Deloitte
Haskins & Sells LLP

Chartered Accountants
KRB Towers, Plot No.1 to 4 & 4A
1st, 2nd & 3rd Floor
Jubilee Enclave, Madhapur
Hyderabad - 500 081
Telangana, India

Tel: +91 40 7125 3600
Fax: +91 40 7125 3601

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
GMR AIR CARGO AND AEROSPACE ENGINEERING LIMITED
(formerly known as GMR Aerospace Engineering Limited)

Opinion

We have audited the Standalone Financial Results for the year ended March 31, 2020 included in the accompanying "Statement of Standalone Financial Results for the Year ended March 31, 2020" of **GMR AIR CARGO AND AEROSPACE ENGINEERING LIMITED** (formerly known as GMR Aerospace Engineering Limited) ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

(i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the Annual Standalone Financial Results section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement, which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for audit of Annual Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is 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 this Standalone Financial Results.

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 Annual Standalone Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement 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 Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results 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 Annual Standalone Financial Results.

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.

Other Matters

- Due to the COVID-19 related lock-down restrictions, we were not able to physically observe the stock verification that was carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this Statement.

  Our report on the Statement is not modified in respect of this matter.

- The Statement includes the results for the half-year ended March 31, 2020 and half-year ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year ended March 31, 2020 and year ended March 31, 2019, and the unaudited year to date figures for the half-year ended September 30, 2019 and the half-year ended September 30, 2018, respectively, which were subject to limited review by us.

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

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)
UDIN: 20209354AAAAGD7285

Place: Hyderabad
Date: June 04, 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
KRB Towers, Plot No.1 to 4 & 4A
1st, 2nd & 3rd Floor
Jubilee Enclave, Madhapur
Hyderabad - 500 081
Telangana, India

Tel: +91 40 7125 3600
Fax: +91 40 7125 3601

INDEPENDENT AUDITOR'S REPORT

To The Members of
GMR AIR CARGO AND AEROSPACE ENGINEERING LIMITED
(formerly known as GMR Aerospace Engineering Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GMR AIR CARGO AND AEROSPACE ENGINEERING LIMITED** (formerly known as GMR Aerospace Engineering Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2020, 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 standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Assessment of impairment in the carrying value of the Maintenance, Repair and Overhauling division (MRO) – Cash Generating Unit ("MRO CGU")** At each reporting period, the Company assesses the carrying value of CGU to determine whether there is any indication that the MRO CGU has suffered an impairment loss. If any indication exists, the Company estimates the recoverable amount. As indicated in Note 43 of standalone financial statements, owing to the past accumulated losses of the MRO CGU and the occurrence of the COVID-19 pandemic, the Management has assessed the impairment of the carrying value of the MRO CGU as at March 31, 2020. Basis ADP deal, the Management has determined the recoverable amount of MRO CGU. Additionally, the Management has used value-in-use approach and has applied significant judgements, assumptions related to capacity utilisation, revenue growth, margins and selection of discount rates. We have identified the estimation of the recoverable amount of MRO CGU as a key audit matter because these assumptions are of particular importance due to the level of uncertainties and the judgments involved, thus changes in these assumptions could have a significant impact on the recoverable amount of MRO CGU.	In response to this key matter, the following principal audit procedures are performed: • Evaluated the design and implementation and operating effectiveness of internal controls relating to the Management's assessment of the impairment workings of MRO CGU. • Assessed the reasonableness of the key business assumptions such as capacity utilisation, revenue growth rate and margins by understanding the Management's plan and by performing retrospective testing. • Assessed the reasonableness of the valuation model using market assumptions namely the discount rate adopted for the valuation with the assistance of our internal valuation experts (including for COVID19 impact). • Performed sensitivity analysis around the key assumptions, and stress-tested for various scenarios (considering COVID19 impact) to determine if any changes to key assumptions would impact the recoverable amounts. • In respect of the agreement between GMR Group and ADP, discussed with the Management and GMR Group to understand the implications insofar as the MRO CGU is concerned. Verified certain key terms of the agreement/documents in public domain. Compared and correlated the value attributed to the MRO CGU with the carrying value, to determine if there is impairment. • In respect of COVID-19 impact, performed corroborative enquiries with the Management to understand the impact and how this affected the projections. • We have assessed the disclosures made by the Company in relation to this matter. • The results of impairment testing were also approved by the Board of Directors.
2	**Accounting of Business combination:** As indicated in Note 1.1 of Standalone Financial Statements, 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	In response to this key matter, the following principal audit procedures are performed: • Inspected the approval of the Composite Scheme of Arrangement ("the scheme"), the approval given by NCLT and documents filed with Registrar of Companies.

SP

	Aerospace Engineering Limited("GAEL")(Transferee / Resulting Company) and their respective Shareholders and Creditors ("the Scheme"), wherein GHACLPL will merge with GAEL and the Maintenance, Repair and Overhaul facility (MRO) Business of GATL will demerge into GAEL with an appointed date of April 01, 2018 received the approval of NCLT on July 26, 2019 and was thereafter filed with the Registrar of Companies on August 23, 2019. The Company has given effect to the common control business combination scheme as mentioned above. The aforesaid mergers have been accounted under the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations. Considering the requirements of Ind AS 103 - Business Combinations, the accounting for the transaction has been given effect retrospectively by the Company. Accordingly, the financial statements for the corresponding periods in 2018-19 have been restated to give effect of the above Scheme. We have determined this to be a key audit matter due to the significance of the transaction and its material impact on the financial statements.	• Assessed the accounting treatment of the business combination and whether the requirements of applying 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations were complied. • Obtained the audited balances of the Transferor Company and the Demerged Company as at April 1, 2018 and compared them with those considered for the purposes of accounting for the merger business combination. Checked the accuracy of such adjustments made. • Checked the intercompany balances and transactions between companies involved in the scheme to assess the accuracy and completeness of the elimination adjustments; • Examined the disclosures in Notes 1.1 of the standalone financial statements for adequacy and appropriateness, including disclosures of the impact of restatement of prior year figures.

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

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

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

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

- When we read the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

SP

Management's Responsibility for the Standalone 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 standalone 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

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

Other Matter

Due to the COVID-19 related lock-down restrictions, we were not able to physically observe the stock verification that was carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Statements.

Our opinion on the Standalone Financial Statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

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)
UDIN: 20209354AAAAGC1779

Place: Hyderabad
Date : June 04, 2020

SP

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 AIR CARGO AND AEROSPACE ENGINEERING LIMITED** (formerly known as GMR Aerospace Engineering Limited) ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 standalone financial statements, whether due to fraud or error.

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

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 standalone 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 standalone 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 standalone 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, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)
UDIN: 20209354AAAAGC1779

Place: Hyderabad
Date : June 04, 2020

SP

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification of fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) In respect of immovable properties of buildings constructed on leasehold land and disclosed as fixed asset in the standalone financial statements, the lease agreement (for land) is in the name of the Company, where the Company is the lessee.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans to Company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

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

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

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Air Cargo business. 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.

SP

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable, except as stated below:

Name of Statute	Nature of Dues	Amount (₹In Lakhs)	Period to which the Amount Relates	Due Date	Date of subsequent payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	21.03	April 01, 2019 to September 30, 2019	Various dates	Partly paid on May 5, 2020

(c) Details of dues of Income-tax, Service Tax which have not been deposited as on March 31, 2020 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	Income Tax Appellate Tribunal, 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 Appellate 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
Finance Act, 1994	Service tax	Director General of GST Intelligence, Hyderabad Zonal Unit	October 2013 to June 2017	210.57	210.57
Finance Act, 1994	Service tax	Commissioner of Central Tax	October 2013 to March 2017	19.35	19.35

* The Assessing Officer has disallowed the amount which will impact the reduction of loss for the relevant assessment year
# The Assessing Officer has reduced the amount refundable for AY 2017-18 to that extent.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders.

SP

(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 CARO 2016 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) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

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

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

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

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

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

Sumit Trivedi
(Partner)
(Membership No. 209354)
UDIN: 20209354AAAAGC1779

Place: Hyderabad
Date: June 04, 2020

Deloitte Haskins & Sells LLP

Chartered Accountants
KRB Towers, Plot No.1 to 4 & 4A
1st, 2nd & 3rd Floor
Jubilee Enclave, Madhapur
Hyderabad - 500 081
Telangana, India

Tel: +91 40 7125 3600
Fax: +91 40 7125 3601

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF SPECIAL PURPOSE ANNUAL STANDALONE FINANCIAL INFORMATION AND REVIEW OF QUARTERLY STANDALONE FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF
GMR AIR CARGO AND AEROSPACE ENGINEERING LIMITED
(formerly known as GMR Aerospace Engineering Limited)

Opinion and Conclusion

We have (a) audited the Special Purpose Standalone Financial Information for the year ended March 31, 2020 comprising 'Statement of Standalone Financial Results' for the year ended March 31, 2020, Statement of Standalone Assets and Liabilities as at March 31, 2020 and the Related Party Disclosures as per GMR Infrastructure Limited's Instructions, along with explanatory notes thereon and (b) reviewed the Special Purpose Standalone Financial Information for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for Quarter and Year ended March 31, 2020" of **GMR AIR CARGO AND AEROSPACE ENGINEERING LIMITED** (formerly known as GMR Aerospace Engineering Limited) ("the Company"), ("Special Purpose Standalone Financial Information"), which has been prepared by the Company for the purpose of preparation of the consolidated financial results by GMR Infrastructure Limited, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Special Purpose Annual Standalone Financial Information

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Standalone Financial Information for the year ended March 31, 2020:

i. is presented as per the instructions issued by the management of GMR Infrastructure Limited ('GIL'); and

ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Special Purpose Standalone Financial Information for the quarter ended March 31, 2020

With respect to the Special Purpose Standalone Financial Information for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Special Purpose Standalone Financial Information for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed as per the instructions issued by the Management of GIL, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Special Purpose Standalone Financial Information for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Special Purpose Standalone Financial Information for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Special Purpose Standalone Financial Information

This Special Purpose Standalone Financial Information which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Special Purpose Standalone Financial Information for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Special Purpose Standalone Financial Information for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and and as per the instructions issued by the management of GMR Infrastructure Limited ('GIL'). 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Standalone Financial Information that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Standalone Financial Information, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities

(a) Audit of the Special Purpose Standalone Financial Information for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone Financial Information for the year ended March 31, 2020 as a whole is 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 this Special Purpose Standalone Financial Information.

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 Special Purpose Standalone Financial Information, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors as per the instructions issued by the management of GMR Infrastructure Limited ('GIL').
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Special Purpose Standalone Financial Information 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 Special Purpose Annual Standalone Financial Information, including the disclosures, and whether the Special Purpose Annual Standalone Financial Information represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Special Purpose Annual Standalone Financial Information of the Company to express an opinion on the Special Purpose Annual Standalone Financial Information.

Materiality is the magnitude of misstatements in the Special Purpose Annual Standalone Financial Information that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Annual Standalone Financial Information 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 Special Purpose Annual Standalone Financial Information.

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.

SP

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.

(b) Review of the Special Purpose Standalone Financial Information for the quarter ended March 31, 2020

We conducted our review of the Special Purpose Standalone Financial Information for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- Due to the COVID-19 related lock-down restrictions, we were not able to physically observe the stock verification that was carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Special Purpose Standalone Financial Information.

  Our report on the Special Purpose Standalone Financial Information is not modified in respect of this matter.

- As stated in Note 14 of the Special Purpose Standalone Financial Information, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the nine months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Special Purpose Standalone Financial Information is not modified in respect of this matter.

- The Special Purpose Standalone Financial Information includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Special Purpose Standalone Financial Information is not modified in respect of this matter.

- Our report on the attached Special Purpose Standalone Financial Information is at the request of the Directors of the Company for submission of the Special Purpose Standalone Financial Information to the Board of Directors of GIL, solely to enable GIL to prepare consolidated financial results for the quarter and year ended March 31, 2020 and their auditors in their review/audit of such consolidated financial results.

Accordingly, this report is not for the use or benefit of any other party nor is it to be copied, made available to or otherwise disclosed to any other party and, we do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

Sumit Trivedi

Sumit Trivedi
(Partner)
(Membership No. 209354)
UDIN: 20209354AAAAGE3021

Place: Hyderabad
Date: June 04, 2020

SP

GMR Air Cargo And Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Balance sheet as at March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2020 (Refer Note 1.1)	As at March 31, 2019 (Refer Note 1.1)
Assets			
Non-current assets			
Property, plant and equipment	3	14,305.85	15,032.44
Right-of-use assets	5	3,516.22	-
Other intangible assets	4	1,610.96	1,683.20
Intangible assets under development	6	121.23	121.54
Financial assets			
Investments	7(a)	10.00	10.00
Other financial Assets	7(b)	111.75	113.81
Deferred tax asset (net)	8	-	32.70
Non-current tax assets (net)	9	3,287.09	2,299.76
Other non-current assets	10	684.33	496.58
		23,647.43	19,790.03
Current assets			
Inventories	11	4,325.30	3,368.33
Financial assets			
Investments	7(a)	6,378.49	301.56
Trade receivables	12	5,358.99	4,507.07
Cash and cash equivalents	13(a)	1,362.39	554.96
Bank balances other than cash and cash equivalents	13(b)	503.33	3,474.00
Loans	14	-	5,000.00
Other financial assets	7(b)	946.74	859.01
Current tax assets	9	170.64	172.68
Other current assets	10	598.15	453.84
		19,644.03	18,691.45
Total assets		43,291.46	38,481.48
Equity and liabilities			
Equity			
Share capital	15	47,383.09	33,840.00
Share Capital suspense	1.1	-	10,993.09
Other equity	16	(47,738.61)	(48,208.12)
Total Equity		(355.52)	(3,375.03)
Non-current liabilities			
Financial Liabilities			
Long term Borrowings	17	27,429.06	27,413.29
Lease Liabilities	18	3,002.85	-
Provisions	19	80.05	99.76
		30,511.96	27,513.05
Current liabilities			
Financial Liabilities			
Short-term Borrowings	17	-	2,799.99
Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		12.60	58.24
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		9,464.42	9,750.30
Lease Liabilities	18	1,323.26	-
Other financial liabilities	21	200.91	462.96
Provisions	19	386.25	310.76
Other current liabilities	22	1,747.58	961.21
Total liabilities		13,135.02	14,343.46
Total equity and liabilities		43,291.46	38,481.48
Corporate information and significant accounting policies	1&2		

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi

Sumit Trivedi
Partner

SP

For and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited (Formerly known as GMR Aerospace Engineering Limited)

Rajesh Kumar Arora
Director
DIN : 03174536

SGK Kishore
Director
DIN : 02916539

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

K Venkata Ramana
Chief Financial Officer

Rakhal

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Hyderabad
Date : June 04, 2020

Place : Hyderabad
Date : June 04, 2020

GMR Air Cargo And Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141

Statement of profit and loss for the year ended March 31, 2020
(All amounts in ₹ Lakhs except otherwise stated)

		Notes	For the year ended March 31, 2020 (Refer Note 1.1)	For the year ended March 31, 2019 (Refer Note 1.1)
I.	**Revenue**			
	Revenue from operations	23	29,822.65	25,210.10
	Other income	24	1,331.42	866.48
	Total Revenue		**31,154.07**	**26,076.58**
II.	**Expenses**			
	Operations and maintenance expenses		371.78	566.24
	Cost of stores and spares consumed	25	6,054.59	4,623.84
	Employee benefits expense	26	8,052.94	6,580.95
	Finance costs	27	3,231.52	2,665.33
	Depreciation and amortization expenses	28	2,762.29	1,784.29
	Other expenses	29	8,997.99	9,623.57
	Total Expenses		**29,471.11**	**25,844.22**
III.	**Profit before Tax [(I) - (II)]**		**1,682.96**	**232.36**
IV.	**Tax expenses**	31		
	Current tax		-	574.50
	Deferred tax		45.89	(24.76)
			45.89	**549.74**
V.	**Profit/(Loss) for the year (III-IV)**		**1,637.07**	**(317.38)**
VI.	**Other comprehensive income**			
	Items that will not be reclassified to Profit and Loss			
	Re-measurement (losses) on defined benefit plan	30	(50.74)	(54.43)
	Deferred tax impact on Re-measurement (losses) on defined benefit plan	31	13.19	10.00
	Total other comprehensive loss		(37.55)	(44.43)
VII.	**Total comprehensive income/(loss) for the year (V + VI)**		**1,599.52**	**(361.81)**
	Earnings per equity share of par value of Rs.10 each :			
	Basic and diluted (Rs. Per share)	32	0.31	(0.14)
	Corporate information and significant accounting policies	**1&2**		

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi

Sumit Trivedi
Partner

SP

Place : Hyderabad
Date : June 04, 2020

For and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited (Formerly known as GMR Aerospace Engineering Limited)

Rajesh Kumar Arora
Director
DIN : 03174536

SGK Kishore
Director
DIN : 02916539

K Venkata Ramana
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Hyderabad
Date : June 04, 2020

GMR Air Cargo And Aerospace Engineering Ltd. Hyderabad

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Statement of Cash Flows for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2020 (Refer Note 1.1)	For the year ended March 31, 2019 (Refer Note 1.1)
Cash flow from operating activities		
Profit before tax	1,682.96	232.36
Adjustments for		
Depreciation and amortization expense	2,762.29	1,784.29
Unrealized foreign exchange gain	(295.13)	102.86
Liabilities no longer required,written back	-	(0.76)
Interest income	(602.70)	(278.64)
Inventory written off	26.25	33.26
Property, plant and equipment written off	105.42	6.35
Income from mutual funds	(69.32)	(362.32)
Finance income on financial assets and fair value (gain)/loss on financial instruments at FVTPL	(26.13)	1.96
Provision for doubtful receivables	42.57	20.33
Bad debts written off	27.55	-
Gain on sale of Property, plant and equipment/Other intangible assets (net)	(4.07)	(5.03)
Finance costs	3,231.52	2,665.33
Operating Profit before working capital changes	**6,881.21**	**4,199.99**
Changes in working capital		
(Decrease)/ Increase in trade payables	(350.74)	1,750.99
Increase in other financial liabilities and other liabilities	801.96	89.88
Increase in provisions	69.46	3.38
(Increase) in trade receivables	(624.04)	(1,827.41)
(Increase) in inventories	(983.22)	(275.15)
(Increase) in other financial assets and other assets	(363.89)	(782.24)
Cash from operations	**5,430.74**	**3,159.44**
Direct taxes paid	**(985.29)**	**(865.28)**
Net cash flow from operating activities (A)	**4,445.45**	**2,294.16**
Cash flows from investing activities		
Interest income received	474.01	218.82
Proceeds from sale of Property, plant and equipment/Other intangible assets (net)	4.45	5.03
Purchase of Property, plant and equipment including CWIP and capital advances	(1,858.93)	(936.16)
Investment in Inter Corporate Deposit	-	(5,000.00)
Redemption/maturity of Inter Corporate Deposit	5,000.00	-
Loan given	(1,000.00)	-
Receipt of loan given	1,000.00	-
Investment in Commercial Paper	(34,778.59)	-
Maturity of Commercial Paper	30,000.00	-
Purchase of current investments	(3,600.00)	(2,000.02)
Redemption of current investments	2,580.88	7,041.50
Investments in bank deposits (having original maturity of more than three months)	(498.33)	(6,468.77)
Redemption/maturity of bank deposits (having original maturity of more than three months)	3,469.00	4,789.76
Net cash flow from/ (used in) investing activities (B)	**792.49**	**(2,349.84)**
Cash flows from financing activities		
Proceeds from issue of share capital (including share application money)	1,550.00	1,850.00
Repayment of long-term borrowings	-	(50.00)
Payment of Lease liability	(365.67)	-
Dividends on equity and preference shares paid (including dividend distribution taxes)	(130.01)	(260.01)
(Repayment)/ Proceeds from short-term borrowings	(2,799.99)	0.06
Finance cost paid (including interest towards lease liabilities)	(2,701.17)	(2,647.19)
Net cash flow (used in) financing activities (C)	**(4,446.84)**	**(1,107.14)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**791.10**	**(1,162.82)**
Effect of exchange differences on cash & cash equivalents held in foreign currency	16.33	-
Cash and cash equivalents at the beginning of the year	554.96	94.53
Add: Effect of common control transaction (Refer Note 1.1)	-	1,623.25
Cash and cash equivalents at the end of the year (see note below)	**1,362.39**	**554.96**
Components of cash and cash equivalents		
Cash in hand	1.82	2.12
Cheques on hand	-	97.74
With banks - on current accounts	425.97	443.07
With banks - on escrow accounts	2.00	2.00
Exchange earners foreign currency account	732.60	7.50
Balances in cash credit account	-	2.53
Deposits with maturity for less than 3 months	200.00	-
Total cash and cash equivalents	**1,362.39**	**554.96**

