



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 Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of M/s. GMR Air Cargo and Aerospace Engineering Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements for the year ended March 31, 2021 give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the company as at March 31, 2021, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual 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 in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements:

5. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. 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.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

8. 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.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - (i) 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.
 - (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
 - (v) 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.

10. 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.
11. 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.
12. 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:

13. The standalone Financial statements of the company for the year ended March 31, 2020 were audited by the predecessor auditor i.e., Deloitte Haskins & Sells LLP who have expressed unmodified opinion vide their audit report dated June 04, 2020, whose reports have been furnished to us and which have been relied upon by us, for the purpose of our audit.

Report on Other Legal and Regulatory Requirements:

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2021 from being appointed as directors in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Appendix-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - (Refer Note 35 to the standalone financial statements),
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

For **K.S Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

**Hitesh
Kumar P
Jain** Digitally
signed by
Hitesh Kumar
P Jain

Hitesh Kumar P
Partner
Membership No. 233734
UDIN No: 21233734AAAAHP7111

Place: Bengaluru
Date: April 22, 2021

Appendix - A to the Independent Auditors' Report

The Appendix referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2021 we report that:

- (i) In respect of the Company's Property, Plant and Equipment
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE').
 - (b) The Company has not conducted any Physical Verification of PPE. However, the Company has a program of physical verification of PPE once in three years and to deal with material discrepancies identified on such verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not conducted a detailed examination of the same.

- (vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2021 for a period of more than six months from date they become payable.
- b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute except for the below:

Name of the Statute	Nature of Dues	Amount Involved (In lakhs)	Amount Unpaid (in Lakhs)	Period for which the amount Relates	Forum where Dispute is pending
Income Tax Act, 1961	Income tax	84.98*	*	AY 2008-09	Income Tax Appellate Tribunal, Hyderabad CIT (Appeals), Hyderabad
Income Tax Act, 1961	Income tax	417.17	40.12#	AY 2015-16	CIT (Appeals), Hyderabad
Finance Act, 1994	Service tax (including penalty)	591.99	591.99	March 2008 to June 2010	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
Finance Act, 1994	Service tax (including penalty)	128.05	118.49	2013-14 to 2015-16	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	16.47	16.47	AY 2016-17	CIT (Appeals), Hyderabad
Finance Act, 1994	Service tax	210.57	210.57	October 2013 to June 2017	Director General of GST Intelligence, Hyderabad Zonal Unit

*The Assessing Officer has disallowed the amount which will impact the reduction of loss for Relevant assessment year.

#The Assessing Office has reduced the amount refundable for AY 2017-18 to that extent.

- (viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer or debt instruments or term loans and hence the reporting under clause 3 (ix) is not applicable.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the period.
- (xi) According to the information and explanations given by the management, the provisions of the section 197 of the Act read with Schedule V to the Act are complied.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company and hence not commented upon.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration no: 003109S

**Hitesh
Kumar P
Jain** Digitally
signed by
Hitesh Kumar
P Jain

Hitesh Kumar P
Partner

Membership No: 233734
UDIN No. 21233734AAAAHP7111

Place: Bengaluru
Date: April 22, 2021

Appendix - B to the Independent Auditors' Report**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of M/s. GMR Air Cargo and Aerospace Engineering Limited ("the Company") as of March 31, 2021 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of internal financial controls with reference to standalone financial

statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements.

A company's internal financial controls with reference to standalone financial statements 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 controls with reference to financial standalone statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to standalone financial statements.

