commissioner (Appeals), Central tax during the current period. The Company has received an unfavorable order from Commissioner of Customs and Central Tax (Appeals), Hyderabad on November 12, 2018, directing the Additional Commissioner to recalculate the demand. Subsequently, the company has filed an appeal against the unfavorable order with CESTAT, Hyderabad on February 11, 2019.

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

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**(d) Provident Fund**

(i) During the current year, the company has received an order from Regional PF Commissioner – I, Regional Office II, Hyderabad, regarding the payment of contributions to International Worker under Employees Provident Funds and Miscellaneous Provisions Act, 1952 demanding an amount of Rs 14.26 Lakhs. The company has filed writ petition before the High Court of Telangana. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

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

**33 Net dividend remitted in foreign exchange**

**(a) Compulsorily Convertible Cumulative Preference Shares**

| Year of remittance (ending on) | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| Period to which relates | April 01, 2018 to October 31, 2018 | January 01, 2018 to March 31, 2018 | April 01, 2017 to December 31, 2017 | April 01, 2016 to March 31, 2017 |
| Number of non-resident shareholders | 1 | 1 | 1 | 1 |
| Number of CCCPS (Series A) of nominal value Rs.10,000 per share held on which dividend was remitted | 18,000 | 18,000 | 18,000 | 18,000 |
| Amount remitted in USD | 176,123 | 80,353 | 250,330 | 335,555 |
| Amount remitted in Rs. Lakhs | 125.69 | 53.87 | 161.60 | 215.45 |

**(b) Equity shares**

| Year of remittance (ending on) | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Period to which relates | - | April 01, 2017 to June 30, 2017 |
| Number of non-resident shareholders | - | 1 |
| Number of equity shares of nominal value Rs.10 per share held on which dividend was remitted | - | 499,800 |
| Amount remitted in USD | - | 583,788 |
| Amount remitted in Rs. Lakhs | - | 374.85 |

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

35 Bureau of Civil Aviation (BCAS), through its order dated April 28, 2010, decided that there shall be a Sterile Cargo Holding Area at the airports. The access to cargo processing area will be regulated by airport entry permits issued by BCAS. Accordingly, Central Industrial Security Force (CISF) personnel were deployed as per the instructions of BCAS and the security charges includes accrual of security cost of CISF personnel amounting to Rs. 148.94 Lakhs (March 31, 2018: Rs. 254.99 Lakhs). The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

36 a) During the year ended March 31 2019, vide a Share Purchase Agreement (including Supplementary Agreement) dated October 30, 2018, GMR Hyderabad International Airport Limited ('GHIAL'), acquired the entire equity and preference shares held by Menzies Aviation Cargo (Hyderabad) Limited, Mauritius, in Hyderabad Menzies Air Cargo Private Limited ('HMACPL') for full and final consideration of INR 59.75 Crore and accordingly such equity and preference shares have been transferred to GHIAL which was approved and noted in the Board meeting held on November 02, 2018. Consequent to the aforesaid acquisition HMACPL has become a wholly-owned subsidiary of GHIAL pursuant to which the name of Hyderabad Menzies Air Cargo Private Limited has been changed to GMR Hyderabad Air Cargo And Logistics Private Limited ('GHACLPL') with effect from November 05, 2018. A fresh incorporation certificate pursuant to the change of the name has been duly issued by the Registrar of Companies (ROC).

b) The Joint Venture agreement, Operation & Maintenance Agreement, IT Service Agreement including any amendments, the Concession Agreement, the Lease Agreement, the Umbrella Agreement amongst various parties viz. the Company, GHIAL, Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited and Menzies Aviation (India) Private Limited have also been terminated. Subsequently, the Company entered into a new Concession agreement and Building lease agreement with GHIAL with effect from November 02, 2018.

c) The Board of Directors of the Company in their meeting held on December 10, 2018 has approved, subject to the required approvals, the Composite Scheme of Arrangement amongst GMR Hyderabad Air Cargo and Logistics Private Limited ("GHACLPL")(Transferor Company) and GMR Aero Technic Limited ("GATL")(Demerged company) and GMR Aerospace Engineering Limited ("GAEL")(Transferee/Resulting Company) and their respective Shareholders and Creditors ("Scheme"), wherein GHACLPL will merge with GAEL with an appointed date of April 1, 2018. The Company is in the process of obtaining requisite approvals (including from the NCLT), under applicable laws/regulations to give effect to the above Scheme. The Company has filed application before NCLT on January 10, 2019.