Reconciliation of liabilities from financing activities for the year ended March 31, 2020:

Particulars	As at March 31, 2019	Proceeds /Impact of Ind AS 116	Repayment	Fair value changes & Other Adjustments#	As at March 31, 2020
Borrowings	30,213.28	-	(2,799.99)	15.77	27,429.06
Lease liabilities	-	7,964.42	(365.67)	(3,272.64)	4,326.11
Total liabilities from financing activities	**30,213.28**	**7,964.42**	**(3,165.66)**	**(3,256.87)**	**31,755.17**

includes adjustment on account of lease modification (Refer Note 35)

Reconciliation of liabilities from financing activities for the year ended March 31, 2019:

Particulars	As at March 31, 2018	Proceeds*	Repayment	Fair value changes	As at March 31, 2019
Borrowings	30,234.08	0.06	(50.00)	29.14	30,213.28
Total liabilities from financing activities	**30,234.08**	**0.06**	**(50.00)**	**29.14**	**30,213.28**

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

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

SP

Place: Hyderabad
Date : June 04, 2020

For and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited (Formerly known as GMR Aerospace Engineering Limited)

Rajesh Kumar Arora
Director
DIN : 03174536

SGK Kishore
Director
DIN : 02916539

K Venkata Ramana
Chief Financial Officer

Rashmi Panigrahi
Company Secretary
M.No. ACS39622

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Place: Hyderabad
Date : June 04, 2020

GMR Air Cargo And Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Statement of Changes in Equity for the year ended March 31, 2020
(All amounts are in ₹ lakhs, unless otherwise stated)

A. Share Capital:

	No. of shares	Rs. in lakhs
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 01, 2018	324,900,000	32,490.00
Issue of shares during the year	13,500,000	1,350.00
As at March 31, 2019	338,400,000	33,840.00
Issue of shares during the year (Refer Note 1.1)	117,412,200	11,741.22
As at March 31, 2020	455,812,200	45,581.22

Preference Share Capital

11.97% compulsory convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up	No. of shares	Rs. in lakhs
As at April 01, 2018	-	-
Issue of shares during the year	-	-
As at March 31, 2019	-	-
Issue of shares during the year (Refer Note 1.1)	18,735	1.87
As at March 31, 2020	18,735	1.87

11.97% compulsory convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up	No. of shares	Rs. in lakhs
As at April 01, 2018	-	-
Issue of shares during the year	-	-
As at March 31, 2019	-	-
Issue of shares during the year (Refer Note 1.1)	18,000	1,800.00
As at March 31, 2020	18,000	1,800.00

Total Share Capital as at March 31, 2019	33,840.00
Total Share Capital as at March 31, 2020	47,383.09

B. Other Equity

	As at March 31, 2020	As at March 31, 2019
(i) Equity component of related party loan		
As at April 01, 2019 / April 01, 2018	51.17	-
Add: Effect of common control transaction (Refer Note 1.1)	-	58.27
Less: Adjustment during the year	-	(7.10)
Closing Balance	51.17	51.17
(ii) Retained earnings		
As at April 01, 2019 / April 01, 2018	(48,170.13)	(1,348.40)
Add: Effect of common control transaction (Refer Note 1.1)	-	(46,199.91)
Add: Profit for the year	1,637.07	(317.38)
Remeasurement (losses) on the defined benefit plans	(37.55)	(44.43)
Dividend paid to earlier share holders of CCCPS (Series A) amount per share Rs. 1,197/- per share (Refer Note 1.1)	(107.73)	(215.46)
Dividend paid to earlier share holders of CCCPS (Series B) amount per share Rs. 1.197/- per share (Refer Note 1.1)	(0.11)	(0.22)
Dividend distribution tax on CCCPS dividend	(22.17)	(44.33)
Closing Balance	(46,700.62)	(48,170.13)
(iii) Amalgamation Adjustment Deficit Account		
Opening balance	(1,089.16)	-
Add: Effect of common control transaction (Refer Note 1.1)	-	(1,089.16)
Closing balance	(1,089.16)	(1,089.16)
(iv) Share application money pending allotment		
Opening balance	1,000.00	500.00
Add: Received during the year	1,550.00	1,850.00
Less: Issue of shares during the year	(2,550.00)	(1,350.00)
Closing balance	-	1,000.00
Total Other Equity	(47,738.61)	(48,208.12)

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

SP

Place : Hyderabad
Date : June 04, 2020

For and on behalf of the Board of Directors of
GMR Air Cargo And Aerospace Engineering Limited (Formerly known as GMR Aerospace Engineering Limited)

Rajesh Kumar Arora
Director
DIN : 03174536

SGK Kishore
Director
DIN : 02916539

K Venkata Ramana
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Place : Hyderabad
Date : June 04, 2020

1. Corporate information

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited) ("the Company") is a 100% subsidiary of GMR Hyderabad International Airport Limited. The Company was incorporated on February 29, 2008 to carry out the business of Cargo handling at Rajiv Gandhi International Airport and Maintenance, Repair and Overhaul facility (MRO) of Aircrafts and allied services and to promote, plan, design, develop, operate, market, alter the MRO facility and all other related allied and ancillary activities but limited to maintenance of hangars and related workshops (also refer Note 1.1).

The Company has changed the name from GMR Aerospace Engineering Limited to GMR Air Cargo and Aerospace Engineering Limited w.e.f. September 25, 2019.

1.1 Composite Scheme of Arrangement (Merger)

a) The Board of Directors of the Company in their meeting held on December 10, 2018 has approved, subject to the required approvals, the Composite Scheme of Arrangement amongst GMR Hyderabad Air Cargo and Logistics Private Limited ("GHACLPL")(Transferor Company) and GMR Aero Technic Limited ("GATL")(Demerged company) and GMR Aerospace Engineering Limited("GAEL")(Transferee/Resulting Company) and their respective Shareholders and Creditors ("Scheme"), wherein GHACLPL will merge with GAEL and the Maintenance, Repair and Overhaul facility (MRO) Business of GATL will demerge into GAEL with an appointed date of April 01, 2018. The above scheme has received the approval of NCLT on July 26, 2019 and was thereafter filed with the Registrar of Companies on August 23, 2019.

The Company has given effect to the Scheme in the quarter ended September 2019 and since the above transaction results in a common control business combination the aforesaid mergers have been accounted under the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations.

Considering the requirements of Ind AS 103 - Business Combinations, the accounting for the transaction has been given effect retrospectively by the Company. Accordingly, the financial statements/information for the corresponding periods in 2018-19 have been restated to give effect of the above Scheme.

b) **Salient features of the scheme are as follows:**
Merger of GHACLPL with GAEL:
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.

During the current year, the Company has allotted 91,912,200 equity shares of face value Rs. 10/-, 18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs. 10,000/- and 18,735, 11.97% Series B Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs. 10/- to GMR Hyderabad International Airport Limited ("GHIAL") towards the consideration other than in cash and the Share Capital Suspense account balance of Rs. 10,993.09 lakhs has been adjusted.

In accordance with the Scheme, the Company has acquired the business of Transferor Company (GHACLPL) on the appointment date (April 01, 2018) at book values as stated in the table below:

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Particulars	Amount in Rs. Lakhs
Non-Current Assets	
Intangible assets	1,444.64
Intangible assets under development	118.30
Other Financial assets	31.34
Non-current tax assets (net)	1,362.05
Other non-current assets	371.93
Sub-total	**3,328.26**
Current Assets	
Investments	4,979.29
Trade Receivables	856.79
Cash and cash equivalents	1,400.44
Other bank balances	1,794.99
Other financial assets	38.84
Other current assets	89.40
Sub-total	**9,159.75**
Total Assets	**12,488.01**

Non-Current Liabilities	
Borrowings	30.74
Provisions	14.42
Deferred tax liabilities (net)	5.98
Sub-total	**51.14**
Current Liabilities	
Trade Payables	1,841.82
Other Financial liabilities	99.00
Provisions	92.54
Other current liabilities	441.31
Sub-total	**2,474.67**
Total Liabilities	**2,525.81**

Net assets (A)	**9,962.20**
Purchase consideration (B)	**10,993.09**
Excess of consideration over net assets acquired (A-B)	**(1,030.89)**

Adjusted as under:

Amalgamation Adjustment Deficit A/c	(1,089.16)
Equity component of interest free loan	58.27

Details as under:

Equity component of interest free loan	58.27
General reserve (net of Rs.1,327.74 lakhs) taken over	-
Retained earnings (net of Rs. 6,672.32 lakhs) taken over	-
Amalgamation Adjustment Deficit Account	(1,089.16)

Pursuant to Scheme, on merger the Authorised Share Capital has increased from ₹ 35,500 lakhs to ₹ 37,600 lakhs.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Demerger of Maintenance, Repair and Overhauling (MRO) business of GATL with GAEL:

No shares to be issued to the demerged entity since it was a wholly owned subsidiary of GAEL. The shares of the Demerged Company, to the extent of 2,49,00,000 equity shares of Rs.10 each, which reflect the Demerged undertaking (MRO) being demerged to the GAEL shall stand cancelled and the shares to the extent of 1,00,000 equity shares of Rs.10 each which represent the residual business shall continue in the books of the Demerged Company (GATL).

In accordance with the Scheme, the Company has acquired the Demerged undertaking (MRO) of the Demerged Company (GATL) on the appointment date (April 01, 2018) at book values as stated in the table below:

Particulars	Amount in Rs. Lakhs
Non-Current Assets	
Property, plant and equipment	2,456.74
Intangible assets	6.73
Other financial assets	33.96
Non-current tax assets	605.56
Other non-current assets	2.24
Sub-total	**3,105.23**
Current assets	
Inventories	3,126.44
Trade receivables	1,941.11
Cash and cash equivalents	222.81
Other financial assets	241.13
Current tax assets	172.68
Other current assets	233.17
Sub-total	**5,937.34**
Total Assets	**9,042.57**

Non-Current Liabilities	
Borrowings	20,330.20
Provisions	98.26
Sub-total	**20,428.46**
Current Liabilities	
Borrowings	2,799.93
Trade Payables	10,562.24
Other Financial liabilities	109.54
Derivative instruments	81.69
Provisions	147.49
Other current liabilities	814.31
Sub-total	**14,515.20**
Total Liabilities	**34,943.66**

Net assets/(liabilities) (A)	**(25,901.09)**
Cancellation of share capital of GATL (B)	**2,490.00**
Net assets/(liabilities) before eliminations (C=A-B)	**(28,391.09)**
Less: Eliminations on inter-company balances (D)	
Equity component of interest free loan	(13,806.82)
Reversal of deferred tax asset on above	(3,979.00)
Others	(23.00)
Net assets after eliminations (E=C-D)	**(46,199.91)**

Adjusted as under:

Retained earnings	(46,199.91)

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

2. Significant Accounting Policies

2.1 Basis of preparation and presentation:

(a) Statement of Compliance:

The Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), notified under the Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and other relevant provision of the Act.

(b) Basis of measurement:

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

2.2 Summary of Significant Accounting Policies

a) Use of estimates

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The Company based 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) Investment in Subsidiary

The Company has accounted for its investment in subsidiary at cost.

c) Current versus non-current classification

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

i) It is expected to be realised or intended to be sold or consumed in normal operating cycle,
ii) It is held primarily for the purpose of trading,
iii) It is expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

e) **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 in to 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 recognized in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

f) Revenue recognition

<u>Revenue from Services:</u>

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

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

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

Cargo Business Services:
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 indirect taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

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

Revenues and cost of improvements to concession assets :
In conformity with appendix 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.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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 in to account the amount outstanding and the applicable interest rate. Interest income is included in other income in the statement of profit and loss.

Dividend income:
Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend

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

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

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

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

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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) Property, plant and equipment

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

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

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

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

The Company, based on assessment made by technical expert and management estimate, depreciates the certain items of plant and equipment over estimated useful lives which coincide with the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. Individual assets costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

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

The Company depreciates the building on leasehold land on straight line basis over the period of lease, i.e.27 years. For certain categories of buildings, accelerated depreciation has been provided over the life of 10-27 years.

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

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

Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

i) 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.

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.

Other Intangible assets

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

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

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

j) Borrowing cost

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

k) Leases

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases". In respect of the transition to Ind AS 116 please refer Note 35.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Where the Company is lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right- of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Unaudited condensed interim Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in unaudited condensed interim Statement of Profit and Loss.

Where the company is lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

l) **Inventories**
Stores and spares are valued at lower of cost and net realisable value. However stores and spares held for use in providing the service not written down below cost if services are expected to be provided at or above the cost. Cost is determined on a weighted average basis. Net realisable value is estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

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

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

n) Provisions, contingent liabilities and commitments

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

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

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.

Contingent liability is disclosed in the case of:

• A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation

• A present obligation arising from past events, when no reliable estimate is possible
• A possible obligation arising from past events, unless the probability of outflow of resources is remote

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

o) Retirement and other 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.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

(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.

p) **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.

Financial assets

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

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Subsequent measurement:

The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements. Management determines the classification of its financial instruments at initial recognition.

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

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

Debt instruments at amortised cost:

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

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

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

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

Debt instrument at FVTOCI:

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

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

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

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

Debt instrument at FVTPL:

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

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

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 recognized 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.

SB

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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 statement of 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 the statement of profit and loss.

<u>Derecognition:</u>
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:
a. The rights to receive cash flows from the asset have expired, or
b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Lease receivables under Ind AS 116
d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
e. Loan commitments which are not measured as at FVTPL
f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on;
- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

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

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

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

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

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

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

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

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

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

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

Financial liabilities

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

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

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

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

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

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

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

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

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

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

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

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

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

q) **Cash and cash equivalents**
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

r) **Earnings per share**

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

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.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

(All amounts in ₹ lakhs except otherwise stated)

3. Property, Plant & Equipment

	Buildings on leasehold land #	Plant and equipment	Office equipment	Computer equipment and IT systems	Furniture and fixtures	Vehicles	Total
Cost or deemed cost							
At April 1, 2018	11,930.48	4,612.58	172.16	4.16	48.54	10.32	16,778.24
Add: Effect of common control transaction (Refer Note 1.1)	-	3,092.15	11.51	39.23	118.02	3.68	3,264.59
Additions	-	387.56	11.20	114.80	78.94	-	592.50
At March 31, 2019	11,930.48	8,092.29	194.87	158.19	245.50	14.00	20,635.33
Additions	28.56	623.83	121.91	21.17	61.02	15.92	872.41
Disposals	-	(204.62)	(1.16)	(4.54)	-	-	(210.32)
As at March 31, 2020	11,959.04	8,511.50	315.62	174.82	306.52	29.92	21,297.42
Accumulated Depreciation							
At April 1, 2018	1,979.37	1,223.72	172.16	4.16	24.98	6.76	3,411.15
Add: Effect of common control transaction (Refer Note 1.1)	-	729.69	8.32	16.76	51.70	1.38	807.85
Depreciation charge for the year	654.47	668.06	2.05	26.27	30.42	2.62	1,383.89
At March 31, 2019	2,633.84	2,621.47	182.53	47.19	107.10	10.76	5,602.89
Depreciation charge for the year	669.79	698.77	9.96	50.90	61.77	2.39	1,493.58
Disposals		(99.28)	(1.16)	(4.46)	-	-	(104.90)
As at March 31, 2020	3,303.63	3,220.96	191.33	93.63	168.87	13.15	6,991.57
Net Block							
At March 31, 2019	9,296.64	5,470.82	12.34	111.00	138.40	3.24	15,032.44
As at March 31, 2020	8,655.41	5,290.54	124.29	81.19	137.65	16.77	14,305.85

Building is constructed on lease hold land taken from GMR Hyderabad Aviation SEZ Limited ("GHASL") who has obtained the same from GMR Hyderabad International Airport Limited ("GHIAL") (holding company). GHIAL has obtained such land under the land lease agreement with the Government of Telangana.

4. Other Intangible Assets

	Right to Operate - Cargo facility	Computer Software	Technical Know-how	Total
Cost or deemed cost				
At April 1, 2018	-	-	-	-
Add: Effect of common control transaction (Refer Note 1.1)	2,102.75	282.61	898.29	3,283.65
Additions	566.24	72.35	-	638.59
Disposals	(34.68)	-	-	(34.68)
At March 31, 2019	2,634.31	354.96	898.29	3,887.56
Additions	371.78	72.32	-	444.10
Disposals	(5.18)	-	-	(5.18)
As at March 31, 2020	3,000.91	427.28	898.29	4,326.48
Accumulated Amortization				
At April 1, 2018	-	-	-	-
Add: Effect of common control transaction (Refer Note 1.1)	658.11	275.88	898.29	1,832.28
Charge for the year	393.51	6.89	-	400.40
Disposals	(28.32)	-	-	(28.32)
At March 31, 2019	1,023.30	282.77	898.29	2,204.36
Charge for the year	488.03	27.86	-	515.89
Disposals	(4.73)	-	-	(4.73)
As at March 31, 2020	1,506.60	310.63	898.29	2,715.52
Net Block				
At March 31, 2019	1,611.01	72.19	-	1,683.20
As at March 31, 2020	1,494.31	116.65	-	1,610.96

5. Right of use Assets

	Right-of-use assets		Total
	Land	Buildings	
At April 01, 2019	-	-	-
Impact of adoption of Ind AS 116 (Refer Note 35)	6,174.76	1,884.68	8,059.44
Additions	-	-	-
Adjustments (Refer Note 35)	(3,790.40)	-	(3,790.40)
As at March 31, 2020	2,384.36	1,884.68	4,269.04
Accumulated Depreciation			
At April 01, 2019	-	-	-
Impact of adoption of Ind AS 116 (Refer Note 35)	277.75	475.07	752.82
Charge for the year	-	-	-
As at March 31, 2020	277.75	475.07	752.82
Net Block			
At April 01, 2019	-	-	-
As at March 31, 2020	2,106.61	1,409.61	3,516.22

6. Intangible Assets under development

	As at March 31, 2020	As at March 31, 2019
Computer Software	-	30.10
Capital expenditure incurred on intangible assets	121.23	91.44
	121.23	121.54

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

7(a) Investments

	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Investment equity instruments (fully paid-up)				
Unquoted investment in subsidiaries				
100,000 (March 31, 2019: 100,000) Equity shares of Rs. 10 each fully paid up in GMR Aero Technic Limited (Refer Note 1.1)	10.00	10.00	-	-
Non-trade investments				
Investment in Commercial Paper (unquoted) (held at amortised cost)				
-Piramal Enterprises Limited (Face value of Rs. 5,000 lakhs (March 31, 2019: Nil))	-	-	4,964.11	-
Investment in mutual funds (unquoted) (held at fair value through profit and loss)				
124,251.904 units (March 31, 2019: Nil) of Rs.100 each of Aditya Birla Sun Life Liquid Fund Growth-Regular Plan	-	-	394.80	-
173,207.142 units (March 31, 2019: 72,819.237 units) of face value of Rs.100 each ICICI Prudential Liquid Fund - Growth	-	-	506.63	200.56
Nil units (March 31, 2019: 257,486.852 units) of face value of Rs.10 each Sundaram Money Fund Regular Growth			-	101.00
23,377.357 units (March 31, 2019: Nil) of face value of Rs.1000 each Axis - Liquid Fund - Growth	-	-	512.95	-
Total	**10.00**	**10.00**	**6,378.49**	**301.56**