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.S Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Hitesh
Kumar P
Jain



Digitally signed
by Hitesh
Kumar P Jain

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No. 21233734AAAAHP7111

Place: Bengaluru
Date: April 22,2021

GMR Air Cargo And Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
 CIN: U45201TG2008PLC067141
 Standalone Balance sheet as at March 31, 2021
 (All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	14,125.81	14,305.85
Right-of-use assets	5	2,164.87	3,516.22
Other intangible assets	4	8,035.60	1,610.96
Capital Work in Progress		237.22	
Intangible assets under development	6	624.36	121.23
Financial assets			
Investments	7(a)	10.00	10.00
Other financial Assets	7(b)	121.53	111.75
Non-current tax assets	8	3,505.36	3,287.09
Other non-current assets	9	4,264.27	684.33
		33,089.02	23,647.43
Current assets			
Inventories	10	6,484.29	4,325.30
Financial assets			
Investments	7(a)	228.55	6,378.49
Trade receivables	11	6,427.68	5,358.99
Cash and cash equivalents	12(a)	607.60	1,362.39
Bank balances other than cash and cash equivalents	12(b)	200.73	503.33
Loans	13	2,000.00	-
Other financial assets	7(b)	2,352.13	946.74
Current tax assets (net)	8	1.00	170.64
Other current assets	9	1,044.95	598.15
		19,346.93	19,644.03
Total assets		52,435.95	43,291.46
Equity and liabilities			
Equity			
Equity share capital	14	47,383.09	47,383.09
Other equity	15	(47,153.34)	(47,738.61)
Total Equity		229.75	(355.52)
Non-current liabilities			
Financial Liabilities			
Long term Borrowings	16	27,444.76	27,429.06
Lease Liabilities	17	2,322.32	3,002.85
Other financial liabilities	20	4,230.01	
Provisions	18	676.69	80.05
		34,673.78	30,511.96
Current liabilities			
Financial Liabilities			
Short-term Borrowings	16	2,907.38	-
Trade payables	19		
(i) total outstanding dues of micro enterprises and small enterprises		50.36	12.60
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		9,412.35	9,464.42
Lease Liabilities	17	664.46	1,323.26
Other financial liabilities	20	400.53	200.91
Provisions	18	809.99	386.25
Other current liabilities	21	3,287.35	1,747.58
		17,532.42	13,135.02
Total equity and liabilities		52,435.95	43,291.46

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 K.S. Rao & Co.,
 Chartered Accountants
 ICAI Firm Registration No: 003109S

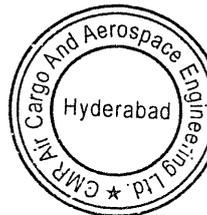
Hitesh Kumar P
 Hitesh Kumar P

Partner
 Membership No: 233734



Place : Hyderabad
 Date : April 22, 2021

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



SGK Kishore
 SGK Kishore
 Director
 DIN : 02916539

Srikanth Yetcha
 Srikanth Yetcha
 Chief Financial Officer

Dr. Ashwin Gudapati
 Dr. Ashwin Gudapati
 Director
 DIN : 02506004

Rajhal Panigrahi
 Rajhal Panigrahi
 Company Secretary
 M.No. ACS39622

Place : Hyderabad
 Date : April 22, 2021

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

CIN: U45201TG2008PLC067141

Standalone Statement of profit and loss for the year ended March 31, 2021

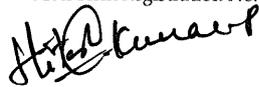
(All amounts in ₹ Lakhs except otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020 (Refer Note 1.1)
I. Revenue			
Revenue from operations	22	32,565.19	29,822.65
Other income	23	774.70	1,331.42
Total Revenue		33,339.89	31,154.07
II. Expenses			
Operations and maintenance expenses		258.22	371.78
Cost of stores and spares consumed	24	8,876.23	6,054.59
Employee benefits expense	25	8,638.51	8,052.94
Finance costs	26	3,204.93	3,231.52
Depreciation and amortization expenses	27	2,698.05	2,762.29
Other expenses	28	9,102.29	8,997.99
Total Expenses		32,778.23	29,471.11
III. Profit before Tax [(i) - (ii)]		561.66	1,682.96
IV. Tax expenses	30		
Current tax		-	-
Deferred tax		(6.14)	45.89
		(6.14)	45.89
V. Profit for the year (III-IV)		567.80	1,637.07
VI. Other comprehensive income			
<i>Items that will not be reclassified to Profit and Loss</i>	29		
Re-measurement (losses) on defined benefit plan		23.60	(50.74)
Deferred tax impact on Re-measurement gains/(losses) on defined benefit plan		(6.14)	13.19
Total other comprehensive loss		17.46	(37.55)
VII. Total comprehensive income for the year (V + VI)		585.26	1,599.52
Earnings per equity share of par value of Rs.10 each :			
Basic and diluted (Rs. Per share)	31	0.08	0.31
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 K.S. Rao & Co.,
Chartered Accountants
ICAI Firm Registration No: 003109S