d) Pursuant to the Scheme, with effect from the Appointed Date and upon the Scheme becoming effective, a total of 9,19,12,200 equity shares of face value Rs.10/- (Rupees Ten Only) each of the Transferee Company to be issued to the equity shareholder of the Transferor Company holding 10,20,000 equity shares of face value of Rs.10/- (Rupees Ten Only) each therein, as on the Record Date in the Share Exchange Ratio of 90.11:1, a total of 18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs.10,000/- (Rupees Ten Thousand Only) each of the Transferee Company to be issued to the 11.97% Series A CCCPS holder of the Transferor Company holding 18,000, 11.97% Series A CCCPS of Rs.10,000/- (Rupees Ten Thousand Only) each therein as on the Record Date (as per the existing terms) in the Share Exchange Ratio of 1:1, a total of 18,735, 11.97% Series B Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs.10/- (Rupees Ten Only) each of the Transferee Company to be issued to the 11.97% Series B CCCPS holder of the Transferor Company holding 18,735, 11.97% Series B CCCPS of Rs.10/- (Rupees Ten Only) each as on the Record Date (as per the existing terms) in the Share Exchange Ratio of 1:1.

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

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

| | Carrying value As at | | Fair value As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| **Financial assets** | | | | |
| **Valued at fair value through profit and loss** | | | | |
| Investments | 301.56 | 4,979.29 | 301.56 | 4,979.29 |
| **Valued at amortized cost** | | | | |
| Trade receivables | 368.37 | 856.79 | 368.37 | 856.79 |
| Other financial assets | 508.59 | 70.18 | 508.59 | 70.18 |
| Cash and cash equivalents and Other bank balances | 3,982.51 | 3,195.43 | 3,982.51 | 3,195.43 |
| Loans | 5,000.00 | - | 5,000.00 | - |
| **Total** | 10,161.03 | 9,101.69 | 10,161.03 | 9,101.69 |
| **Financial liabilities** | | | | |
| **Valued at amortized cost** | | | | |
| Borrowings | - | 30.74 | - | 30.74 |
| Trade payables | 2,217.82 | 1,841.82 | 2,217.82 | 1,841.82 |
| Other financial liabilities | 338.65 | 99.00 | 338.65 | 99.00 |
| **Total** | 2,556.47 | 1,971.56 | 2,556.47 | 1,971.56 |

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

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019 :

| Particulars | Date of valuation | Total | Fair value measurement using: Quoted prices in active markets# (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments held at fair value through profit and loss | March 31, 2019 | 301.56 | 301.56 | - | - |

There have been no transfers between Level 1 and Level 2 during the year ending March 31, 2019.

#The mutual funds are valued using the closing NAV.

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

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

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

#The mutual funds are valued using the closing NAV.

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**39 Related Party transactions**

**Names of Related parties and nature of related party relationships**

| Description of relationship | Name of the related party | |
|---|---|---|
| Holding company | GMR Hyderabad International Airport Limited (GHIAL) | |
| GHIAL's holding company | GMR Airports Limited (GAL) | |
| GAL's holding company | GMR Infrastructure Limited | |
| Ultimate holding company | GMR Enterprises Private Limited | |
| Fellow subsidiary companies (where transactions have taken place) | Raxa Security Services Private Limited | |
| | GMR Aero Technic Limited | |
| | GMR Airport Developers Limited | |
| | GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited) | |
| Post-employment benefit plan | GMR Hyderabad Air Cargo and Logistics Private Limited Employees' Group Gratuity Trust (Formerly known as Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust) | |
| Enterprises having significant influence (upto November 02, 2018) (also refer Note 36) | Menzies Aviation Cargo (Hyderabad) Limited, Mauritius | |
| | Menzies Aviation Plc (UK) | |
| | Menzies Aviation (India) Private Limited | |
| Key management personnel | Gopalakrishna Kishore Surey | Director, Chairman |
| | Kamesh Rao Peri | Director (upto September 15, 2017) |
| | Kannan Gopalan | Director (upto November 02, 2018) |
| | Charles Brodie Joseph Wyley | Director (from September 15, 2017 to November 02, 2018) |
| | Rajesh Kumar Arora | Director |
| | Pradeep Panicker | Additional Director (from November 02, 2018) |
| | Ravela Srisatya Lakshmi Narsimha Bhaskarudu | Independent Director (upto August 28, 2017) |
| | Somayajulu Ayyanna Kodukula | Independent Director (upto August 28, 2017) |
| | Ravinder Bolangdy | Chief Executive Officer (upto December 31, 2018) |
| | Saurabh Kumar | Chief Executive Officer (from January 01, 2019) |
| | Srikanth Vetcha | Chief Financial Officer |