7(b) Other Financial Assets

	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security deposits				
Unsecured,considered good, to related parties	48.30	62.96	7.23	6.48
Unsecured,considered good, to others	62.74	50.14	-	-
Interest accrued on fixed deposits	-	-	11.40	-
Interest accrued on Inter Corporate Deposit	-	-	-	50.66
Interest accured on Commercial Paper	-	-	25.12	42.49
Other deposits	0.71	0.71	-	-
Unbilled revenue	-	-	902.99	759.38
Total	**111.75**	**113.81**	**946.74**	**859.01**

8. Deferred tax Assets (net)

		As at March 31, 2020	As at March 31, 2019
Deferred tax liability (DTL) relating to			
Impact of WDV of Property, plant and equipment & Intangible assets		(400.62)	(307.86)
Impact of notional interest on deposits		(17.75)	-
Impact of fair value adjustments on Investments in Mutual Funds		(6.34)	(0.42)
	(A)	**(424.71)**	**(308.28)**
Deferred tax assets (DTA) relating to			
Carry forward tax losses/unabsorbed depreciation		201.56	295.95
Impact of additional expenditure on account of Ind AS 116		101.91	-
Impact of notional interest on deposits		-	3.67
Impact of temporary differences due to disallowances of Gratuity and Leave encashment		121.24	41.36
	(B)	**424.71**	**340.98**
Deferred tax (net)	**(A+B)**	**-**	**32.70**

Deferred tax asset (net)
For the year ended March 31, 2020:

	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing Balance
Deferred tax liability:				
Impact of WDV of Property, plant and equipment & Intangible assets	(307.86)	(92.76)	-	(400.62)
Impact of notional interest on deposits	-	(17.75)	-	(17.75)
Impact of fair value adjustments on Investments in Mutual Funds	(0.42)	(5.92)	-	(6.34)
Total deferred tax liability (A)	**(308.28)**	**(116.43)**	**-**	**(424.71)**
Deferred tax assets:				
Impact of temporary differences due to disallowances of Gratuity and Leave encashment	41.36	66.69	13.19	121.24
Impact of notional interest on deposits	3.67	(3.67)	-	-
Carry forward tax losses/unabsorbed depreciation	295.95	(94.39)	-	201.56
Impact of additional expenditure on account of Ind AS 116	-	101.91	-	101.91
Total deferred tax assets (B)	**340.98**	**70.54**	**13.19**	**424.71**
Deferred Tax Liability (Net) (A + B) (Refer Note below)	**32.70**	**(45.89)**	**13.19**	**-**

Deferred tax asset (net)
For the year ended March 31, 2019:

	Opening Balance	Effect of common control transaction (Refer Note 1.1)	Recognised in statement of profit and loss	Recognised in other comprehensive income	Other adjustments (Equity component of related party loans)	Closing Balance
Deferred tax liability:						
Impact of WDV of Property, plant and equipment & Intangible assets	(295.95)	(37.25)	25.34	-	-	(307.86)
Impact of notional interest on loans	-	(3.92)	-	-	3.92	-
Impact of fair value adjustments on Investments in Mutual Funds	-	-	(0.42)	-	-	(0.42)
Total deferred tax liability (A)	**(295.95)**	**(41.17)**	**24.92**	**-**	**3.92**	**(308.28)**
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
Carry forward tax losses/unabsorbed depreciation	295.95	-	-	-	-	295.95
Total deferred tax assets (B)	**295.95**	**35.19**	**(0.16)**	**10.00**	**-**	**340.98**
Deferred Tax Asset (Net) (A + B) (Refer Note below)	**-**	**(5.98)**	**24.76**	**10.00**	**3.92**	**32.70**

SP

GMR Air Cargo And Aerospace Engineering Ltd. Hyderabad

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

(ii) The Company w.r.t Developer of SEZ unit is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2011-12 under Section 80-IAB of the Income Tax Act, 1961. The Company has recognised deferred tax asset on unabsorbed depreciation and carried forward losses only to the extent the company has sufficient taxable temporary differences.
(iii) Minimum Alternate Tax (MAT) Credit entitlement (cumulative balance) claimed by the Company as per the income tax return filed for the FY 2018-19 on November 30, 2019 aggregating Rs. 3,701.03 lakhs has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

8.1. Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	As at March 31, 2020	As at March 31, 2019
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- unused tax losses	48,353.89	50,101.41
	48,353.89	50,101.41

7.2. Reconciliation of tax expenses to accounting profits is as follows: (Refer Note 40)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit/(loss) before Tax	1,682.96	232.36
Applicable Tax Rate in India (%)	26.00%	29.12%
Expected Income tax expense	437.57	67.67
Adjustments:		
Non-deductible expenses for tax purposes	-	624.56
Effect of tax on exempted/non taxable income/allowable expenses	-	(218.63)
Deductions allowed under Chapter VI-A	-	(445.63)
Effect of tax on other heads of income and others	-	197.87
Effect of non adjustment of losses of the Company against profits of transferor company (Refer Note 40)	-	348.66
On account of adjustment of carried forward business losses (Refer Note 40)	(437.57)	-
Other adjustments	45.89	(24.76)
Tax expense reported in statement of profit and loss	45.89	549.74

9. Tax Assets:

	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance income-tax (net of provisions of Rs. 5,133.27 lakhs (March 31, 2019: Rs. 5,133.27 lakhs)	3,287.09	2,299.76	170.64	172.68
	3,287.09	2,299.76	170.64	172.68

10. Other Assets:

	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good				
Capital advances	285.48	20.38	-	-
Advances recoverable in cash or kind	272.55	272.55	191.38	116.30
Total (A)	558.03	292.93	191.38	116.30
Other loans and advances				
Prepaid expenses	13.83	91.18	204.75	119.39
Balances with statutory/ government authorities	112.47	112.47	202.02	218.15
Total (B)	126.30	203.65	406.77	337.54
Total (A+B)	684.33	496.58	598.15	453.84

11. Inventories

	As at March 31, 2020	As at March 31, 2019
Stores and spares (valued at lower of cost or net realisable value)*	4,325.30	3,368.33
	4,325.30	3,368.33

*includes material in transit of Rs.3.58 lakhs (March 31,2019 Rs.18.60 lakhs)

12. Trade Receivables

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
- Considered good- Secured	-	-
- Considered good-Un Secured	5,358.99	4,507.07
- Have significant increase in Credit Risk	-	-
- Credit impaired	71.13	28.56
Less: Provisions for Trade receivables - credit impaired	(71.13)	(28.56)
Total	5,358.99	4,507.07

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Notes:

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

(ii) Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days for MRO business and 30 - 60 days for Air Cargo business

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

	As at March 31, 2020	As at March 31, 2019
Movement in the allowance for doubtful debts		
Balance at beginning of the year	28.56	-
Add: Effect of common control transaction (Refer Note 1.1)	-	8.23
Impairment losses recognised on receivables	42.57	20.33
Balance at end of the year	**71.13**	**28.56**

13(a) Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Cash on hand	1.82	2.12
Cheques on hand	-	97.74
Balance with banks *		
- on current accounts	425.97	443.07
- exchange earner's foreign currency account	732.60	7.50
- on escrow accounts	2.00	2.00
- Balances in cash credit account	-	2.53
- Deposits with maturity for less than or equal to 3 months	200.00	-
Total	1,362.39	554.96

* Out of above, balance with bank includes bank balance of Rs. 611.35 lakhs are in the name of demerged company (GATL). Company is in the process of change in bank accounts name to the resulting company (GACAEL) as per the Composite scheme (Refer Note 1.1).

13(b) Bank balance other than cash and cash equivalent

	As at March 31, 2020	As at March 31, 2019
Fixed deposits held as Margin money	5.33	5.00
Deposits with maturity for more than three months but less than 12 months		
- Held as Security (Refer Note below)	-	2,821.00
- With Others	498.00	648.00
	503.33	3,474.00

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 which was withdrawn and overdraft facility was closed during the current year.

14. Financial Assets - Loans

	As at March 31, 2020	As at March 31, 2019
Inter corporate deposit		
- Considered good-Un Secured	-	5,000.00
- Have significant increase in Credit Risk	-	-
- Credit impaired	-	-
Total	-	5,000.00

15. Share Capital

	Equity Shares	
	In numbers	Amount
Authorised share capital:		
At April 01, 2018	355,000,000	35,500.00
355,000,000 equity shares of Rs. 10/- each		
Add: Effect of common control transaction (Refer Note 1.1)		
2,500,000 equity shares of Rs. 10/- each	2,500,000	250.00
50,000 compulsory convertible cumulative preference shares of Rs.10/- each (Series B)	50,000	5.00
18,450 compulsory convertible cumulative preference shares of Rs. 10,000/- each (Series A)	18,450	1,845.00
At March 31, 2019	357,568,450	37,600.00
Increase during the year	324,000,000	32,400.00
As at March 31, 2020	681,568,450	70,000.00

Issued, subscribed and fully paid share capital	As at March 31, 2020	As at March 31, 2019
455,812,200 (March 31, 2019: 338,400,000) fully paid equity shares of Rs. 10 each	45,581.22	33,840.00
18,000 (March 31, 2019: Nil) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up (Refer Note 1.1)	1,800.00	-
18,735 (March 31, 2019: Nil) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up (Refer Note 1.1)	1.87	-
	47,383.09	33,840.00

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

a. Reconciliaton of number of shares and amount outstanding at end of the year

Equity Shares	In numbers	Amount
As at April 01, 2018	324,900,000	32,490.00
Issues of the shares during the year	13,500,000	1,350.00
As at March 31, 2019	338,400,000	33,840.00
Issues of the shares during the year (Refer Note below)	117,412,200	11,741.22
As at March 31, 2020	455,812,200	45,581.22

Preference shares - Series A CCCPS of Rs.10,000/- each fully paid up	In numbers	Amount
As at April 01, 2019	-	-
Issues of the shares during the year (Refer Note below)	18,000	1,800.00
As at March 31, 2020	18,000	1,800.00

Preference shares - Series B CCCPS of Rs.10/- each fully paid up	In numbers	Amount
As at April 01, 2019	-	-
Issues of the shares during the year (Refer Note below)	18,735	1.87
As at March 31, 2020	18,735	1.87

Note: Includes effect of common control transaction (refer Note 1.1), adjustments have been made in respect of consideration other in cash aggregating Rs. 10,993.09 lakhs to be discharged by issue of Equity shares of Rs. 9,191.22 lakhs and Compulsorily Convertible Cumulative Preference Shares (Series A & B) of Rs 1,801.87 lakhs.

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.

c. Shares held by holding company

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

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	No of shares held	Amount	No of shares held	Amount
GMR Hyderabad International Airport Limited and its nominees				
45,58,12,200 fully paid equity shares of Rs. 10 each	455,812,200	45,581.22	338,400,000	33,840.00
18,000 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up	18,000	1,800.00	-	-
18,735 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up	18,735	1.87	-	-

d. Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	No of shares held	% Holding in Class	No of shares held	% Holding in Class
45,58,12,200 fully paid equity shares of Rs. 10 each				
GMR Hyderabad International Airport Limited and its nominees	455,812,200	100%	338,400,000	100%
18,000 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up				
GMR Hyderabad International Airport Limited and its nominees	18,000	100%	-	-
18,735 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up				
GMR Hyderabad International Airport Limited and its nominees	18,735	100%	-	-

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.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

(All amounts in ₹ lakhs except otherwise stated)

16. Other equity	As at March 31, 2020	As at March 31, 2019
(i) Equity component of related party loan		
As at April 01, 2019 / April 01, 2018	51.17	-
Add: Effect of common control transaction (Refer Note 1.1)	-	58.27
Less: Adjustment during the period	-	(7.10)
Closing Balance	**51.17**	**51.17**

(ii) Retained earnings	As at March 31, 2020	As at March 31, 2019
Opening Balance	(48,170.13)	(1,348.40)
Add: Effect of common control transaction (Refer Note 1.1)	-	(46,199.91)
Add: Profit/(Loss) for the year	1,637.07	(317.38)
Remeasurement (losses) on the defined benefit plans	(37.55)	(44.43)
Dividend paid to earlier share holders of CCCPS (Series A) amount per share Rs. 1,197/- per share (Refer Note 1.1)	(107.73)	(215.46)
Dividend paid to earlier share holders of CCCPS (Series B) amount per share Rs. 1,197/- per share (Refer Note 1.1)	(0.11)	(0.22)
Dividend distribution tax on CCCPS dividend	(22.17)	(44.33)
Closing Balance	**(46,700.62)**	**(48,170.13)**

(iii) Amalgamation Adjustment Deficit Account	As at March 31, 2020	As at March 31, 2020
Opening balance	(1,089.16)	-
Add: Effect of common control transaction (Refer Note 1.1)	-	(1,089.16)
Closing balance	(1,089.16)	(1,089.16)
(iv) Share application money pending allotment	-	1,000.00
Total	(47,738.61)	(48,208.12)

16.1. Distributions made and proposed

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividends on CCCPS - Series A, and Series B declared and paid: (Refer Note below)		
Dividend on CCCPS (Series A) amount per share Rs. 1,197/-	107.73	215.46
Dividend on CCCPS (Series B) amount per share Rs. 1,197/-	0.11	0.22
Dividend distribution tax on above	22.17	44.33

Notes

During the year ended March 31, 2020:
The Board of Directors:
(a) 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.
(b) At their meeting held on July 24, 2019 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for Quarter 1 of FY 2019-20.

During the year ended March 31, 2019:
The Board of Directors:
(b) 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.

(c) 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.

(d) 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.
(e) 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.
(f) 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.
(g) 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.

17. Borrowings

	Long Term		Short Term	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Debentures				
Secured				
Redeemable Non Convertible Debentures	9,974.20	9,968.45	-	-
Unsecured				
Redeemable Non Convertible Debentures	17,454.86	17,444.84	-	-
Others				
Overdraft facility from bank	-	-	-	2,799.99
	27,429.06	27,413.29	-	2,799.99

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Notes:(i) During the year ended March 31, 2018 the Company has issued 1,000 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of Rs. 1,000,000 each and fixed interest of 8.55% per annum payable semi-annually and the interest rate shall be reset at the end of 4 years from the allotment as per the terms of Debenture Trust Deed. Tenure of Non Convertible Debentures (NCDs) is 7 years from the date of allotment and is due for payment at the end of 7th year from the date of allotment.

The Debentures are secured by:

(a) First pari-passu charge by way of equitable mortgage of leasehold rights of the land to the extent of 16.46 acres on which MRO facilities are constructed along with the buildings, structures, etc. on the land.

(b) First ranking pari-passu charge on all movable assets of the company, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.

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

(d) First ranking pari-passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of company in the Project Documents and operation and maintenance related agreements, Clearances Approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents and the insurance Proceeds received by Company.

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

(f) As per the Debenture Trust Deed dated October 04, 2017, Debenture Trustee (acting on the instruction of Majority Resolution) may permit the Company to create a charge on the Security in favour of lenders advancing Loan Equivalent Risk Facility("LER Facility") to the Company. The Security Interest created over the Security for securing the LER Facility shall be second charge and shall rank subservient to the charge of the Debenture Holders.

(g) Redeemable Non-Convertible debentures includes an adjustment of unamortised upfront fee paid of ₹ 25.80 lakhs as at March 31, 2020 (As at March 31, 2019: ₹ 31.55 lakhs) and also refer note 39.

(ii) During the year ended March 31, 2018 the Company issued 1750 Senior, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of Rs. 1,000,000 each and fixed interest of 8.55% per annum payable semi-annually and the interest rate shall be reset at the end of 4 years from the allotment as per the terms of Debenture Trust Deed. Tenure of Non Convertible Debentures (NCDs) is 7 years from the date of allotment and is due for payment at the end of 7th year from the date of allotment.

The Debentures are secured by:

(a) First ranking pari passu charge on all movable assets of the company, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future.

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

(c) First ranking pari passu charge and assignment on all the rights, title, interest, benefits, claims and demands whatsoever of company in the Project Documents and operation and maintenance related agreements, Clearances Approvals pertaining to their operations, both present and future and letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents and the insurance Proceeds received by Company.

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

(e) The Charge Created against Debt as per the Debenture Trust Deed dated October 04, 2017 in all respects, rank pari-passu inter se amongst the Debenture Holders and the Working capital lenders, without any preference or priority to one over the other or others. The Working Capital Facility to be availed, shall be in the form and substance, satisfactory to the debenture holders, shall not exceed an amount of ₹ 3,500 lakhs (Rupees Three Thousand Five Hundred Lakhs Only)

(f) Redeemable Non-Convertible debentures includes an adjustment of unamortised upfront fee paid of ₹ 45.14 lakhs as at March 31, 2020 (₹ 55.16 lakhs as at March 31, 2019) and also refer note 39.

(iii)The overdraft facility availed by the Company from Abu Dhabi Commercial Bank is repayable on demand and carries interest of FD rate plus 150bps, which is secured by fixed deposit placed with Abu Dhabi Commercial Bank as per the terms of sanction letter. The facility was closed during the current year.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

(All amounts in ₹ lakhs except otherwise stated)

18. Lease Liabilities

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Lease Liabilities (Refer Note 35)	3,002.85	-	1,323.26	-
	3,002.85	-	1,323.26	-

19. Provisions

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
Provision for gratuity	80.05	99.76	-	-
Leave Encashment	-	-	386.25	310.76
Total	80.05	99.76	386.25	310.76

20. Trade payables

	Current	
	As at March 31, 2020	As at March 31, 2019
Trade Payables		
(i) Total Oustanding dues of micro enterprises and small enterprises	12.60	58.24
(ii) Total Oustanding dues of creditors other than micro enterprises and small enterprises (Refer Note 34)	9,464.42	9,750.30
	9,477.02	9,808.54

Based on and to the extent of information availble 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, 2020	As at March 31, 2019
(i) Principal amount due to suppliers under MSMED Act, as at the end of the Year	12.60	58.24
(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)	-	-

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

21. Other financial liabilities

	Current	
	As at March 31, 2020	As at March 31, 2019
Payables for purchase of fixed assets	78.13	355.75
Deposit from customers	71.88	54.29
Retention money	17.05	12.06
Interest Accrued but not due on borrowings	6.44	6.44
Other Payables	27.41	34.42
	200.91	462.96

22. Other current liabilities

	Current	
	As at March 31, 2020	As at March 31, 2019
Advances from customers	213.28	253.60
Others		
Stautory Liabilities	598.95	557.09
Unearned revenue	935.35	150.52
	1,747.58	961.21

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

(All amounts in ₹ lakhs except otherwise stated)

23. Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from MRO operations		
Revenue from MRO Services	20,346.02	15,353.67
Income from cargo operations		
Cargo operations	8,748.14	8,976.05
Improvements to concession asset	371.78	566.24
Other operating revenue		
Document handling charges	100.08	77.25
Container handling charges	74.51	53.81
Rent	145.05	146.47
Parking income	37.07	36.61
	29,822.65	**25,210.10**

24. Other income	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income	602.70	278.64
Finance income on financial assets held at amortised cost	7.09	5.31
Fair value gain on financial instruments at fair value through profit or loss	24.38	3.50
Profit on sale of Mutual Funds	69.32	362.32
Gain on account of foreign exchange fluctuation (net)	350.15	60.14
Liabilities no longer required, written back	-	0.76
Other non operating income	40.94	58.41
Miscellaneous income	236.84	97.40
	1,331.42	**866.48**

25. Cost of stores and spare consumed	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year	3,368.33	3,126.44
Add: Purchases	7,037.81	4,898.99
Less: Inventory written off	(26.25)	(33.26)
Less: Inventory at the end of the year	(4,325.30)	(3,368.33)
	6,054.59	**4,623.84**

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

(All amounts in ₹ lakhs except otherwise stated)

26. Employee benefit expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	7,119.27	5,758.20
Contribution to provident and other funds (Refer Note 33)	382.83	274.85
Gratuity expenses (Refer Note 33)	28.72	78.57
Staff welfare expenses	522.12	469.33
Total	**8,052.94**	**6,580.95**

27. Finance costs	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on		
Cash Credit facility and overdraft facility from bank	116.72	239.53
Redeemable Non Convertible Debentures	2,367.00	2,366.95
Lease Liability	698.54	-
Financial liabilities held at amortized cost	-	2.44
Interest others	0.11	0.05
Bank and finance charges	49.15	56.36
	3,231.52	**2,665.33**

28. Depreciation and amortisation expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (Refer Note 3)	1,493.58	1,383.89
Amortisation of intangible assets (Refer Note 4)	515.89	400.40
Depreciation on Right of use Assets (Refer Note 5)	752.82	-
	2,762.29	**1,784.29**

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

29. Other expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
Rates and taxes	594.53	283.89
Concession fee	1,773.74	1,800.42
Technical fee	581.21	468.73
Cargo handling charges	477.34	380.29
Lease expenses	123.18	644.22
Concessionaire rent	33.04	598.39
Electricity and water charges (net of recoveries)	589.01	612.97
Equipment hire charges	81.36	63.04
Insurance	342.99	234.70
Repairs and Maintenance		
- Plant and machinery	213.09	198.36
- Buildings	59.57	119.43
- IT Systems	86.86	78.09
- Others	604.33	482.18
Sub-contracting expenses	153.82	91.58
Advertising and sales promotion	83.46	43.50
Travelling and conveyance	482.80	497.46
Communication expenses	57.48	48.12
Printing and stationery	42.83	29.70
Security expenses	167.61	255.59
House Keeping Charges	59.92	40.82
Business development expenses	209.58	111.47
Membership and Subscriptions	17.33	78.34
Corporate social responsibility expense	-	59.62
Legal and professional fees	1,004.82	635.04
Board meeting expenses	3.39	4.29
Payment to auditors *	41.87	31.39
Provision for doubtful trade receivable	42.57	20.33
Bad debts written off	27.55	-
Property, plant and equipment written off	105.42	6.35
Charity and Donations	770.00	1,501.00
Inventory written off	26.25	33.26
Miscellaneous expenses	141.04	171.00
	8,997.99	**9,623.57**

*net of reimbursements of Rs 16.80 lakhs (March 31, 2019 - Rs 116.68 lakhs)

Note: The Company has made a Donation to Prudent Electoral Trust (formerly known as Satya Electoral Trust) amounting to Rs. 700.00 Lakhs (March 31, 2019 - Rs. 1,500 Lakhs).