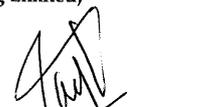


Hitesh Kumar P
Partner
Membership No: 233734

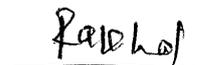


For and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited (Formerly
known as GMR Aerospace Engineering Limited)


SGK Kishore
Director
DIN : 02916539


Dr. Kavitha Gudapati
Director
DIN : 02506004


Srikanth Vetcha
Chief Financial Officer


Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Hyderabad
Date : April 22, 2021



Place : Hyderabad
Date : April 22, 2021

GMR Air Cargo And Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
 CIN: U45201TG2008PLC067141
 Standalone Statement of Changes in Equity for the year ended March 31, 2021
 (All amounts are in ₹ lakhs, unless otherwise stated)

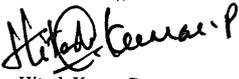
A. Share Capital:

	No. of shares	Rs. in lakhs
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 01, 2019	338,400,000	33,840.00
Issue of shares during the year	117,412,200	11,741.22
As at March 31, 2020	455,812,200	45,581.22
As at April 01, 2020	455,812,200	45,581.22
Issue of shares during the year	-	-
As at March 31, 2021	455,812,200	45,581.22
Preference Share Capital		
11.97% compulsory convertible cumulative preference shares ('CCCPS')		
Series A of Rs.10,000 each fully paid up		
As at April 01, 2020	18,000	1,800.00
Issue of shares during the year	-	-
As at March 31, 2021	18,000	1,800.00
11.97% compulsory convertible cumulative preference shares ('CCCPS')		
Series B of Rs.10/- each fully paid up		
As at April 01, 2020	18,735	1.87
Issue of shares during the year	-	-
As at March 31, 2021	18,735	1.87
Total Share Capital as at March 31, 2020		47,383.09
Total Share Capital as at March 31, 2021		47,383.09

B. Other Equity

	As at March 31, 2021	As at March 31, 2020
(i) Equity component of related party loan		
Opening Balance	51.17	51.17
Less: Adjustments during the year	-	-
Closing Balance	51.17	51.17
(ii) Retained earnings		
Opening Balance	(46,700.62)	(48,170.13)
Add: Profit for the year	567.80	1,637.07
Remeasurement (losses) on the defined benefit plans	17.46	(37.55)
Dividend paid to earlier share holders of CCCPS (Series A) amount per share Rs. 1.197/- per share (Refer Note 1.1)	-	(107.73)
Dividend paid to earlier share holders of CCCPS (Series B) amount per share Rs. 1.197/- per share (Refer Note 1.1)	-	(0.11)
Dividend distribution tax on CCCPS dividend	-	(22.17)
Closing Balance	(46,115.35)	(46,700.62)
(iii) Amalgamation Adjustment Deficit Account		
Opening balance	(1,089.16)	(1,089.16)
Less: Adjustment during the year	-	-
Closing balance	(1,089.16)	(1,089.16)
(iv) Share application money pending allotment		
Opening balance	-	1,000.00
Add: Received during the year	-	1,550.00
Less: Issue of shares during the year	-	(2,550.00)
Closing balance	-	-
Total Other Equity	(47,153.34)	(47,738.61)