**Related Party Transactions**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| **Equity dividend paid** | | |
| GMR Hyderabad International Airport Limited | - | 390.15 |
| Menzies Aviation Cargo (Hyderabad) Limited, Mauritius | - | 374.85 |
| **Preference dividend paid** | | |
| GMR Hyderabad International Airport Limited | 36.13 | 0.39 |
| Menzies Aviation Cargo (Hyderabad) Limited, Mauritius | 179.55 | 377.05 |
| **Concessionaire rent** | | |
| GMR Hyderabad International Airport Limited | 598.39 | 598.15 |
| **Concessionaire fee** | | |
| GMR Hyderabad International Airport Limited | 1,800.42 | 1,815.17 |
| **Technical fees** | | |
| Menzies Aviation Plc (UK) | 468.73 | 806.74 |
| **Unsecured loans repaid** | | |
| Menzies Aviation (India) Private Limited | 50.00 | 10.00 |
| **Reimbursement of salary cost** | | |
| GMR Hyderabad International Airport Limited | 15.92 | - |
| Menzies Aviation (India) Private Limited | - | 11.75 |
| **Deposits received back** | | |
| GMR Hyderabad International Airport Limited | 10.00 | 10.00 |
| **Sale of Laptop** | | |
| Menzies Aviation (India) Private Limited | - | 0.30 |

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Related Party Transactions (continued)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| **Purchase of Laptop** | | |
| GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited) | 0.82 | - |
| **Repairs & Maintenance – Buildings** | | |
| GMR Hyderabad International Airport Limited | 0.64 | 0.77 |
| GMR Airport Developers Limited | 7.76 | - |
| **Repairs and Maintenance - Plant and machinery** | | |
| GMR Hyderabad International Airport Limited | 0.29 | 0.31 |
| **Training charges** | | |
| GMR Hyderabad International Airport Limited | 0.20 | - |
| GMR Airports Limited | 8.10 | 10.06 |
| **Reimbursement of property insurance** | | |
| GMR Hyderabad International Airport Limited | 1.61 | 1.72 |
| **Reimbursement of rates and taxes** | | |
| GMR Hyderabad International Airport Limited | 20.84 | 20.84 |
| **Security charges** | | |
| Raxa Security Services Private Limited | 77.72 | 59.10 |
| **Capital work-in-progress** | | |
| GMR Airport Developers Limited | 0.75 | - |
| GMR Hyderabad International Airport Limited | 15.73 | - |
| **Power and water charges** | | |
| GMR Hyderabad International Airport Limited | 269.36 | 284.16 |
| **Repairs & Maintenance – Others** | | |
| Menzies Aviation Plc (UK) | 32.52 | 48.57 |
| GMR Hyderabad International Airport Limited | 4.83 | 0.91 |
| **Communication expenses** | | |
| Menzies Aviation Plc (UK) | 10.26 | 9.48 |
| **Bank charges – Reimbursement** | | |
| GMR Hyderabad International Airport Limited | 11.09 | 7.50 |
| Menzies Aviation Plc (UK) | 5.45 | 7.52 |
| **Legal and professional charges** | | |
| GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited) | - | 0.06 |
| **Travelling and conveyance** | | |
| GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited) | 0.35 | 0.08 |
| **Cargo Handling Charges** | | |
| GMR Hyderabad International Airport Limited | 0.95 | - |
| **Income from Cargo Operations** | | |
| GMR Aero Technic Limited | 0.92 | - |
| **Reimbursement of Other Expenses** | | |
| GMR Airports Limited | 42.20 | - |
| **Contribution to the Gratuity fund** | | |
| GMR Hyderabad Air Cargo and Logistics Private Limited Employees' Group Gratuity Trust (Formerly known as Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust) | 65.54 | 168.41 |
| **Administrative expenses for maintenance of Gratuity fund** | | |
| GMR Hyderabad Air Cargo and Logistics Private Limited Employees' Group Gratuity Trust (Formerly known as Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust) | 0.86 | 0.90 |
| **Sitting Fees to Independent Directors** | | |
| Ravela Srisatya Lakshmi Narsimha Bhaskarudu | - | 0.30 |
| Somayajulu Ayyanna Kodukula | - | 0.65 |
| **Interest on security deposit - Unwinding of discount and changes in the discount rate** | | |
| GMR Hyderabad International Airport Limited | 4.18 | 4.77 |