Payment to auditors	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit fee	14.96	21.56
Limited review/Certifications	24.00	9.00
Reimbursement of expenses	2.91	0.83
	41.87	**31.39**

30. 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, 2020	For the year ended March 31, 2019
Re-measurement (losses) on defined benefit plan	(50.74)	(54.43)
Deferred tax impact on above	13.19	10.00
	(37.55)	**(44.43)**

sf

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

(All amounts in ₹ lakhs except otherwise stated)

31. Tax expenses

(a) Income tax expense:

The major components of income tax expenses For the year ended March 31, 2020 and year ended March 31, 2019 are:

(i) Profit or loss

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	-	574.50
Deferred tax	45.89	(24.76)
Total income tax expense recognised in statement of Profit & Loss	**45.89**	**549.74**

(ii) OCI

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income tax effect on remeasurement of defined benefit plans	(13.19)	(10.00)
Income tax charge / (credit) to OCI	**(13.19)**	**(10.00)**

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

32. Earnings Per Share (EPS)

The following reflects the income/(loss) and share data used in the basic/diluted EPS computations:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) for the year	1,637.07	(317.38)
Less : Preference dividend and tax thereon	(260.01)	(260.01)
Profit/ (Loss) attributable to equity shareholders	1,377.06	(577.39)
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted)*	449,196,080	426,797,132
Earnings Per Share (Basic and diluted) (face value of Rs. 10 each)**	0.31	(0.14)

* Adjustments have been made in respect of consideration other than in cash aggregating Rs. 10,993.09 lakhs to be discharged by issue of Equity shares of Rs. 9,191.22 lakhs and Compulsorily Convertible Cumulative Preference Shares of Rs. 1,801.87 lakhs (Refer Note 1.1).

** The conversion of compulsorily convertible cumulative preference 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.

33. Employee benefits plan

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.

Statement of profit and loss
Net employee benefit expense (recognized in the employee cost)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost (including past service cost)	24.77	75.48
Interest cost on benefit obligation	3.95	3.09
Net benefit expense	**28.72**	**78.57**

Balance sheet
Details of provision for gratuity

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	(556.06)	(491.69)
Fair value of plan assets	476.01	391.93
Plan liability	**(80.05)**	**(99.76)**

a. Defined benefits plan: (MRO Division)

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 for MRO business:

Statement of profit and loss
Net employee benefit expense (recognized in the employee cost)

	March 31, 2020	March 31, 2019
Current service cost (including past service cost)	57.02	44.62
Interest cost on benefit obligation	5.33	4.42
Net benefit expense	**62.35**	**49.04**

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

Balance sheet

Details of provision for gratuity

	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	(338.31)	(253.27)
Fair value of plan assets	193.84	163.47
Plan liability	**(144.47)**	**(89.80)**

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

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	253.27	196.77
Interest cost	18.36	13.86
Current service cost (including past service cost)	57.02	44.62
Benefits paid	(23.27)	(28.49)
Actuarial loss on obligation	32.93	26.51
Closing defined benefit obligation	**338.31**	**253.27**

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

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	163.47	98.50
Expected return	13.03	9.47
Contributions by employer	39.32	80.37
Actuarial gain	1.30	3.62
Benefits paid	(23.28)	(28.49)
Closing fair value of plan assets	**193.84**	**163.47**

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

	March 31, 2020	March 31, 2019
Investments with insurer	100%	100%

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

	March 31, 2020	March 31, 2019
Discount rate	6.80%	7.60%
Salary escalation Rate	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%

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

Expected Benefits payments for the year ending

Year ending	March 31, 2020
March 31, 2021	15.27
March 31, 2022	18.65
March 31, 2023	24.78
March 31, 2024	31.13
March 31, 2025	53.38
March 31, 2026 to March 31, 2030	330.38

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

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by Rs. 35.89 lakhs (increase by Rs. 42.84 lakhs) as of March 31, 2020.

If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by Rs. 29.77 lakhs (decrease by Rs. 28.43 lakhs) as of March 31, 2020.

Note:

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

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

b. Defined benefits plan: (Air Cargo Division)

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 for Cargo business

Statement of profit and loss

Net employee benefit expense (recognized in the employee cost)

	March 31, 2020	March 31, 2019
Current service cost (including past service cost)	(32.25)	30.86
Interest cost on benefit obligation	(1.38)	(1.33)
Net benefit expense	**(33.63)**	**29.53**

Balance sheet

Details of provision for gratuity

	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	217.75	238.42
Fair value of plan assets	282.17	228.46
Plan asset/ (liability)	**64.42**	**(9.96)**

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

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	238.42	184.23
Interest cost	15.72	30.86
Current service cost (including past service cost)	(32.25)	12.68
Benefits paid	(21.09)	(17.94)
Net Actuarial losses on obligation for the period recognised under OCI	16.95	28.59
Closing defined benefit obligation	**217.75**	**238.42**

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

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	228.46	169.81
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excl. interest income	(2.17)	(2.96)
Interest income	17.10	14.02
Contributions by employer	59.87	65.53
Benefits paid	(21.09)	(17.94)
Closing fair value of plan assets	**282.17**	**228.46**

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Notes to the Financial Statements for the year ended March 31, 2020
(All amounts are in Rs. lakhs, unless otherwise stated)

Net Defined Benefit Obligation recognised in Balance Sheet

	March 31, 2020	March 31, 2019
Defined Benefit Obligation	(217.75)	(238.42)
Fair value of Plan Assets	282.17	228.46
Net Defined Benefit Asset/ (Obligation)	**64.42**	**(9.96)**

Actuarial (gain) / loss on obligation:

	March 31, 2020	March 31, 2019
Experience loss/ (gain)	9.76	25.20
Financial loss/ (gain)	7.19	3.39
Total actuarial (gain)/loss	**16.95**	**28.59**

Amount recognised in other comprehensive income (OCI):

	March 31, 2020	March 31, 2019
Opening amount recognised in OCI	39.34	7.79
Remeasurement for the year - Obligation (gain)/loss	16.95	28.59
Return on Plan Assets excluding net interest	2.17	2.96
Closing amount recognised in OCI	**58.46**	**39.34**

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

	March 31, 2020	March 31, 2019
Discount rate	5.90%	6.90%
Salary escalation Rate	7.50%	7.50%
Withdrawal 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.

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

Expected Benefits payments for the year ending

Year ending	March 31, 2020	March 31, 2019
Within 1 year	50.58	43.48
1 - 2 year	58.00	45.16
2 - 3 year	46.29	56.28
3 - 4 year	44.69	49.80
4 - 5 year	47.02	51.56
5 - 10 years	205.14	231.29

Sensitivity analysis:

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

(a) Effect of 1% change in assumed discount rate

	March 31, 2020	March 31, 2019
- 1% increase	(7.19)	(9.70)
- 1% decrease	7.74	10.57

(b) Effect of 1% change in assumed salary escalation rate

	March 31, 2020	March 31, 2019
- 1% increase	0.34	10.43
- 1% decrease	(0.31)	(9.76)

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

c. Defined contribution plan

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

	March 31, 2020	March 31, 2019
Contribution to Provident Fund	353.11	243.18
Contribution to Superannuation Fund	29.69	31.50
Contribution to ESI	35.23	46.39

d. Leave benefit liabilities provided based on actuarial valuation amounts to Rs. 386.25 lakhs as at March 31, 2020 (March 31, 2019: Rs. 310.76)

The actuarial assumptions (demographic & financial) employed for the calculations for MRO business as at March 31, 2020 and March 31, 2019 are as follows.

	March 31, 2020	March 31, 2019
Discount rate	6.80%	7.60%
Salary escalation rate	8.00%	8.00%
Withdrawal rate	5.00%	5.00%

The actuarial assumptions (demographic & financial) employed for the calculations for Cargo business as at March 31, 2020 and March 31, 2019 are as follows.

	March 31, 2020	March 31, 2019
Discount rate	5.90%	6.90%
Salary escalation rate	7.50%	7.50%
Withdrawal rate	20.00%	20.00%

34. Related Party Disclosures:

A. Names of related parties and description of relationship:

Sl. No	Relationship	Name of related party
(i)	Holding Company	GMR Hyderabad International Airport Limited (GHIAL)
(ii)	GHIAL's holding Company	GMR Airports Limited (GAL)
(iii)	GAL's holding Company	GMR Infrastructures Limited(GIL)
(iv)	Ultimate holding Company	GMR Enterprises Private Limited (formerly known as GMR Holdings Private Limited)
(v)	Subsidiary Company	GMR Aero Technic Limited (GATL)
(v)	Fellow Subsidiaries (Where transactions have taken place during the year).	GMR Hyderabad Aviation SEZ Limited (GHASL)
		Raxa Security Services Limited
		GMR Hospitality and Retail Limited
		Asia Pacific Flight Training Academy Limited (up to March 1, 2019)
		Delhi International Airport Limited
		GMR Airport Developers Limited
		GMR Infra Developers Limited
(vi)	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)
(vii)	Enterprises having significant influence (up to November 02, 2018)	Menzies Aviation Cargo (Hyderabad) Limited, Mauritius Menzies Aviation Plc (UK) Menzies Aviation (India) Private Limited

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

(viii)	Key Managerial personnel (KMP)	Mr. P. S. Nair -Director
		Mr. Rajesh Kumar Arora -Director
		Mr. Gopalakrishna Kishore Surey - Director, Chairman
		Mr. Buchisanyasi Raju Grandhi- Director (w.e.f. April 30, 2018)
		Mr. Abdul Rahman Harith Saif Al Busaidi-Independent Director (up to March 27, 2020)
		Mrs. Kavitha Gudapati- -Independent & Woman Director
		Mr. Ashok Gopinath – Chief Executive Officer (up to September 19, 2019)
		Mr. K Venkata Ramana – Chief Financial Officer
		Ms. Apeksha Naidu- Company Secretary (up to January 30, 2020)
		Mr. G. Chandrabushan-Manager (w.e.f. September 19,2019)
		Mr. N. C. Sarabeswaran (w.e.f March 29, 2020)
		Mr. Rakhal Panigrahi (w.e.f. June 04, 2020)

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

Details of Key Managerial Personnel	Remuneration		Sitting fees	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Mrs. Kavitha Gudapati	-	-	1.75	2.30
Mr. Abdul Rahman Harith Saif Al Busaidi	-	-	1.65	2.00
Mr. Ashok Gopinath	81.48	160.98	-	-
Mr.K.Venkata Ramana	80.58	66.89	-	-
Ms. Apeksha Naidu	5.57	5.48	-	-
Mr. Rakhal Panigrahi	1.49	-	-	
G. Chandra Bushan	12.96	-	-	
Total	**182.08**	**233.35**	**3.40**	**4.30**

A. Summary of Transactions with related parties for the year ended:

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	**GMR Hyderabad International Airport Limited**		
	Allotment of share capital (Refer Not 1.1)	11,741.22	1,350.00
	Receipt of Share application money	1,550.00	1,850.00
	Lease Rentals and Other Related expense	9.07	10.34
	Corporate guarantee given in relation to Working capital facility	3,000.00	-
	Preference dividend paid	107.84	36.13
	Concessionaire rent	33.04	598.39
	Concessionaire fee	1,773.74	1,800.42
	Reimbursement of salary cost	214.74	189.24
	Deposits received back	10.00	10.00
	Repairs & Maintenance – Buildings	0.51	0.64
	Repairs and Maintenance - Plant and machinery	4.21	0.29
	Repairs & Maintenance – Others	6.18	4.83
	Training charges	0.50	0.20

GMR Air Cargo And Aerospace Engineering Ltd ★ Hyderabad

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

	Reimbursement of property insurance	2.05	1.61
	Reimbursement of rates and taxes	20.84	20.84
	Royalty charges	43.39	18.82
	Capital work-in-progress	-	15.73
	Power and water charges	245.40	270.59
	Bank charges – Reimbursement	18.05	11.09
	Cargo Handling Charges	-	0.95
	Interest on security deposit - Unwinding of discount	3.52	4.18
	Amortization of prepaid expense - Unwinding of discount	-	5.46
	Travel and conveyance	7.51	3.26
	Communication – Telephone	10.15	2.45
	Audit Charges – Reimbursement	0.50	-
	Depreciation on ROU Assets	475.07	-
	Follow me Vehicle Charges	3.67	4.19
	Finance cost on Lease Liabilities	180.74	-
	Bank Guarantee commission	-	0.57
(b)	**GMR Hyderabad Aviation SEZ Limited**		
	Lease rental	-	553.41
	Interest on Lease Liability	514.61	-
	Lease rental – amortization of prepaid expense	-	3.14
	Depreciation on ROU Asset	253.33	-
	Interest on security deposit - Unwinding of discount	1.26	1.13
	Electricity and Water Charges	360.55	351.58
	Repairs and maintenance – Others	19.41	22.08
(c)	**GMR Airport Developers Limited**		
	Repairs and maintenance -IT	55.92	53.08
	Repairs and maintenance -Others	196.97	184.08
	Reimbursement of Software maintenance	12.60	-
	Reimbursement of manpower deputation	18.87	-
	Repairs & Maintenance – Buildings	-	7.76
	Capital work-in-progress	5.02	0.75
(d)	**GMR Hospitality and Retail Limited**		
	Lodging and food expenses (Travelling and conveyance)	31.85	18.99
	Purchase of Laptop	-	0.82
	Miscellaneous expenses	0.35	-
	Travelling and conveyance	-	0.35
	Marketing expense	0.58	-
	Income from Cargo operations	6.66	-
(e)	**Raxa Security Services Limited**		
	Security services	131.36	106.65
(f)	**Delhi International Airport Limited**		
	Royalty charges	13.77	-
	Electricity charges	0.42	-
	Interest on security deposit - Unwinding of discount	2.31	2.08
	Lease rental and other related expenses	57.70	56.70
(g)	**GMR Airports Limited**		
	Training charges	7.14	8.10
	Technical fees	581.21	-
	Reimbursement of Audit fees	16.29	116.68
(h)	**Asia Pacific Flight Training Academy Limited**		
	Revenue from operations	-	12.94
(k)	**Menzies Aviation Cargo (Hyderabad) Limited, Mauritius**		

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

	Preference dividend paid	-	179.55
(k)	**Menzies Aviation Plc (UK)**		
	Technical fees	-	468.73
	Repairs & Maintenance – Others	-	32.52
	Communication expenses	-	10.26
	Bank charges - Reimbursement	-	5.45
(l)	**Menzies Aviation (India) Private Limited**		
	Unsecured loans repaid	-	50.00
	Interest on loan - Unwinding of discount and changes in the discount rate	-	2.44
(m)	**GMR Aero Technic Limited**		
	Deputation Charges	5.10	-
	Management Fees	50.01	-
(n)	**GMR Infra Developers Limited**		
	Loans given	1000.00	-
	Receipt of Loan given	1000.00	-
	Interest income on loans	3.36	-
(o)	**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)**		
	Contribution to the Gratuity fund	59.87	65.54
	Administrative expenses for maintenance of Gratuity fund	-	0.86

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

B. **Outstanding balances at the end of the Year – Debit/(Credit):**

	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	**GMR Hyderabad International Airport Limited**		
	Share application money pending allotment	-	(1,000.00)
	Trade Payable	(247.42)	(587.72)
	Finance lease liability	(1,514.08)	-
	Right-of-use Leased Assets	1,409.62	-
	Security Deposit	29.30	35.78
	Corporate guarantee given in relation to Non-Convertible Debentures	-	27,500.00
	Corporate guarantee given in relation to Working capital facility	3,000.00	-
	Payables for purchase of Intangible Assets	-	(215.93)
	Prepaid expenses (Unwinding of discount and changes in discount rates)	-	21.85
	Prepaid expenses	3.91	20.01
(b)	**GMR Hyderabad Aviation SEZ Limited**		
	Security Deposit	12.26	11.00
	Prepaid Expenses	-	59.63
	Right of use Asset	2,078.96	-
	Lease Liability	(2,787.27)	-
	Trade Payables	(5,423.28)	(5,232.76)
(c)	**GMR Airport Developers Ltd**		
	Trade Payable	(77.54)	(116.29)

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

	Payable for purchase of Intangibles	(3.38)	(0.75)
(d)	**GMR Hospitality and Retail Limited**		
	Trade Payable	(18.21)	(2.39)
	Advances received from Customers	(0.40)	(0.60)
(e)	**Raxa Security services Limited**		
	Trade Payable	(18.07)	(15.96)
(f)	**GMR Airports Limited**		
	Trade Payable	(140.54)	-
(h)	**Delhi International Airport Ltd**		
	Security Deposit	24.97	22.66
	Advance to Suppliers	0.50	-
	Prepaid Expenses	-	2.19
	Trade Payable	(11.94)	(1.76)
(i)	**Asia Pacific Flight Training Academy Ltd**		
	Trade Receivables	-	4.69
(j)	**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)**		
	Trade Payables	(0.87)	(1.56)
(m)	**GMR Aero Technic Limited**		
	Investment in equity shares	10	10
	Other payables	(27.41)	(34.42)

35. Leases:

The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach. Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

Accordingly, on transition to Ind AS 116, the Company recognised the right-of-use assets of Rs. 8,059.44 lakhs and lease liabilities amounting of Rs. 7,964.42 lakhs. Consequent to the amendment of lease agreement with GMR Hyderabad Aviation SEZ Limited w.e.f December 01, 2019, remeasurement of lease liability has been carried out to reflect the revised lease rentals and the corresponding adjustment of Rs. 3,790.40 lakhs has been done to ROU. During the year ended March 31, 2020, the Company has recognised interest expense on leases amounting to Rs. 698.54 lakhs and depreciation on right-of-use assets amounting to Rs. 752.82 lakhs in these standalone financial statements.