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**Related Party Transactions (continued)**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| **Amortization of prepaid expense - Unwinding of discount and changes in the discount rate** | | |
| GMR Hyderabad International Airport Limited | 5.46 | 5.46 |
| **Interest on loan - Unwinding of discount and changes in the discount rate** | | |
| Menzies Aviation (India) Private Limited | 2.44 | 4.78 |
| **Remuneration to Key Management Personnel (excluding Provision for employee benefits)** | | |
| Ravinder Bolangdy (upto December 31, 2018) | 49.95 | 62.36 |
| Saurabh Kumar (from January 01, 2019) * | 10.94 | - |
| Srikanth Vetcha | 38.71 | 35.47 |

*Reimbursed to GMR Hyderabad International Airport Limited

**Balance outstanding:**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Trade payables** | | |
| GMR Hyderabad International Airport Limited | 300.72 | 256.35 |
| Menzies Aviation Plc (UK) | - | 66.50 |
| GMR Airport Developers Limited | 7.04 | - |
| GMR Airports Limited | - | 0.06 |
| Raxa Security Services Limited | 11.14 | - |
| GMR Hyderabad Air Cargo and Logistics Private Limited Employees' Group Gratuity Trust (Formerly known as Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust) | 1.56 | 0.70 |
| **Payables for purchase of Intangible Assets** | | |
| GMR Hyderabad International Airport Limited | 215.93 | - |
| GMR Airport Developers Limited | 0.75 | - |
| **Advances received from Customers** | | |
| GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited) | 0.60 | - |
| **Advances recoverable in cash or kind** | | |
| Raxa Security Services Limited | - | 0.04 |
| **Prepaid expenses (Unwinding of discount and changes in discount rates)** | | |
| GMR Hyderabad International Airport Limited | 21.85 | 27.30 |
| **Prepaid expenses** | | |
| GMR Hyderabad International Airport Limited | 20.01 | 0.53 |
| **Borrowings** | | |
| Menzies Aviation (India) Private Limited | - | 36.55 |
| **Security deposit given** | | |
| GMR Hyderabad International Airport Limited | 30.74 | 36.56 |

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

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**40 Significant accounting judgements, estimates and assumptions**

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

**(A) JUDGEMENTS**

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

**Operating Lease commitments -**

**(i) Company as a Lessee**

The Company entered into lease arrangement with GMR Hyderabad International Airport Limited for an initial period of 15 years from the commencement of its operations i.e March 23, 2008. There is no escalation clause in the lease agreements. The Company has a right to sub lease as per terms of the agreement. The company has determined based on an evaluation of the terms and conditions of the arrangement, such as the lease term not constituting a major part of the economic life of the land and other facilities and fair value of the asset, that it does not retain significant risk and rewards of ownership of the lease assets and accounts for the arrangement as an operating lease (Refer Note 36(b)).

**(ii) Company as a Lessor**

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

**Service Concession Arrangements -**

Management has assessed applicability of Appendix D to Ind AS 115 - "Service Concession Arrangements" to operations and maintenance agreements entered into by the Company for provisioning of cargo services at Hyderabad Airport. In assessing the applicability, management has exercised significant judgement in relation to the underlying ownership of the assets, terms of the arrangement entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meets the criteria for recognition as service concession arrangements.

**(B) ESTIMATES AND ASSUMPTIONS**

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

**Income Tax:**

Significant judgements are required in determining the provision for income taxes, including the amount expected to be paid/recovered for uncertain tax provisions.

**Provision for doubtful receivables :**

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

**Defined benefit plans (gratuity benefits)**

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

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounting cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37 and 38 for further disclosures.

**Other estimates**

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

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## 41 Financial risk management objectives and policies

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

### A Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk:
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 368.37 Lakhs and Rs. 856.79 Lakhs as of March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with trade receivables.

### B Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2019

| | Upto 1 year | 1 - 5 years | More than 5 years | Total contracted cash flows |
|---|---|---|---|---|
| Trade payables | 2,217.82 | - | - | 2,217.82 |
| Other financial liabilities | 338.65 | - | - | 338.65 |
| **Total** | **2,556.47** | **-** | **-** | **2,556.47** |

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

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

### C Market risk

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

### D Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. As the Company has no debt obligation with floating interest rates, exposure to the risk of changes in market interest rates are substantially independent of changes in market interest rates.

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

### E Foreign currency exchange rate risk

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

**a) Details of Unhedged Foreign Currency Exposure:**
The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under -

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | Amount in Foreign Currency | Amount in Rs. (Lakhs) | Amount in Foreign Currency | Amount in Rs. (Lakhs) |
| **Trade payables** | | | | |
| USD | 48,773 | 30.47 | 2,150 | 1.43 |
| GBP | - | - | 5,219 | 4.88 |
| **Payable for purchase of fixed assets** | | | | |
| USD | 90,734 | 63.25 | - | - |
| **Trade receivables** | | | | |
| USD | 7,748 | 5.36 | 8,638 | 5.62 |
| **Unbilled Revenue** | | | | |
| USD | 7,059 | 4.88 | - | - |

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GMR Hyderabad Air Cargo and Logistics Private Limited
(Formerly known as Hyderabad Menzies Air Cargo Private Limited)
CIN No: U62100TG2006PTC049243
Notes to the Financial Statements for the year ended March 31, 2019
(All amounts are in Rs. Lakhs, unless otherwise stated)

**b) Foreign currency sensitivity analysis**

The Company is mainly exposed to fluctuations in US Dollar and GB Pound. The following table details the Company's sensitivity to a Re. 1 increase and decrease against the US Dollar and GB Pound. Re. 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a Re. 1 change in foreign currency rates.

As at March 31, 2019, A positive number below indicates an increase in profit or equity where the Rupee strengthening by Re. 1 against the US Dollar and for a Re. 1 weakening against the US Dollar, there would be a comparable impact on the profit or equity.

As at March 31, 2018, A positive number below in US Dollar indicates an increase in profit or equity where the Rupee weakening by Re. 1 against the US Dollar and for a Re. 1 strengthening against the US Dollar, there would be a comparable impact on the profit or equity. A positive number below in GB Pound indicates an increase in profit or equity where the Rupee strengthening by Re. 1 against the GB Pound and for a Re. 1 weakening against the GB Pound, there would be a comparable impact on the profit or equity.

| Currency USD impact on: | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Impact of Re.1 strengthening against US Dollar on profit or loss for the year | 1.25 | (0.09) |
| Impact of Re.1 weakening against US Dollar on profit or loss for the year | (1.25) | 0.09 |
| Impact of Re.1 strengthening against US Dollar on equity as at the end of the reporting year | 1.25 | (0.09) |
| Impact of Re.1 weakening against US Dollar on equity as at the end of the reporting year | (1.25) | 0.09 |

| Currency GBP impact on: | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Impact of Re.1 strengthening against GB Pound on profit or loss for the year | - | 0.05 |
| Impact of Re.1 weakening against GB Pound on profit or loss for the year | - | (0.05) |
| Impact of Re.1 strengthening against GB Pound on equity as at the end of the reporting year | - | 0.05 |
| Impact of Re.1 weakening against GB Pound on equity as at the end of the reporting year | - | (0.05) |

For and on behalf of the Board of Directors of
**GMR Hyderabad Air Cargo and Logistics Private Limited**
**(Formerly known as Hyderabad Menzies Air Cargo Private Limited)**

Pradeep Panicker

**Pradeep Panicker**
Director
DIN: 02730418

**Rajesh Kumar Arora**
Director
DIN: 03174536

Saurabh Kumar

**Saurabh Kumar**
Chief Executive Officer

**Srikanth Vetcha**
Chief Financial Officer

**Anshul Singhai**
Company Secretary
M.No: A55037
Place: Hyderabad
Date: April 25, 2019

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