The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability. The Company has applied the below practical expedients:

i. The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".
ii. The Company has not applied the requirements of Ind AS 116 for leases of low value assets.
iii. The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.
iv. The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

SP

GMR Air Cargo And Aerospace Engineering Ltd. Hyderabad

Impact of Ind AS 116 on the Statement of profit and loss account:

Particulars	For the year ended March 31, 2020
Interest on lease liability (Refer Note 27)	698.54
Amortisation on right of use assets (Refer Note 28)	752.82
Less: Lease rental expenses	(1051.87)
Impact on the statement of profit and loss account	**399.49**

36. Commitments and Contingencies

a) Capital and other commitment

i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) amounting to Rs. 548.09 lakhs (March 31, 2019 – Rs. 415.08 lakhs)

b) Contingent Liabilities

i. The Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the order of Commissioner of Service Tax for the rejection of service tax refund claim amounting to Rs. 102.92 lakhs.

ii. **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). In the absence of profits available for distribution, the Company has not declared preference dividend on Compulsorily Convertible Cumulative Preference Shares ("CCCPS") which is amounting to Rs. 161.76 lakhs and tax thereon for the quarter ended September 30, 2019, December 31, 2019 and March 31, 2020.

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.

GMR Air Cargo And Aerospace Engineering Ltd. ★ 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.

(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. The Company had 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 previous 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 years 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 FY 2018-19, 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) During the previous year, the Company has received an order 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. During the current year, the company has received an order on January 06, 2020 dated December 13, 2019 partially allowing the expense. Aggrieved by the order, the Company has filed an appeal with the ITAT, Hyderabad for which matter is pending. However, 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

SP

Air Cargo And Aerospace Engineering Ltd. Hyderabad 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 an 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 previous year. 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.

(iii) The Company has received a SCN No. 31/2019-20 dated July 23, 2019 along with corrigendum to SCN dated July 25, 2019 from DGGI (Directorate General of GST Intelligence) on following points:

(a) Non reversal of CENVAT Credit against sale of goods for Rs. 2.58 lakhs.

(b) Proposing disallowance of Export of Services on the ground that 'Place of supply' for MRO Services of Aircraft going out of India after being put to use India can't be said to be outside India. Hence it does not qualify 'Export of Service' and hence subject to Service Tax for Rs. 207.99 lakhs along with applicable interest and penalty.

The Company has filed a writ petition on August 21, 2019 and received interim relief on August 22, 2019 staying the proceedings. Department has filed its reply and requested for stay vacation. The company is in the process of filing rejoinder. 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.

(iv) The Company has received a SCN No. 04/2019-20/AC dated 19 July 2019 from Office of the Commissioner of Central Tax requiring the Company to show cause as to why service tax payable of Rs. 19.35 lakhs on recovery from the Employee on serving the Short Notice Period which is subject to Service Tax under declared service ' To tolerate an Act' u/s 66E (e.) of the Finance Act ,1994 should not be demanded under the provisions of Section 73 of Finance Act, 1994 along with interest under Section 75 and penalty under Section 78 of Finance Act , 1994.

The company has filed a written response on August 19, 2019. Personal hearing held on January 23, 2020 and waiting for the final order. On similar issue, Group Company has gone for appeal and got the favorable order. Hence Management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

GMR Air Cargo And Aerospace Engineering Ltd. Hyderabad

(d) Provident Fund

(i) During the previous 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) In lieu of the judgement of Hon'ble Supreme Court dated 28 February 2019 in relation to the provisions of Section 6 of the Employees Provident Fund Act 1952, all fixed payments/allowances shall be part of Basic Wages which are paid universally, necessarily and ordinarily to employees except variable payments. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether the interest and penalties may be assessed.

The Management have determined that on account of the practicality of application of the judgement and uncertainty with respect to retrospective applicability, the Company would be in a position to determine the liability if any only on receipt of further clarifications on the said judgement. The Company will take the necessary steps based on further clarifications on the above matters and accordingly is of the opinion that the amount cannot be reasonably estimated. However, as a matter of caution, the Company has made a provision on a prospective basis.

37. Net dividend remitted in foreign exchange

(a) Compulsorily Convertible Cumulative Preference Shares

Year of remittance (ending on)	March 31, 2020	March 31, 2019	
Period to which relates		April 01, 2018 to October 31, 2018	January 01, 2018 to March 31, 2018
Number of non-resident shareholders	-	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
Amount remitted in USD	-	1,76,123	80,353
Amount remitted in Rs. Lakhs	-	125.69	53.87

38. Segment Reporting

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company has identified two reportable segments under Ind AS 108 as follows:
a) Maintenance, Repairs and Overhauling (MRO) and;
b) GMR Hyderabad Air Cargo (Air Cargo)

The Chief Operating Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

	Segment Revenue		Segment Profit	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
MRO	20,346.02	15,353.67	2,742.83	1301.99
Air Cargo	9,477.98	9,857.35	840.23	729.22
	29,824.00	**25,211.02**	**3,583.06**	**2,031.21**
Less: Inter segment	(1.35)	(0.92)	-	-
Total	**29,822.65**	**25,210.10**	**3,583.06**	**2,031.21**
Other income			1,331.42	866.48
Finance costs			(3,231.52)	(2,665.33)
Tax expense			(45.89)	(549.74)
Profit after tax			**1,637.07**	**(317.38)**

Segment assets and liabilities:

	As at March 31, 2020	As at March 31, 2019
Segment assets		
MRO	28,054.80	23,522.41
Air Cargo	8,191.70	12,175.07
Unallocable assets	9,846.22	2,784.00
Inter - segment	(2,801.26)	-
Total assets	**43,291.46**	**38,481.48**
Segment liabilities		
MRO	14,598.91	8,426.79
Air Cargo	4,420.27	3,206.44
Unallocable liabilities	27,429.06	30,213.28
Inter - segment	(2,801.26)	-
Total liabilities	**43,646.98**	**41,846.51**

Other segment information

	Depreciation and amortization		Additions to non - current assets	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020 (Refer Note 35)	For the year ended March 31, 2019
MRO	1,799.19	1,390.78	3,451.65	707.87
Air Cargo	963.10	393.51	2,319.27	486.32

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the company as a whole.

39. Pursuant to notification G.S.R.574(E) dated August 16, 2019 issued by Ministry of Corporate Affairs, the Company being a listed entity is not required to create Debenture Redemption Reserve.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

40. Taxation

a) In view of the brought-forward business losses of the Company, also considering the brought-forward losses of the demerged undertaking (MRO business) (refer Note 1.1), no provision for current tax has been made in these financial statements. The Company, post-merger, has filed the income tax return for the year ended March 31, 2019 on November 30, 2019. Pending assessment and on grounds of prudence, no adjustment has been made to the current tax provision for that financial year.

b) Matters relating to erstwhile GMR Hyderabad Air Cargo and Logistics Private Limited (GHACLPL) (Transferor company merged into the Company):

(i) 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 these Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

(ii) Minimum Alternate Tax (MAT) Credit entitlement (cumulative balance) claimed by the Company as per the income tax return filed for the FY 2018-19 on November 30, 2019 aggregating Rs. 3,701.03 lakhs has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

41. 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. 36.25 Lakhs (March 31, 2019: Rs. 148.94 Lakhs). W.e.f. 1st July, 2019 vide AIC No.15/2019 dated 19th June, 2019, the collection of Passenger Service Fee (Security Component) is replaced with Aviation Security Fee (ASF). ASF will be collected and remitted by airlines to the National Aviation Security Fee Trust (NASFT). All expenses relating to CISF will be met through NASFT directly. Accordingly, based on the communication from Holding Company (GHIAL), the Company has discontinued recognition of salary provision of CISF personnel deputed at cargo terminal from 01st July, 2019. The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

42. Pursuant to Composite Scheme of Arrangement ("Scheme") approved by NCLT (Refer Note 1.1) all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company ("GATL"), immediately before the demerger, become the liabilities of the Resulting Company ("GAEL"/"the Company") by virtue of the demerger. In view of the above and the Scheme being effective, 1,750 Senior, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures of GATL are transferred to GMR Air Cargo and Aerospace Engineering Limited ("GACAEL") (formerly known as GMR Aerospace Engineering Limited - "GAEL") with same terms and conditions as they were issued. Subsequently, such transfer of debentures was updated on the Bombay Stock Exchange (BSE) on October 15, 2019 and on the National Stock Exchange (NSE) on November 26, 2019.

43. The Management has assessed impairment of the carrying value of the MRO (Maintenance, Repair and Overhauling) Division, which was acquired by the Company during the year, in terms of the Composite Scheme of Arrangement from GMR Aero Technic Limited, wholly-owned subsidiary of the Company. This acquisition was accounted as a common control transaction in terms of Ind AS 103 Appendix C (also refer Note 1.1). The assessment was done at Cash Generating Unit ("MRO CGU") level, which has past accumulated losses as at March 31, 2020. The Management has undertaken several initiatives to improve its income from operations and establish profitable operations, which resulted in operating profits during the last 2 years.

Pursuant to the agreement entered by the GMR Group ("Group") dated February 20, 2020, the Group has executed a definitive agreement with Aeroports De Paris ("ADP") for acquisition of 49% stake by ADP in GMR Airports Limited (the holding company of GMR Hyderabad International Airport Limited, which is the holding company of the company) ("GAL") on fully diluted basis. In accordance with which the first tranche of the consideration has been received by the Group. The second tranche of the consideration is subject to regulatory approvals, lender consents and other approvals which are currently in progress and the Group Management is confident of obtaining the requisite approvals to achieve an expeditious closure of the transaction.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

The MRO CGU is part of the Airports business. To assess whether the MRO CGU is impaired, the Management of the Company has reckoned the values attributed to MRO CGU which are higher than its carrying value, on the basis of an independent valuation of the Airport business carried out as part of entering the aforesaid agreement.

The Management has also assessed impairment of the carrying value of the MRO CGU consequent to the outbreak of the COVID19 pandemic. The Management has reviewed its business plans and the projections considering the COVID19 impact, and such future business plan, projections were approved by the Board of Directors of the Company. In view of the recent deal with ADP, key assumptions used by the management in impairment testing is cost of equity @ 16.5%.

The Management has also performed sensitivity analysis considering different scenarios to build in the uncertainties attached. Based on such valuation assessment done by the Management and approved by the Board of Directors, and other management initiatives as mentioned above, the Management is of the view that there is no impairment required in the value of MRO CGU as at March 31, 2020 in these Financial Statements.

44. As at March 31, 2020, the Company has accumulated losses (including amalgamation adjustment deficit account) of Rs. 47,789.78 lakhs (as at March 31, 2019 is Rs 49,259.29 lakhs) and its net-worth has been fully eroded. The Management has undertaken several initiatives to improve its income from operations and establish profitable operations including the composite scheme of arrangement (Refer Note 1.1 above). In the current year, the Company has made a Profit for the year and based on the business plans for the coming year including the cash flow projections, it has sufficient future cash flows to meet its liabilities as and when they fall due. The credit rating for the Company's NCD program has been confirmed by ICRA Limited with letter dated April 09, 2020 as [ICRA]AA(CE) (placed on watch with negative implications).

In view of the Management there is no significant uncertainty on the going concern assumption and that the Company will have positive net worth in the coming years.

Additionally, GMR Hyderabad International Airport Limited ("GHIAL") has confirmed its continuous financial support to the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. During the year ended March 31, 2020, Company has allotted shares of Rs 2,550 lakhs to GHIAL for consideration in cash.

Accordingly, these Standalone Financial Statements have been prepared on Going Concern basis and do not include any adjustments relating to the recoverability of assets or the amounts of liabilities that may be necessary if the entity is unable to continue as a going concern.

45. Financial risk management objectives and policies

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

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, equity risk, commodity risk and demand risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at March 31, 2020.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2020.
The analyses exclude the impact of movements in market variables on: the carrying values of gratuity; provisions.

The following assumption have been made in calculating the sensitivity analyses:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020.

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

The exposure of the Company's borrowing to fixed interest rate is mentioned below:

Particulars	March 31, 2020	March 31, 2019 (Refer Note 1.1)
Redeemable Non-Convertible Debentures	27,500.00	27,500.00
	27,500.00	27,500.00

Interest rate sensitivity

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

	Increase/decrease in Interest rate	Effect on profit before tax
As at March 31, 2020*		
Unsecured Overdraft facility from bank	+0.50%	-
Unsecured Overdraft facility from bank	- 0.50%	-

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

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

* The overdraft facility availed by the Company from Abu Dhabi Commercial Bank was closed during the current year March 31, 2020.

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

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

The Company's exposure to foreign currency risk at the end of reporting period expressed in Indian Rupees are as follows:

Particulars	Currencies Exposure	As at March 31, 2020	
		Amount in Foreign currency	Rs in Lakhs
Trade payables	USD	620,195	467.54
	EURO	6,572	5.46
	SGD	10,970	5.40
	GBP	816	0.76
Trade receivables	USD	6,247,009	4,709.31
Cash and cash equivalent	USD	971,797	732.60
Unbilled revenue	USD	831,038	626.52
Payable for purchase of fixed assets	EURO	51,030	42.38

Particulars	Currencies Exposure	As at March,2019	
		Amount in foreign currency	Rs in Lakhs
Trade payables	USD	10,82,089	745.21
	EURO	8,667	6.73
	GBP	160	0.14
Trade receivables	USD	59,34,733	4,105.06
Cash and cash equivalent	USD	10,843	7.50
Deposit from customers	USD	1,500	0.93
Unbilled revenue	USD	5,49,312	379.96
Payable for purchase of fixed assets	USD	90,734	63.25

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and other foreign currencies against company's functional currency. 5% represents the sensitivity rate used when reporting foreign currency risk internally to the key managerial personnel and represents management's assessment of the reasonably possible change in the foreign exchange rates. The sensitivity analysis considers only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rate.

As at March 31, 2020 , A positive number below indicates an increase in profit when the functional currency weakening against the USD and when functional currency weakening for other foreign currencies. For a 5 % strengthening of functional currency against USD and other foreign currencies, there would be a comparable opposite impact on the profit.

	March 31, 2020	March 31, 2019
Particulars	Impact on profit after tax	Impact on profit after tax
USD Sensitivity		
INR/USD- Increase by 5%	280.04	184.16
INR/USD- Decrease by 5%	(280.04)	(184.16)
EURO Sensitivity		
INR/EURO-Increase by 5%	(2.39)	(0.34)
INR/EURO- Decrease by 5%	2.39	0.34
GBP sensitivity		
INR/GBP-Increase by 5%	(0.04)	(0.01)
INR/GBP- Decrease by 5%	0.04	0.01
SGD sensitivity		
INR/SGD-Increase by 5%	(0.27)	-
INR/SGD- Decrease by 5%	0.27	-

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

Liquidity risk

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

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

Year ended March 31, 2020	Up to 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Redeemable Non-Convertible Debentures and interest there on	2,348.03	35,771.25	-	38,119.28
Trade payables	9,477.02	-	-	9,477.02
Leases	817.84	2,157.41	4,603.29	7,578.54
Other financial liabilities	200.91	-	-	200.91

Year ended March 31, 2019	Up to 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Redeemable Non-Convertible Debentures and interest there on	2,351.25	9,405.00	28,714.27	40,470.52
Overdraft facility from a bank	2,799.99	-	-	2,799.99
Trade payables	9,808.54	-	-	9,808.54
Other financial liabilities	462.96	-	-	462.96

Credit Risk

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

Trade receivables

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

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

Excessive risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.
In order to avoid excessive concentrations of risk, the Company is trying to expand the customer base from Middle East and SAARC countries. Also additional revenue stream is in the pipeline i.e., from line maintenance.

46. Capital management

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

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings.

SP

Cargo And Aerospace Engineering Ltd. GMR Air Hyderabad

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

The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

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

The following table summarises the capital of the Company:

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	27,429.06	30,213.28
Cash and cash equivalents (including other bank balance)	(1,865.72)	(4,028.96)
Net debt	**25,563.34**	**26,184.32**
Equity	(355.52)	(3,375.03)
Net debt to Equity ratio	(71.90)	(7.76)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020.

47. 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.

	Fair Value	Carrying value	Fair Value	Carrying value
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
Financial assets				
Valued at cost				
Investments	10.00	10.00	10.00	10.00
Valued at fair value through profit and loss				
Investments	1,414.38	1,414.38	301.56	301.56
Valued at amortized cost				
Investments	4,964.11	4,964.11	-	-
Trade receivable	5,358.99	5,358.98	4,507.07	4,507.07
Other financial assets	1,058.49	1,058.49	972.82	972.82
Cash and cash equivalent and other bank balances	1,865.72	1,865.72	4,028.96	4,028.96
Financial assets - Loans	-	-	5,000.00	5,000.00
Total Financial Assets	**14,671.69**	**14,671.69**	**14,820.41**	**14,820.41**
Financial liabilities				
Valued at amortized cost				
Borrowings	27,429.06	27,429.06	30,213.28	30,213.28
Trade payables	9,477.02	9,477.02	9,808.54	9,808.54
Leases	4,326.11	4,326.11		-

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

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

Other financial liabilities	200.91	200.91	462.96	462.96
Total Financial Liabilities	**41,433.10**	**41,433.10**	**40,484.78**	**40,484.78**

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

48. 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, 2020

Particulars	Date of valuation	Total	Quoted prices in active market# (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, 2020	1,414.38	1,414.38	-	-

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

Particulars	Date of valuation	Total	Quoted prices in active market# (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, 2020 & March 31, 2019.
#The mutual funds are valued using the closing NAV.

49. As the world faces one of its biggest challenge caused by the COVID-19 related disruptions, the country wide lockdown enforced from March 25, 2020 had temporarily impacted the Company's operations. The Maintenance, Repair and Overhaul (MRO) business and Air Cargo business remains relatively less affected from demand point of view as MRO demand increased due to downtime of aircrafts, and air cargo business was classified as essential services. The Company had to face some issues related to non-availability of manpower and supply chain disruptions to cater to such demand. Presently, the Company has resumed the operations and are adhering to strict safety measures and Government guidelines.

The Company has considered the possible effects that may result from the pandemic while assessing the recoverability of carrying values of assets/CGUs and also in estimating future cash flows. In developing the assumptions relating to the possible future uncertainties in the global and domestic economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information, to the extent relevant. In terms of the impact of COVID19 on impairment assessment of the MRO CGU, the Management has concluded that no impairment is required, refer Note 43 for details.

GMR Air Cargo And Aerospace Engineering Ltd. Hyderabad

Additionally, in respect of going concern assessment the Management has determined that there are no material uncertainties exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, refer Note 44 for details.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these Financial Statements and the Company will continue to closely monitor any material changes to future economic conditions.

50. Use of estimates and judgement

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

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

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

(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:

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.

Impairment of Cash Generating Unit (CGU):

The Company reviews its carrying value of CGU, annually, or more frequently when there is an indication for impairment. For the purpose of impairment testing, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the assets for assessing the value in use. The recoverable amount of an asset is the greater of its value-in-use and its fair value less costs to sell (also refer note 43 above).

Income tax and Deferred Tax

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

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Defined benefit plans (gratuity benefits)

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

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

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

Fair value measurement of financial instruments

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

Useful lives of property, plant and equipment

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

Provision for doubtful receivables

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

Other estimates

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

SP

For and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited
(formerly known as GMR Aerospace Engineering Limited)

Rajesh Kumar Arora	**SGK Kishore**
Director	Director
DIN : 03174536	DIN : 02916539
K Venkata Ramana	Rakhal Panigrahi
Chief Financial Officer	Company Secretary
	M.No. ACS39622

Place: Hyderabad
Date: June 04, 2020

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2020 ("Special Purpose Standalone Financial Information")

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)

CIN: U45201TG2008PLC067141

Registered and Corporate Office : Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport,

(In Rs Lakhs)

Sl. No.	Particulars	Quarter ended (Refer Note 4)			Year ended (Refer Note 4)	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	(Refer Notes)	Refer Note 14	Unaudited	Refer Note 14	Audited	Audited
1	**Revenue from operations**					
	Income from operations	8,074.18	7,399.74	6,474.42	29,465.94	24,895.96
	Other Operating income	93.75	91.54	78.63	356.71	314.14
	Total Revenue from operations	**8,167.93**	**7,491.28**	**6,553.05**	**29,822.65**	**25,210.10**
2	**Other income**	521.82	256.26	175.65	1,331.42	866.48
3	**Total income (1+2)**	**8,689.75**	**7,747.54**	**6,728.70**	**31,154.07**	**26,076.58**
4	**Expenses**					
	Operations and maintenance expenses	102.58	49.03	61.62	371.78	566.24
	Cost of stores and spares consumed	1,772.33	1,410.20	1,298.77	6,054.59	4,623.84
	Employee benefits expense	2,094.52	2,103.14	1,848.42	8,052.94	6,580.95
	Finance costs	706.22	780.58	653.27	3,231.52	2,665.33
	Depreciation and amortization expenses	677.82	686.17	465.11	2,762.29	1,784.29
	Other expenses	2,870.20	2,132.38	3,693.25	8,997.99	9,623.57
	Total expenses	**8,223.67**	**7,161.50**	**8,020.44**	**29,471.11**	**25,844.22**
5	**Profit/(Loss) before tax (3 - 4)**	**466.08**	**586.04**	**(1,291.74)**	**1,682.96**	**232.36**
6	**Tax expenses**					
	Current tax	-	-	(61.60)	-	574.50
	Deferred tax	13.19	-	(69.13)	45.89	(24.76)
7	**Net Profit/(loss) after tax (5 - 6)**	**452.89**	**586.04**	**(1,161.01)**	**1,637.07**	**(317.38)**
8	**Other Comprehensive Income (OCI)**					
	Items that will not be reclassified to profit and loss					
	Remeasurement gains/(losses) on defined benefit plans (net of taxes)	10.38	(14.23)	(1.83)	(37.55)	(44.43)
9	**Total comprehensive income/(loss) (7 + 8)**	**463.27**	**571.81**	**(1,162.84)**	**1,599.52**	**(361.81)**
10	**Earnings per Equity share of par value of Rs. 10 Each**					
	Basic and diluted (Rs. Per share) (not annualised for the quarter)	0.09	0.11	(0.28)	0.31	(0.14)

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Statement of Standalone Assets and Liabilities

(in Rs Lakhs)

Particulars (Refer Notes below)	As at March 31, 2020 (Audited) (Refer Note 4)	As at March 31, 2019 (Audited) (Refer Note 4)
1 **ASSETS**		
a) **Non-current assets**		
Property, plant and equipment	14,305.85	15,032.44
Right-of-use assets	3,516.22	-
Other intangible assets	1,610.96	1,683.20
Intangible assets under development	121.23	121.54
Financial assets		
Investments	10.00	10.00
Other financial assets	111.75	113.81
Deferred tax assets (net)	-	32.70
Non-current tax assets (net)	3,287.09	2,299.76
Other non-current assets	684.33	496.58
	23,647.43	**19,790.03**
b) **Current assets**		
Inventories	4,325.30	3,368.33
Financial assets		
Investments	6,378.49	301.56
Trade receivables	5,358.99	4,507.07
Cash and cash equivalents	1,362.39	554.96
Bank balances other than cash and cash equivalents	503.33	3,474.00
Loans	-	5,000.00
Other financial assets	946.74	859.01
Current tax assets	170.64	172.68
Other current assets	598.15	453.84
	19,644.03	18,691.45
TOTAL ASSETS (a+b)	**43,291.46**	**38,481.48**
2 **EQUITY AND LIABILITIES**		
a) **Equity**		
Share capital	47,383.09	33,840.00
Share Capital suspense (Refer Note 4)	-	10,993.09
Other equity	(47,738.61)	(48,208.12)
Total equity	**(355.52)**	**(3,375.03)**
b) **Non-current liabilities**		
Financial liabilities		
Long term Borrowings	27,429.06	27,413.29
Lease Liabilities	3,002.85	-
Provisions	80.05	99.76
	30,511.96	**27,513.05**
c) **Current liabilities**		
Financial liabilities		
Short term Borrowings	-	2,799.99
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises;	12.60	58.24
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9,464.42	9,750.30
Lease Liabilities	1,323.26	-
Other financial liabilities	200.91	462.96
Provisions	386.25	310.76
Other current liabilities	1,747.58	961.21
	13,135.02	**14,343.46**
TOTAL EQUITY AND LIABILITIES (a+b+c)	**43,291.46**	**38,481.48**

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Statement of Standalone Cash Flows for the year ended March 31, 2020
(All amounts in ₹ Lakhs ,unless otherwise stated)

Particulars	For the year ended March 31, 2020 (Audited) (Refer Note 4)	For the year ended March 31, 2019 (Audited) (Refer Note 4)
Cash flow from operating activities		
Profit before tax	1,682.96	232.36
Adjustments for		
Depreciation and amortization expense	2,762.29	1,784.29
Unrealized foreign exchange (gain)/loss	(295.13)	102.86
Provisions no longer required, written back	-	(0.76)
Interest income	(602.70)	(278.64)
Inventory write off	26.25	33.26
Property, plant and equipment written off	105.42	6.35
Income from mutual funds	(69.32)	(362.32)
Finance income on financial assets and fair value gain on financial instruments at FVTPL	(26.13)	1.96
Provision for doubtful receivables	42.57	20.33
Bad debts written off	27.55	-
Gain on sale of Property, plant and equipment/Other intangible assets (net)	(4.07)	(5.03)
Finance costs	3,231.52	2,665.33
Operating Profit before working capital changes	**6,881.21**	**4,199.99**
Changes in working capital		
(Decrease)/Increase in trade payables	(350.74)	1,750.99
Increase in other financial liabilities and other liabilities	801.96	89.88
Increase in provisions	69.46	3.38
(Increase) in trade receivables	(624.04)	(1,827.41)
(Increase) in inventories	(983.22)	(275.15)
(Increase) in other financial assets and other assets	(363.89)	(782.24)
Cash from operations	**5,430.74**	**3,159.44**
Direct taxes paid	**(985.29)**	**(865.28)**
Net cash flow from operating activities (A)	**4,445.45**	**2,294.16**
Cash flows from investing activities		
Interest income received	474.01	218.82
Proceeds from sale of Property, plant and equipment/Other intangible assets (net)	4.45	5.03
Purchase of Property, plant and equipment including CWIP and capital advances	(1,858.93)	(936.16)
Investment in Inter Corporate Deposit	-	(5,000.00)
Redemption/maturity of Inter Corporate Deposit	5,000.00	-
Investment in Commercial Paper	(34,778.59)	-
Maturity of Commercial Paper	30,000.00	-
Purchase of current investments	(3,600.00)	(2,000.02)
Redemption of current investments	2,580.88	7,041.50
Investments in bank deposits (having original maturity of more than three months)	(498.33)	(6,468.77)
Redemption/maturity of bank deposits (having original maturity of more than three months)	3,469.00	4,789.76
Net cash flow from/ (used in) investing activities (B)	**792.49**	**(2,349.84)**
Cash flows from financing activities		
Proceeds from issue of share capital (including share application money)	1,550.00	1,850.00
Repayment of long-term borrowings	-	(50.00)
Payment of Lease liability	(365.67)	-
Dividends on preference shares paid (including dividend distribution taxes)	(130.01)	(260.01)
(Repayment)/Proceeds from short-term borrowings	(2,799.99)	0.06
Finance cost paid (including interest towards lease liabilities)	(2,701.17)	(2,647.19)
Net cash flow (used in) financing activities (C)	**(4,446.84)**	**(1,107.14)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**791.10**	**(1,162.82)**
Effect of exchange differences on cash & cash equivalents held in foreign currency	16.33	-
Cash and cash equivalents at the beginning of the year	554.96	94.53
Add: Effect of common control transaction (Refer Note 4)	-	1,623.25
Cash and cash equivalents at the end of the year (see note below)	**1,362.39**	**554.96**
Components of cash and cash equivalents		
Cash in hand	1.82	2.12
Cheques on hand	-	97.74
With banks - on current accounts	425.97	443.07
With banks - on escrow accounts	2.00	2.00
Exchange earners foreign currency account	732.60	7.50
Balances in cash credit account	-	2.53
Deposits with maturity for less than 3 months	200.00	-
Total cash and cash equivalents	**1,362.39**	**554.96**

Reconciliation of liabilities from financing activities for the year ended March 31, 2020:

Particulars	As at March 31, 2019	Proceeds /Impact of Ind AS 116	Repayment	Fair value changes / other adjustments#	As at March 31, 2020
Borrowings	30,213.28	-	(2,799.99)	15.77	27,429.06
Lease liabilities	-	7,964.42	(365.67)	(3,272.64)	4,326.11
Total liabilities from financing activities	**30,213.28**	**7,964.42**	**(3,165.66)**	**(3,256.87)**	**31,755.17**

includes adjustment on account of lease modification (Refer Note 13)

Reconciliation of liabilities from financing activities for the year ended March 31, 2019:

Particulars	As at March 31, 2018	Proceeds*	Repayment	Fair value changes	As at March 31, 2019
Borrowings	30,234.08	0.06	(50.00)	29.14	30,213.28
Total liabilities from financing activities	**30,234.08**	**0.06**	**(50.00)**	**29.14**	**30,213.28**

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

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Notes:

1 The above Special Purpose Standalone Financial Information comprising the Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2020, including Statement of Standalone Assets and Liabilities as at March 31, 2020, Statement of Standalone Cash Flows for the year ended March 31, 2020 and the Related Party Disclosures (refer note 8 below) have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on June 04, 2020. The Statutory Auditors of the Company have issued an unmodified audit opinion on the financial results for the year ended March 31, 2020 and have issued an unmodified conclusion in respect of the Limited review for the quarter ended March 31, 2020.

2 As per the instructions received from management of GIL, Segment Reporting will be presented in the consolidated financial results of GIL. Accordingly disclosures as required under Indian Accounting Standard (Ind AS) 108 'Operating Segments' have not been made.

3 The Special Purpose Standalone Financial Information is prepared by the Company for the purpose of preparation of consolidated financial results of GMR Infrastructure Limited ('GIL') for the quarter and year ended March 31, 2020, for the purpose of submission to the Board of Directors of the Company and Board of Directors of GIL. The Special Purpose Standalone Financial Information has been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India and as per the instructions mentioned in the Group Referral Instructions ('GRI') issued by the Management of GIL. The Special Purpose Standalone Financial Information has been prepared under the historical cost convention on an accrual basis, except for certain financial assets and liabilities which have been measured at fair value.

4 The Board of Directors of the Company at its meeting held on December 10, 2018 had approved a Composite Scheme ("the Composite Scheme") with regard to merger of GMR Hyderabad Air Cargo and Logistics Private Limited ("the Transferor Company") and demerger of the Maintenance, Repair and Overhaul (MRO) division of GMR Aero Technic Limited ("Demerged Company"/"GATL") with the Company with an appointed date of April 1, 2018. National Company Law Tribunal (NCLT) has passed an order approving the said scheme on July 26, 2019 and thereafter the Company filed the copy of the approved copy of the Scheme with the Registrar of Companies on August 23, 2019. The Company has given effect to the Scheme in the quarter ended September 30, 2019 and since the above transaction results in a common control business combination the aforesaid mergers have been accounted under the 'pooling of interests' method as per Appendix C of Ind AS 103 Business Combinations.

Considering the requirements of Ind AS 103 - Business Combinations, the accounting for the transaction has been given effect retrospectively by the Company. Accordingly, the financial statements/information for the corresponding periods in 2018-19 have been restated to give effect of the above Scheme.

During the quarter ended December 31, 2019, the Company has allotted 91,912,200 equity shares of face value ₹ 10/-, 18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of ₹ 10,000/- and 18,735, 11.97% Series B Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of ₹ 10/- to GMR Hyderabad International Airport Limited ("GHIAL") towards the consideration and the Share Capital Suspense account balance of ₹ 10,993.09 lakhs has been adjusted.

5 Pursuant to Composite Scheme of Arrangement ("Scheme") approved by NCLT (Refer Note 4 above) all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company ("GATL"), immediately before the demerger, become the liabilities of the Resulting Company ("GAEL"/"the Company") by virtue of the demerger. In view of the above and the Scheme being effective, 1,750 Senior, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures of GATL are transferred to GMR Air Cargo and Aerospace Engineering Limited ("GACAEL") (formerly known as GMR Aerospace Engineering Limited – "GAEL") with same terms and conditions as they were issued. Subsequently, such transfer of debentures was updated on the Bombay Stock Exchange (BSE) on October 15, 2019 and on the National Stock Exchange (NSE) on November 26, 2019.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

6 The Management has assessed impairment of the carrying value of the MRO (Maintenance, Repair and Overhauling) Division, which was acquired by the Company during the year, in terms of the Composite Scheme of Arrangement from GMR Aero Technic Limited, wholly-owned subsidiary of the Company. This acquisition was accounted as a common control transaction in terms of Ind AS 103 Appendix C (also refer Note 4). The assessment was done at Cash Generating Unit (“MRO CGU”) level, which has past accumulated losses as at March 31, 2020. The Management has undertaken several initiatives to improve its income from operations and establish profitable operations, which resulted in operating profits during the last 2 years.

Pursuant to the agreement entered by the GMR Group (“Group”) dated February 20, 2020, the Group has executed a definitive agreement with Aeroports De Paris (“ADP”) for acquisition of 49% stake by ADP in GMR Airports Limited (the holding company of GMR Hyderabad International Airport Limited, which is the holding company of the company) ("GAL") on fully diluted basis. In accordance with which the first tranche of the consideration has been received by the Group. The second tranche of the consideration is subject to regulatory approvals, lender consents and other approvals which are currently in progress and the Group Management is confident of obtaining the requisite approvals to achieve an expeditious closure of the transaction.

The MRO CGU is part of the Airports business. To assess whether the MRO CGU is impaired, the Management of the Company has reckoned the values attributed to MRO CGU which are higher than its carrying value, on the basis of an independent valuation of the Airport business carried out as part of entering the aforesaid agreement.

The Management has also assessed impairment of the carrying value of the MRO CGU consequent to the outbreak of the COVID19 pandemic. The Management has reviewed its business plans and the projections considering the COVID19 impact, and such future business plan, projections were approved by the Board of Directors of the Company. The Management has also performed sensitivity analysis considering different scenarios to build in the uncertainties attached. Based on such valuation assessment done by the Management and approved by the Board of Directors, and other management initiatives as mentioned above, the Management is of the view that there is no impairment required in the value of MRO CGU as at March 31, 2020 in this Special Purpose Standalone Financial Information.

7 As at March 31, 2020, the Company has accumulated losses (including amalgamation adjustment deficit account) of Rs. 47,789.78 lakhs (as at March 31, 2019 is Rs 49,259.29 lakhs) and its net-worth has been fully eroded. The Management has undertaken several initiatives to improve its income from operations and establish profitable operations including the composite scheme of arrangement (Refer Note 4 above). In the current year, the Company has made a Profit for the year and based on the business plans for the coming year including the cash flow projections, it has sufficient future cash flows to meet its liabilities as and when they fall due. The credit rating for the Company's NCD program has been confirmed by ICRA Limited with letter dated April 09, 2020 as [ICRA]AA(CE) (placed on watch with negative implications).

In view of the Management there is no significant uncertainty on the going concern assumption and that the Company will have positive net worth in the coming years.

Additionally, GMR Hyderabad International Airport Limited ("GHIAL") has confirmed its continuous financial support to the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. During the year ended March 31, 2020, Company has allotted shares of Rs 2,550 lakhs to GHIAL for consideration in cash.

Accordingly, these Special Purpose Standalone Financial Information have been prepared on Going Concern basis and do not include any adjustments relating to the recoverability of assets or the amounts of liabilities that may be necessary if the entity is unable to continue as a going concern.

8 The details of related parties are in the format and as per the instructions of the GIL - Refer attached annexure.

9 The Company has changed its name from GMR Aerospace Engineering Limited to GMR Air Cargo and Aerospace Engineering Limited w.e.f September 25, 2019.

10 Pursuant to notification G.S.R.574(E) dated August 16, 2019 issued by Ministry of Corporate Affairs, the Company being a listed entity is not required to create Debenture Redemption Reserve.

11 In the absence of profits available for distribution, the Company has not declared preference dividend on Compulsorily Convertible Cumulative Preference Shares (“CC[illegible] quarter ended September 30, 2019, December 31, 2019 and March 31, 2020 and the same has been considered as contingent liability.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

12 Taxation:

a) In view of the brought-forward business losses of the Company, also considering the brought-forward losses of the demerged undertaking (MRO business), no provision for current tax has been made in these Special Purpose Standalone Financial Information. The Company, post merger, has filed the income tax return for the year ended March 31, 2019 on November 30, 2019. Pending assessment and on grounds of prudence, no adjustment has been made to the current tax provision for that financial year.

b) Minimum Alternate Tax (MAT) Credit entitlement (cumulative balance) claimed by the Company as per the income tax return filed for the FY 2018-19 on November 30, 2019 aggregating Rs. 3,701.03 lakhs has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

13 The Company has adopted Ind AS 116 " Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach. Right-of-use assets(ROU) at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

Accordingly, on transition to Ind AS 116, the Company recognised the right-of-use assets of Rs. 8,059.44 lakhs and lease liabilities amounting of Rs. 7,964.42 lakhs. Consequent to the amendment of lease agreement with GMR Hyderabad Aviation SEZ Limited w.e.f December 01, 2019, remeasurement of lease liability has been carried out to reflect the revised lease rentals and the corresponding adjustment of Rs. 3,790.40 lakhs has been done to ROU. During the year ended March 31, 2020, the Company has recognised interest expense on leases amounting to Rs. 698.54 lakhs and depreciation on right-of-use assets amounting to Rs. 752.82 lakhs in the Special Purpose Standalone Financial Information.

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

14 The figures for the quarter ended March 31, 2020 and quarter ended March 31, 2019 are the balancing figures of the full financial year ended March 31, 2020 and March 31, 2019, respectively, and the unaudited year to date figures up to the third quarter ended December 31, 2019 and December 31, 2018, respectively.

15 As the world faces one of its biggest challenge caused by the COVID-19 related disruptions, the country wide lockdown enforced from March 25, 2020 had temporarily impacted the Company's operations. The Maintenance, Repair and Overhaul (MRO) business and Air Cargo business remains relatively less affected from demand point of view as MRO demand increased due to downtime of aircrafts, and air cargo business was classified as essential services. The Company had to face some issues related to non-availability of manpower and supply chain disruptions to cater to such demand. Presently, the Company has resumed the operations and are adhering to strict safety measures and Government guidelines.

The Company has considered the possible effects that may result from the pandemic while assessing the recoverability of carrying values of assets/CGUs and also in estimating future cash flows. In developing the assumptions relating to the possible future uncertainties in the global and domestic economic conditions because of this pandemic, the Company, as at the date of approval of these Special Purpose Standalone Financial Information has used internal and external sources of information, to the extent relevant. In terms of the impact of COVID19 on impairment assessment of the MRO CGU, the Management has concluded that no impairment is required, refer Note 6 for details.

Additionally, in respect of going concern assessment the Management has determined that there are no material uncertainties exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, refer Note 7 for details.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these Special Purpose Standalone Financial Information and the Company will continue to closely monitor any material changes to future economic conditions.

For and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited
(formerly known as GMR Aerospace Engineering Limited)

GMR Air Cargo And Aerospace Engineering Ltd. Hyderabad

Rajesh Kumar Arora
Director
DIN - 03174536

Place: Hyderabad
Date: June 04, 2020

Related Party Transaction Details
For the period ended March 31, 2020
Profit & Loss
GMR Air Cargo & Aerospace Engineering Limited

A. Income

In Rs.

Sl No	Short Code	Company name	Transaction Description	Main Head	Sub Head	IGAAP Amount	Provisional Income	Reimbursement Income	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/ DTA	Deferred Tax Expense/ (Income)
1	DIAL	Delhi International Airport Limited	Interest income on Security Deposit	Other Income	Interest income on security Deposit	-			230,648.00	230,648.00		
2	GHASL	GMR Hyderabad Aviation SEZ Limited	Interest income on Security Deposit	Other income	Interest income on Security deposit	-			126,215.69	126,215.69		
3	GATL	GMR Aero Technic Limited	Reimbursment of Audit Fees-Other income	Other income	Miscellaneous income	5,001,467.00	-			5,001,467.00		
4	GHRL	GMR Hospitality and Retail Limited	Cargo Handling Fee	Sales income from operations	Non- Aeronautical Cargo operations	666,122.00				666,122.00		
5	GHIAL	GMR Hyderabad International Airport Limited	Interest income on security deposits	Other income	Interest income on security deposit				352,088.00	352,088.00		
6	GIDL	GMR Infra Developers Limited	Interest income on Loan given	Other Income	Interest Income on loan/ICD	335,616.00				335,616.00		

B. Expense (including Dividend paid)

In Rs.

Sl No	Short Code	Company name	Transaction Description	Main Head	Sub Head	IGAAP Amount	Provisional Expense	Reimbursement Expense	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/ DTA	Deferred Tax Expense/ (Income)
1	GADL	GMR Airport Developers Limited	Hardware Maintenance	Other expenses	Repair & maintenance -	3,250,668.00	2,340,835.00	-	-	5,591,503.00		
2	GADL	GMR Airport Developers Limited	Maintenance charges	Other expenses	Repair & maintenance -	18,024,131.85	1,672,917.00	-	-	19,697,048.85		
3	GHIAL	GMR Hyderabad International Airport Limited	Electricity Charges	Other expenses	Electricity and water cha	207,006.74	46,654.00	-	-	253,660.74		
4	GHIAL	GMR Hyderabad International Airport Limited	SGA-Communication Charges-Internet	Other expenses	Communication cost	135,185.02	873,701.16	-	-	1,008,886.18		
5	GHIAL	GMR Hyderabad International Airport Limited	Royality Charges	Other expenses	Rates and taxes	2,717,874.85	1,620,723.00	-	-	4,338,597.85		
6	GHIAL	GMR Hyderabad International Airport Limited	Follow me Vehicle Charges	Other expenses	Vehicle running & maint	361,000.00	6,000.00	-	-	367,000.00		
7	GHIAL	GMR Hyderabad International Airport Limited	Deputation Charges	Employee Benefit Expenses	Salaries wages and bonus		2,527,486.00	9,857,238.00	-	12,384,724.00		
8	GHIAL	GMR Hyderabad International Airport Limited	Guest House Accomodation Charges	Other expenses	Travelling and conveyan	510,300.00	241,050.00	-	-	751,350.00		
9	GHIAL	GMR Hyderabad International Airport Limited	Lease Rental	Other expenses	Lease rent	-	907,332.00			907,332.00		
10	RAXA	Raxa Security Services Limited	Security Charges	Other expenses	Security charges	2,801,844.79	499,592.00	-	-	3,301,436.79		
11	GHASL	GMR Hyderabad Aviation SEZ Limited	Electricity Charges	Other expenses	Electricity and water cha	20,592,572.00	8,627,341.00	-	-	29,219,913.00		
12	GHASL	GMR Hyderabad Aviation SEZ Limited	Water Charges	Other expenses	Electricity and water cha	4,504,985.00	2,150,505.00	-	-	6,655,490.00		
13	GHASL	GMR Hyderabad Aviation SEZ Limited	SGA-SEWAGE CHARGES	Other expenses	Electricity and water cha	179,477.00		-	-	179,477.00		
14	GHASL	GMR Hyderabad Aviation SEZ Limited	Common Infra	Other expenses	Corporate allocation cha	1,617,150.00	323,430.00	-	-	1,940,580.00		
15	DIAL	Delhi International Airport Limited	Lease Rental	Lease Rental	Lease rent	5,289,295.00	480,485.00	-	-	5,769,780.00		
16	GHRL	GMR Hospitality and Retail Limited	Lodging Charges	Other expenses	Travelling and conveyan	1,273,384.00	1,522,335.00	-	-	2,795,719.00		
17	GHRL	GMR Hospitality and Retail Limited	Food Expenses	Other expenses	Miscellaneous expenses	170,887.00		-	-	170,887.00		
18	GHASL	GMR Hyderabad Aviation SEZ Limited	Interest on Lease Liability	Finance Cost	Interest - lease liability				51,461,094.00	51,461,094.00		
19	GHASL	GMR Hyderabad Aviation SEZ Limited	Depreciation on ROU Asset	Depreciation	Depreciation on right to use				25,333,075.00	25,333,075.00		
20	DIAL	Delhi International Airport Limited	Royality Charges	Other expenses	Rates and taxes	664,081.00	713,214.00			1,377,295.00		
21	DIAL	Delhi International Airport Limited	Electricity Charges	Other expenses	Electricity and water cha	42,373.00				42,373.00		
22	GHIAL	GMR Hyderabad International Airport Limited	Concession Fee as per JV agreement	Concession fees	Concession fees	164,762,672.50	12,611,357.00			177,374,029.50		
23	GHIAL	GMR Hyderabad International Airport Limited	Concession rent	Other expenses	Lease rent	59,942,852.00	1,125,000.00		-57763992	3,303,860.00		
24	GHIAL	GMR Hyderabad International Airport Limited	Rent for Data ports	Other expenses	Repair & maintenance - Others	78,000.00				78,000.00		
25	GHIAL	GMR Hyderabad International Airport Limited	Rent for Walkie Talkies	Other expenses	Repair & maintenance - Plant and machinery	420,815.00				420,815.00		
26	GHIAL	GMR Hyderabad International Airport Limited	Rent for Plants	Other expenses	Repair & maintenance - Buildings	50,705.00				50,705.00		
27	GHIAL	GMR Hyderabad International Airport Limited	Reimbursement of property insurance	Other expenses	Miscellaneous expenses			205,422.00		205,422.00		
28	GHIAL	GMR Hyderabad International Airport Limited	Reimbursement of property Tax	Other expenses	Rates and taxes			2,083,972.00		2,083,972.00		
29	GHIAL	GMR Hyderabad International Airport Limited	Reimbursement of Electricity charges	Other expenses	Electricity and water charges			21,972,888.00		21,972,888.00		
30	GHIAL	GMR Hyderabad International Airport Limited	Reimbursement of water charges	Other expenses	Electricity and water charges			2,313,090.00		2,313,090.00		
31	GHIAL	GMR Hyderabad International Airport Limited	Reimbursement of BG Comission	Other expenses	Miscellaneous expenses		113,115.00	1,691,803.00		1,804,918.00		
32	GHIAL	GMR Hyderabad International Airport Limited	Fire Warden Training	Other expenses	Training expenses	49,500.00				49,500.00		
33	GHIAL	GMR Hyderabad International Airport Limited	Reimbursement of manpower deputation	Other expenses	Manpower hire charges			9,089,347.00		9,089,347.00		

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

34	GHIAL	GMR Hyderabad International Airport Limited	Reimbursement of software maintenance	Other expenses	Repair & maintenance - Others			540,459.00		540,459.00		
35	GHIAL	GMR Hyderabad International Airport Limited	Reimbursement of Data card charges	Other expenses	Communication cost			6,489.00		6,489.00		
36	GAL	GMR Airports Limited	Training	Other expenses	Training expenses	714,000.00				714,000.00		
37	GAL	GMR Airports Limited	Technical Fees-GAL	Other expenses	Management fee	58,120,855.00				58,120,855.00		
38	GAL	GMR Airports Limited	Audit charges reimbursement	Other expenses	Legal and professional fees			(626,450.00)		(626,450.00)		
39	GHRL	GMR Hospitality and Retail Limited	Accomodation charges	Other expenses	Travelling and conveyance	218,053.00				218,053.00		
40	GHRL	GMR Hospitality and Retail Limited	Advertisement expenses	Other expenses	Marketing expense	57,533.00				57,533.00		
41	GHRL	GMR Hospitality and Retail Limited	Regulatory engagement expenses	Other expenses	Miscellaneous expenses	35,400.00				35,400.00		
42	RAXA	Raxa Security Services Limited	Subcontracted security staff	Other expenses	Security charges	9,834,836.00				9,834,836.00		
43	GHIAL	GMR Hyderabad International Airport Limited	Interest on Lease Liabilities	Finance costs	Interest - lease liability				18074025	18,074,025.00		
44	GHIAL	GMR Hyderabad International Airport Limited	Preference Dividend paid	Appropriation	Dividend Paid	10,784,212.00				10,784,212.00		
45	GHIAL	GMR Hyderabad International Airport Limited	Depreciation on ROU Assets	Depreciation and amortisation expenses	Depreciation on right to use				47506532	47,506,532.00		
46	GADL	GMR Airport Developers Limited	Reimbursement of software maintenance	Other expenses	Manpower hire charges			1,260,000.00		1,260,000.00		
47	GADL	GMR Airport Developers Limited	Reimbursement of manpower deputation	Other expenses	Legal and professional fees			1,886,566.00		1,886,566.00		
48	GHIAL	GMR Hyderabad International Airport Limited	Audit charges reimbursement	Other expenses	Legal and professional fees			(50,408.00)		(50,408.00)		
49	GAL	GMR Airports Limited	Reimbursement of Audit Fees-Other Income	Other expenses	Miscellaneous expenses			(1,002,900.00)		(1,002,900.00)		
50	GATL	GMR Aero Technic Limited	Deputation Charges	Employee Benefit Expenses	Salaries wages and bonus			(510,000.00)		(510,000.00)		

c. Expenses / income capitalised to CWIP / FA / Other Intangible assets

In Rs.

Sl No	Short Code	Company name	Capitalised under (to be selected from dropdown list)	Nature of Expense	Sub Head	IGAAP Amount			Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1	GADL	GMR Airport Developers Limited	Intangible assets	Other expenses	Legal and professional fees	502,092.00				502,092.00
2	GHIAL	GMR Hyderabad International Airport Limited	Intangible assets	Other expenses	Legal and professional fees	1,573,368.00				1,573,368.00

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Related Party Transaction Details

For the period ended March 31, 2020

Balance Sheet

GMR Air Cargo & Aerospace Engineering Limited

A. Receivable / Reimbursement / Trade receivable / Deposits paid / Interest receivable

In Rs.

Sl No	Short Code	Company name	Transaction Description	Main Head	Sub Head	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1	GHIAL	GMR Hyderabad International Airport Limited	Security Deposit	Long Term Loans and Advances	Security deposit - unsecured considered good	504,407.00	-	504,407.00
2	DIAL	Delhi International Airport Limited	Security Deposit	Long Term Loans and Advances	Security deposit - unsecured considered good	2,496,543.00		2,496,543.00
3	DIAL	Delhi International Airport Limited	Adv.to Suppliers-Other Than Capital Adv.	Others Current Assets	Advance to suppliers	50,000.00		50,000.00
4	GHASL	GMR Hyderabad Aviation SEZ Limited	Non Current Loans and Advances	Loans Non Current	Security deposit - unsecured considered good	8,603,971.00	(7,377,652.00)	1,226,319.00
5	GHIAL	GMR Hyderabad International Airport Limited	Prepaid Software maintenance expenses	Other Current assets	Prepaid expenses	331,057.00	-	331,057.00
6	GHIAL	GMR Hyderabad International Airport Limited	Prepaid Property Insurance Expenses	Other Current assets	Prepaid expenses	60,183.00		60,183.00
7	GHIAL	GMR Hyderabad International Airport Limited	Rental Deposit	Loans non current	Security deposit Non current - secured	2,000,000.00	(297,058.00)	1,702,942.00
8	GHIAL	GMR Hyderabad International Airport Limited	Rental Deposit	Loans current	Security deposit - secured	1,000,000.00	(277,113.00)	722,887.00

B. Payable / Trade payable / Retention payable / Deposits received / Interest payable

In Rs.

Sl No	Short Code	Company name	Transaction Description	Main Head	Sub Head	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1	GADL	GMR Airport Developers Limited	Trade payables	Trade payables	Trade payables - Current - Due from Related parties	3,094,895.66	-	3,094,895.66
2	GHIAL	GMR Hyderabad International Airport Limited	Trade payables	Trade payables	Trade payables - Current - Due from Related parties	847,940.06	-	847,940.06
3	GHASL	GMR Hyderabad Aviation SEZ Limited	Trade payables	Trade payables	Trade payables - Current - Due from Related parties	225,465,053.40	-	225,465,053.40
4	GHASL	GMR Hyderabad Aviation SEZ Limited	Lease rental and utility charges	Trade payables	Trade payables - Current - Due from Related parties	305,761,776.40	-	305,761,776.40
5	GHASL	GMR Hyderabad Aviation SEZ Limited	Lease rental and utility charges	Lease Liability-Non current	Lease liability - Non current		210,556,598.18	210,556,598.18
6	GHASL	GMR Hyderabad Aviation SEZ Limited	Lease rental and utility charges	Lease Liability-Current	Lease liability - Current		68,170,739.00	68,170,739.00
7	GATL	GMR Aero Technic Limited	Other Payables	Other Current Financial Liabilities	Other payable	2,741,454.00	-	2,741,454.00
8	GHIAL	GMR Hyderabad International Airport Limited	Concession Fee and other reimbursements	Trade payables Current	Trade payables - Current - Due from Related parties	8,634,860.00	(4,813,666.00)	3,821,194.00
9	GADL	GMR Airport Developers Limited	Payable for purchase of Fixed Assets	Other current liabilities	Other liabilities	338,320.00		338,320.00
10	RAXA	Raxa Security Services Limited	Other Reimbursements	Trade payables Current	Trade payables - Current - Due from Related parties	956,304.00		956,304.00
11	GAL	GMR Airports Limited	Technical Fee and Trainings	Trade payables Current	Trade payables - Current - Due from Related parties	14,053,610.00		14,053,610.00
12	GHRL	GMR Hospitality and Retail Limited	Party Deposit Account	Other current liabilities	Advance received from customers	39,576.00		39,576.00
13	GHIAL	GMR Hyderabad International Airport Limited	Lease Rentals	Lease liability Non current	Lease liability - Non current		88,830,325.00	88,830,325.00
14	GHIAL	GMR Hyderabad International Airport Limited	Lease Rentals	Lease liability Current	Lease liability - Current		62,577,658.00	62,577,658.00
15	GHRL	GMR Hospitality and Retail Limited	Trade payables	Trade payables Current	Trade payables - Current - Due from Related parties	298,935.00		298,935.00
16	GADL	GMR Airport Developers Limited	Deputation charges	Trade payables Current	Trade payables - Current - Due from Related parties	645,192.00		645,192.00

58

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

C. Share Capital/ Other Equity (SAM/ Equity Component of Loan/ Debenture/ Preference share)

In Rs.

Sl No	Short Code	Company name	Transaction Description	Main Head	Sub Head	IGAAP Amount	Equity Component of related party loans /	DTL/ DTA (DTL on equity component)	Deferred Tax on Ind AS Adjustments	Total (IGAAP + IND AS Adjustments)
1	GHIAL	GMR Hyderabad International Airport Limited	Equity share Capital	Share capital	Issues Equity Capital	4,558,122,000.00				4,558,122,000.00
2	GHIAL	GMR Hyderabad International Airport Limited	Preference Share Capital	Share capital	Preference Share Capital	180,187,000.00				180,187,000.00

D. Investment in group company (including equity components of loans/ debenture/ pref share/ financial guarantee)

In Rs.

Sl No	Short Code	Company name	Transaction Description	Main Head	Sub Head	IGAAP Amount	Investment In Equity portion of preference	Notional Interest expense accrued till	Total (net of Ind AS Adjustments)
1	GATL	GMR Aero Technic Limited	Share capital	Investments	Investment in equity shares - Subsidiary companies	1,000,000.00			1,000,000.00

E. Provision

In Rs.

Sl No	Short Code	Company name	Transaction Description	Main Head	Sub Head	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1	GADL	GMR Airport Developers Limited	Hardware Maintenance	Provisions Current	Other provisions	1,672,917.00		1,672,917.00
2	GADL	GMR Airport Developers Limited	Maintenance charges	Provisions Current	Other provisions	2,340,835.00		2,340,835.00
3	GHIAL	GMR Hyderabad International Airport Limited	Lease Rental	Provisions Current	Other provisions	907,332.00		907,332.00
4	GHIAL	GMR Hyderabad International Airport Limited	Electricity Charges	Provisions Current	Other provisions	46,654.00		46,654.00
5	GHIAL	GMR Hyderabad International Airport Limited	Follow me Vehicle Charges	Provisions Current	Other provisions	6,000.00		6,000.00
6	GHIAL	GMR Hyderabad International Airport Limited	Guest House Accomodation Charges	Provisions Current	Other provisions	241,050.00		241,050.00
7	GHIAL	GMR Hyderabad International Airport Limited	IT & COMM & DATA CARD	Provisions Current	Other provisions	873,701.16		873,701.16
8	GHIAL	GMR Hyderabad International Airport Limited	Deputation Charges	Provisions Current	Other provisions	2,527,486.00		2,527,486.00
9	GHASL	GMR Hyderabad Aviation SEZ Limited	Electricity Charges	Provisions Current	Other provisions	8,627,341.00		8,627,341.00
10	GHASL	GMR Hyderabad Aviation SEZ Limited	Common Infra Maintenance	Provisions Current	Other provisions	323,430.00		323,430.00
11	GHASL	GMR Hyderabad Aviation SEZ Limited	Water Charges	Provisions Current	Other provisions	2,150,505.00		2,150,505.00
12	RAXA	Raxa Security Services Limited	Security Charges	Provisions Current	Other provisions	499,592.00		499,592.00
13	DIAL	Delhi International Airport Limited	Lease Rental	Provisions Current	Other provisions	480,485.00		480,485.00
14	GHIAL	GMR Hyderabad International Airport Limited	Concession Fee	Provisions Current	Other provisions	12,611,357.00		12,611,357.00
15	GHIAL	GMR Hyderabad International Airport Limited	License Fee	Provisions Current	Other provisions	1,125,000.00		1,125,000.00
16	GHIAL	GMR Hyderabad International Airport Limited	BG Charges	Provisions Current	Other provisions	113,115.00		113,115.00
17	RAXA	Raxa Security Services Limited	Security Charges	Provisions Current	Other provisions	351,058.00		351,058.00
18	GHRL	GMR Hospitality and Retail Limited	Travelling and Conveyance	Provisions Current	Other provisions	1,522,335.00		1,522,335.00
19	DIAL	Delhi International Airport Limited	Royalty charges	Provisions Current	Other provisions	713,213.00		713,213.00
20	GHIAL	GMR Hyderabad International Airport Limited	Royalty charges	Provisions Current	Other provisions	1,620,723.00		1,620,723.00

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

F. Right of Use (Lease Assets)

In Rs.

Sl No	Short Code	Company name	Transaction Description	Main Head	Sub Head	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)
1	GHASL	GMR Hyderabad Aviation SEZ Limited	Lease rental and utility charges	Right-of-use assets	Gross amount - Right of use		207,896,187.00	207,896,187.00
2	GHIAL	GMR Hyderabad International Airport Limited	Cargo Terminal Building Lease	Right of use	Gross amount - Right of use		140,962,005.00	140,962,005.00

For and on behalf of the Board of Directors
GMR Air Cargo & Aerospace Engineering Limited

Rajesh Kumar Arora
Director
DIN: 03174536

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

NOTE to A & B

(a) The above details are furnished by the management in the format as per the instructions given by GMR Infrastructure Limited (GIL). Accordingly, Comparative figures have not been disclosed.

(b) The above disclosed related parties (Counter party / Group Company) have been identified by the management of the Company and relied upon by the auditors and transactions and balances are as per the audited books of accounts maintained by the Company in the ordinary course of business.

Statement of Standalone Financial Results for the Year ended March 31, 2020

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)

CIN: U45201TG2008PLC067141

Registered and Corporate Office : Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana, India

(In Rs Lakhs except share data)

Sl. No.	Particulars	Half-year ended (Refer Note 2)		Year ended (Refer Note 2)	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	(Refer Notes)	Refer Note 14	Refer Note 14	Audited	Audited
1	**Revenue from operations**				
	Income from operations	15,473.92	13,582.81	29,465.94	24,895.96
	Other Operating income	185.29	158.12	356.71	314.14
	Total Revenue from operations	15,659.21	13,740.93	29,822.65	25,210.10
2	Other income	778.08	282.78	1,331.42	866.48
3	Total income (1+2)	16,437.29	14,023.71	31,154.07	26,076.58
4	**Expenses**				
	Operations and maintenance expenses	151.61	310.36	371.78	566.24
	Cost of stores and spares consumed	3,182.53	2,732.72	6,054.59	4,623.84
	Employee benefits expense	4,197.66	3,453.98	8,052.94	6,580.95
	Finance costs	1,486.80	1,334.93	3,231.52	2,665.33
	Depreciation and amortisation expenses	1,363.99	921.37	2,762.29	1,784.29
	Other expenses	5,002.58	5,661.38	8,997.99	9,623.57
	Total expenses	15,385.17	14,414.74	29,471.11	25,844.22
5	**Profit/(Loss) before tax (3 - 4)**	1,052.12	(391.03)	1,682.96	232.36
6	**Tax expenses**				
	Current tax	-	163.50	-	574.50
	Deferred tax	13.19	(50.24)	45.89	(24.76)
7	**Net Profit/(loss) after tax (5 - 6)**	1,038.93	(504.29)	1,637.07	(317.38)
8	**Other Comprehensive Income (OCI)** *Items that will not be reclassified to profit and loss* Remeasurement (losses) on defined benefit plans (net of taxes)	(3.85)	(28.09)	(37.55)	(44.43)
9	**Total comprehensive income/(loss) (7 + 8)**	1,035.08	(532.38)	1,599.52	(361.81)
10	Paid-up equity share capital (face value Rs. 10 per share)	45,581.22	33,840.00	45,581.22	33,840.00
11	Paid up Debt Capital (Refer note: 10)	27,429.06	27,413.29	27,429.06	27,413.29
12	Reserves excluding Revaluation Reserves	(47,738.61)	(49,208.12)	(47,738.61)	(49,208.12)
13	Earnings per Equity share of par value of Rs. 10 Each Basic and diluted (Rs. Per share) (not annualised for the period)	0.20	(0.15)	0.31	(0.14)
14	Debt/Equity Ratio (Refer note: 6)	(77.15)	(8.12)	(77.15)	(8.12)
15	Debt Service Coverage Ratio (Refer note: 7)	1.89	0.67	1.71	1.10
16	Interest Service Coverage Ratio (Refer note: 8)	1.89	0.67	1.71	1.10

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Statement of Audited Assets and Liabilities

(in Rs Lakhs)

Particulars (Refer Notes)	As at March 31, 2020 (Audited) (Refer Note 2)	As at March 31, 2019 (Audited) (Refer Note 2)
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	14,305.85	15,032.44
Right-of-use assets	3,516.22	-
Other intangible assets	1,610.96	1,683.20
Intangible assets under development	121.23	121.54
Financial assets		
Investments	10.00	10.00
Other financial assets	111.75	113.81
Deferred tax assets (net)	-	32.70
Non-current tax assets (net)	3,287.09	2,299.76
Other non-current assets	684.33	496.58
	23,647.43	19,790.03
b) Current assets		
Inventories	4,325.30	3,368.33
Financial assets		
Investments	6,378.49	301.56
Trade receivables	5,358.99	4,507.07
Cash and cash equivalents	1,362.39	554.96
Bank balances other than cash and cash equivalents	503.33	3,474.00
Loans	-	5,000.00
Other financial assets	946.74	859.01
Current tax assets (net)	170.64	172.68
Other current assets	598.15	453.84
	19,644.03	18,691.45
TOTAL ASSETS (a+b)	43,291.46	38,481.48
2 EQUITY AND LIABILITIES		
a) Equity		
Share capital	47,383.09	33,840.00
Share Capital suspense (Refer Note 2)	-	10,993.09
Other equity	(47,738.61)	(48,208.12)
Total equity	(355.52)	(3,375.03)
b) Non-current liabilities		
Financial liabilities		
Long term Borrowings	27,429.06	27,413.29
Lease Liabilities	3,002.85	-
Provisions	80.05	99.76
	30,511.96	27,513.05
c) Current liabilities		
Financial liabilities		
Short term Borrowings	-	2,799.99
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises;	12.60	58.24
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9,464.42	9,750.30
Lease Liabilities	1,323.26	-
Other financial liabilities	200.91	462.96
Provisions	386.25	310.76
Other current liabilities	1,747.58	961.21
	13,135.02	14,343.46
TOTAL EQUITY AND LIABILITIES (a+b+c)	43,291.46	38,481.48

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Registered and Corporate Office : Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana, India

Notes:

1 The Standalone Financial Results ("the Statement") of the Company for the year ended March 31, 2020 have been reviewed by Audit Committee and approved by the Board of Directors in their meetings held on June 04, 2020. The Statutory Auditors of the Company have carried out audit on the aforesaid results of the Company and issued an unmodified opinion on the same.

2 The Board of Directors of the Company at its meeting held on December 10, 2018 had approved a Composite Scheme ("the Composite Scheme") with regard to merger of GMR Hyderabad Air Cargo and Logistics Private Limited ("the Transferor Company") and demerger of the Maintenance, Repair and Overhaul (MRO) division of GMR Aero Technic Limited ("Demerged Company"/"GATL") with the Company with an appointed date of April 1, 2018. National Company Law Tribunal (NCLT) has passed an order approving the said scheme on July 26, 2019 and thereafter the Company filed the copy of the approved copy of the Scheme with the Registrar of Companies on August 23, 2019. The Company has given effect to the Scheme in the half year ended September 30, 2019 and since the above transaction results in a common control business combination the aforesaid mergers have been accounted under the 'pooling of interests' method as per Appendix C of Ind AS 103: Business Combinations.

Considering the requirements of Ind AS 103 - Business Combinations, the accounting for the transaction has been given effect retrospectively by the Company. Accordingly, the financial statements/information for the corresponding periods in 2018-19 have been restated to give effect of the above Scheme.

During the half year ended March 31, 2020, the Company has allotted 71,912,200 equity shares of face value Rs. 10/-, 18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs. 10,000/- and 18,735, 11.97% Series B Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs. 10/- to GMR Hyderabad International Airport Limited ("GHIAL") towards the consideration and the Share Capital Suspense account balance of Rs. 10,993.09 lakhs has been adjusted.

3 Pursuant to the Composite Scheme of Arrangement ("Scheme") approved by NCLT (Refer Note 2 above) all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company ("GATL"), immediately before the demerger, become the liabilities of the Resulting Company ("GAEL"/"the Company") by virtue of the demerger. In view of the above and the Scheme being effective, 1,750 Senior, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures of GATL are transferred to GMR Air Cargo and Aerospace Engineering Limited ("GACAEL") (formerly known as GMR Aerospace Engineering Limited – "GAEL") with same terms and conditions as they were issued. Subsequently, such transfer of debentures was updated on the Bombay Stock Exchange (BSE) on October 15, 2019 and on the National Stock Exchange (NSE) on November 26, 2019.

4 The Management has assessed impairment of the carrying value of the MRO (Maintenance, Repair and Overhauling) Division, which was acquired by the Company during the year, in terms of the Composite Scheme of Arrangement from GMR Aero Technic Limited, wholly-owned subsidiary of the Company. This acquisition was accounted as a common control transaction in terms of Ind AS 103 Appendix C (also refer Note 2). The assessment was done at Cash Generating Unit ("MRO CGU") level, which has past accumulated losses as at March 31, 2020. The Management has undertaken several initiatives to improve its income from operations and establish profitable operations, which resulted in operating profits during the last 2 years.

Pursuant to the agreement entered by the GMR Group ("Group") dated February 20, 2020, the Group has executed a definitive agreement with Aeroports De Paris ("ADP") for acquisition of 49% stake by ADP in GMR Airports Limited (the holding company of GMR Hyderabad International Airport Limited, which is the holding company of the company) ("GAL") on fully diluted basis. In accordance with which the first tranche of the consideration has been received by the Group. The second tranche of the consideration is subject to regulatory approvals, lender consents and other approvals which are currently in progress and the Group Management is confident of obtaining the requisite approvals to achieve an expeditious closure of the transaction.

The MRO CGU is part of the Airports business. To assess whether the MRO CGU is impaired, the Management of the Company has reckoned the values attributed to MRO CGU which are higher than its carrying value, on the basis of an independent valuation of the Airport business carried out as part of entering the aforesaid agreement.

The Management has also assessed impairment of the carrying value of the MRO CGU consequent to the outbreak of the COVID19 pandemic. The Management has reviewed its business plans and the projections considering the COVID19 impact, and such future business plan, projections were approved by the Board of Directors of the Company. The Management has also performed sensitivity analysis considering different scenarios to build in the uncertainties attached. Based on such valuation assessment done by the Management and approved by the Board of Directors, and other management initiatives as mentioned above, the Management is of the view that there is no impairment required in the value of MRO CGU as at March 31, 2020 in this Statement.

5 As at March 31, 2020, the Company has accumulated losses (including amalgamation adjustment deficit account) of Rs. 47,789.78 lakhs (as at March 31, 2019 is Rs 49,259.29 lakhs) and its net-worth has been fully eroded. The Management has undertaken several initiatives to improve its income from operations and establish profitable operations including the composite scheme of arrangement (Refer Note 2 above). In the current year, the Company has made a Profit for the year and based on the business plans for the coming year including the cash flow projections, it has sufficient future cash flows to meet its liabilities as and when they fall due. The credit rating for the Company's NCD program has been confirmed by ICRA Limited with letter dated April 09, 2020 as [ICRA]AA(CE) (placed on watch with negative implications).

In view of the Management there is no significant uncertainty on the going concern assumption and that the Company will have positive net worth in the coming years.

Additionally, GMR Hyderabad International Airport Limited ("GHIAL") has confirmed its continuous financial support to the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. During the year ended March 31, 2020, Company has allotted shares of Rs 2,550 lakhs to GHIAL for consideration in cash.

Accordingly, these Statement have been prepared on Going Concern basis and do not include any adjustments relating to the recoverability of assets or the amounts of liabilities that may be necessary if the entity is unable to continue as a going concern.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

6 Debt/Equity Ratio: Debt (long term borrowings and current maturity of long term borrowings included in current liabilities)/Total Equity (Equity Share Capital, Share Capital suspense and other equity).

7 Debt Service Coverage Ratio (DSCR): Earnings before interest on long term borrowings and tax/(Interest on long term borrowings +Principal repayment of long term borrowings).

8 Interest Service Coverage Ratio (ISCR): Earnings before interest on long term borrowings and tax/Interest on long term borrowings.

9 Asset coverage ratio represents Non-current and Current Assets / Secured Debt (long term borrowings and current maturity of long term borrowings included in current liabilities).

10 Paid up debt capital represents outstanding 1,750 Rated, Senior, Listed, Unsecured, Redeemable, Non-Convertible Debentures of Rs.10 Lakhs each aggregating Rs.17,500 lakhs after an adjustment of unamortised upfront fee paid of Rs.45.14 lakhs as at March 31, 2020 (Rs.55.16 lakhs as at March 31,2019) and 1,000 Rated, Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures, Rs.10 Lakhs each aggregating Rs.10,000 lakhs after an adjustment of unamortised upfront fee paid of Rs.25.80 lakhs as at March 31, 2020 (Rs.31.55 lakhs as at March 31,2019).

11 The Company has changed it's name from GMR Aerospace Engineering Limited to GMR Air Cargo and Aerospace Engineering Limited w.e.f September 25, 2019.

12 The Company has adopted Ind AS 116 " Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach. Right-of-use assets(ROU) at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

Accordingly, on transition to Ind AS 116, the Company recognised the right-of-use assets of Rs. 8,059.44 lakhs and lease liabilities amounting of Rs. 7,964.42 lakhs. Consequent to the amendment of lease agreement with GMR Hyderabad Aviation SEZ Limited w.e.f December 01, 2019, remeasurement of lease liability has been carried out to reflect the revised lease rentals and the corresponding adjustment of Rs. 3,790.40 lakhs has been done to ROU. During the year ended March 31, 2020, the Company has recognised interest expense on leases amounting to Rs. 698.54 lakhs and depreciation on right-of-use assets amounting to Rs. 752.82 lakhs in the Statement.

13 The Statement has been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. The Statement has been prepared under the historical cost convention on an accrual basis, except for certain financial assets and liabilities which have been measured at fair value.

14 The figures for the current half year and half-year ended March 31,2019 are the balancing figures of the full financial year ended March 31,2020 and March 31,2019 respectively and the unaudited year to date figures upto first half-year ended September 30, 2019 and September 30, 2018 respectively.

15 Pursuant to notification G.S.R.574(E) dated August 16, 2019 issued by Ministry of Corporate Affairs, the Company being a listed entity is not required to create Debenture Redemption Reserve.

16 In the absence of profits available for distribution, the Company has not declared preference dividend on Compulsorily Convertible Cumulative Preference Shares ("CCCPS") for the quarter ended September 30, 2019, December 31, 2019 and March 31, 2020 and the same has been considered as contingent liability.

17 As the world faces one of its biggest challenge caused by the COVID-19 related disruptions, the country wide lockdown enforced from March 25, 2020 had temporarily impacted the Company's operations. The Maintenance, Repair and Overhaul (MRO) business and Air Cargo business remains relatively less affected from demand point of view as MRO demand increased due to downtime of aircrafts, and air cargo business was classified as essential services. The Company had to face some issues related to non-availability of manpower and supply chain disruptions to cater to such demand. Presently, the Company has resumed the operations and are adhering to strict safety measures and Government guidelines.

The Company has considered the possible effects that may result from the pandemic while assessing the recoverability of carrying values of assets/CGU's and also in estimating future cash flows. In developing the assumptions relating to the possible future uncertainties in the global and domestic economic conditions because of this pandemic, the Company, as at the date of approval of these Statement has used internal and external sources of information, to the extent relevant. In terms of the impact of COVID19 on impairment assessment of the MRO CGU, the Management has concluded that no impairment is required, refer Note 4 for details.

Additionally, in respect of going concern assessment the Management has determined that there are no material uncertainties exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, refer Note 5 for details.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these Statement and the Company will continue to closely monitor any material changes to future economic conditions.

18 Taxation:

a) In view of the brought-forward business losses of the Company, also considering the brought-forward losses of the demerged undertaking (MRO business), no provision for current tax has been made in these standalone financial results. The Company, post merger, has filed the income tax return for the year ended March 31, 2019 on November 30, 2019. Pending assessment and on grounds of prudence, no adjustment has been made to the current tax provision for that financial year.

b) Minimum Alternate Tax (MAT) Credit entitlement (cumulative balance) claimed by the Company as per the income tax return filed for the FY 2018-19 on November 30, 2019 aggregating Rs. 3,701.03 lakhs has not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

19 The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company has identified two reportable segments under Ind AS 108 as follows:
a) Maintenance, Repairs and Overhauling (MRO) and;
b) GMR Hyderabad Air Cargo (Air Cargo)

The Chief Operating Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the audited standalone financial results.

SP

For the year ended March 31, 2020

(In Rs Lakhs)

	Segment Revenue				Segment Profit			
	For the half-year ended March 31, 2020 (Refer Notes 2 & 14)	For the half-year ended March 31, 2019 (Refer Notes 2 & 14)	For the year ended March 31, 2020 (Refer Note 2)	For the year ended March 31, 2019 (Refer Note 2)	For the half-year ended March 31, 2020 (Refer Notes 2 & 14)	For the half-year ended March 31, 2019 (Refer Notes 2 & 14)	For the year ended March 31, 2020 (Refer Note 2)	For the year ended March 31, 2019 (Refer Note 2)
MRO	11,071.54	8,802.17	20,346.02	15,353.67	1891.69	1047.39	2,742.83	1,301.99
Air Cargo	4,587.67	4,939.27	9,477.98	9,857.35	(130.85)	(386.27)	840.23	729.22
	15,659.21	13,741.44	29,824.00	25,211.02	1,760.84	661.12	3,583.06	2,031.21
Less: Inter segment	-	(0.51)	(1.35)	(0.92)	-	-	-	-
Total	15,659.21	13,740.93	29,822.65	25,210.10	1,760.84	661.12	3,583.06	2,031.21
Other income					778.08	282.78	1,331.42	866.48
Finance costs					(1,486.80)	(1,334.93)	(3,231.52)	(2,665.33)
Tax expense					(13.19)	(113.26)	(45.89)	(549.74)
Profit after tax					1,038.93	(504.29)	1,637.07	(317.38)

Segment assets and liabilities: (In Rs Lakhs)

	As at March 31, 2020	As at March 31, 2019
Segment assets		
MRO	28,054.80	23,522.41
Air Cargo	8,191.70	12,175.07
Unallowable assets	9,846.22	2,784.00
Inter - segment	(2,801.26)	-
Total assets	43,291.46	38,481.48
Segment liabilities		
MRO	14,598.91	8,436.79
Air Cargo	4,420.27	3,206.44
Unallowable liabilities	27,429.06	30,213.28
Inter - segment	(2,801.26)	-
Total liabilities	43,646.98	41,856.51

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial results of the company as a whole.

SP

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

20 Statement referred to in Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Disclosures			
Credit rating and change in Credit rating (if any)	The credit rating of NCD's issued of Rs. 27,500 Lakhs is "[ICRA]AA(CE) (placed on watch with negative implications)" as per ICRA Limited letter dated April 09, 2020. The previous credit rating of NCD's issued of Rs. 27,500 Lakhs is "[ICRA]AA(CE)(Stable)" as per ICRA Limited letter dated November 04, 2019.			
Asset Cover available, in case of non-convertible debentures	4.34 times (Refer Note 9 above)			
Debt-equity ratio as on March 31, 2020	(77.15) times			
Previous due date for the payment of interest/repayment of principal of Non-Convertible Debentures and whether the same has been paid or not	**Name of the Series/ISIN No**	**Interest (Rs. in Lakhs)**	**Due on**	**Paid on**
	a) NCD's for Rs. 17,500 Lakhs (INE550V08017) b) NCD's for Rs. 10,000 Lakhs (INE991L07016)	748.13 427.50	September 30, 2019	September 30, 2019
	a) NCD's for Rs. 17,500 Lakhs (INE550V08017) b) NCD's for Rs. 10,000 Lakhs (INE991L07016)	748.13 427.50	March 31, 2020	March 30, 2020
	Name of the Series/ISIN No	**Principal (Rs. in Lakhs)**	**Due on**	**Paid on**
	a) NCD's for Rs. 17,500 Lakhs (INE550V08017) b) NCD's for Rs. 10,000 Lakhs (INE991L07016)	Nil	Not Applicable	Not Applicable
Next due date for the payment of interest	**Name of the Series/ISIN No**		**Interest (Rs. in Lakhs)**	**Due on**
	a) NCD's for Rs. 17,500 Lakhs (INE550V08017) b) NCD's for Rs. 10,000 Lakhs (INE991L07016)		748.13 427.50	September 30, 2020
Debt service coverage ratio for the year ended March 31, 2020	1.71 times			
Interest service coverage ratio for the year ended March 31, 2020	1.71 times			
Outstanding Non-cumulative redeemable preference shares (quantity and value)	Not applicable (NA)			
Capital Redemption Reserve/Debenture Redemption Reserve	(Refer Note 13 above)			
Net Worth as on March 31, 2020	INR (355.52) Lakhs			
Net Profit after tax for the year ended March 31, 2020	INR 1,637.07 Lakhs			
Earnings per share (for the year- not annualised)	0.31			

SP

For and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited (Formerly known as GMR Aerospace Engineering Limited)

GMR Air Cargo And Aerospace Engineering Ltd. ★ Hyderabad

Rajesh Kumar Arora
Director
DIN : 03174536

Place: Hyderabad
Date: June 04, 2020