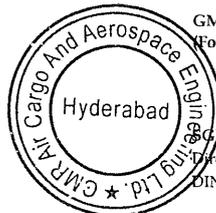
The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached
 For K.S. Rao & Co.,
 Chartered Accountants
 ICAI Firm Registration No: 0031095

 Hitesh Kumar P
 Partner
 Membership No: 233734



Place : Hyderabad
 Date : April 22, 2021

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




 K. Kishore
 Director
 DIN : 02916539


 Srikanth Vetcha
 Chief Financial Officer

Place : Hyderabad
 Date : April 22, 2021


 Dr. Kavitha Gudapati
 Director
 DIN : 02506004


 Rakhal Panigrahi
 Company Secretary
 M.No. ACS39622

	For the year ended March 31, 2021	For the year ended March 31, 2020 (Refer Note 1.1)
Cash flow from operating activities		
Profit before tax	561.66	1,682.96
Adjustments for:		
Depreciation and amortization expense	2,698.05	2,762.29
Unrealized foreign exchange gain	280.67	(295.13)
Interest income	(233.90)	(602.70)
Inventory write off	34.65	26.25
Income from mutual funds	(29.12)	(69.32)
Finance income on financial asset held at amortised cost	(13.89)	(26.13)
Provision for doubtful receivables	8.94	42.57
Bad debts written off	-	27.35
Fair value gain on financial instruments at FVTPL	(1.74)	-
Gain on sale of Property, plant and equipment (net)	-	(4.07)
Property, plant and equipment (net) write off	0.16	105.42
Other notional revenue (upon reversal of Lease)	(68.41)	-
Finance costs	3,204.93	3,231.52
Operating Profit before working capital changes	6,442.00	6,881.21
Changes in working capital:		
(Decrease) / Increase in trade payables	(31.63)	(330.74)
Increase in other financial liabilities and other liabilities	1,513.56	801.96
Increase in provisions	1,039.68	69.46
Decrease in trade receivables	(1,340.26)	(624.04)
(Increase) in inventories	(2,193.64)	(983.22)
(Increase) in other financial assets and other assets	(4,472.08)	(363.89)
Cash from operations	977.64	5,430.74
Direct taxes paid	(48.63)	(985.29)
Net cash flow (used in)/from operating activities (A)	929.01	4,445.45
Cash flows from investing activities		
Interest income received	241.62	474.01
Proceeds from sale of property, plant and equipment	-	4.45
Purchase of Property, plant and equipment including CWIP and capital advances	(6,086.96)	(1,858.93)
Investment in Commercial Paper	(14,889.99)	(34,778.59)
Maturity of Commercial Paper	19,854.10	30,000.00
Purchase of Current Investments	(899.98)	(3,600.00)
Redemption of Current Investments	2,116.66	2,380.88
Redemption/maturity of Inter Corporate Deposit	-	5,000.00
Loan given	(2,000.00)	-
Investments in bank deposits (having original maturity of more than three months)	(3,968.40)	(498.33)
Redemption/maturity of bank deposits (having original maturity of more than three months)	4,271.00	3,469.00
Net cash flow (used in)/from investing activities (B)	(1,361.95)	792.49
Cash flows from financing activities		
Proceeds from issue of share capital (including share application money)	-	1,350.00
Payment of Lease liability	(687.42)	(365.67)
Dividends on equity and preference shares paid (including dividend distribution taxes)	-	(130.01)
Proceeds/(Repayment) of Short-term borrowings	2,907.38	(2,799.99)
Interest paid	(2,541.24)	(2,701.17)
Net cash flow from/(used in) financing activities (C)	(321.28)	(4,446.84)
Net (decrease) in cash and cash equivalents (A + B + C)	(754.22)	791.10
Effect of exchange differences on cash & cash equivalents held in foreign currency	(0.37)	16.33
Cash and cash equivalents at the beginning of the year	1,362.39	554.96
Cash and cash equivalents at the end of the year	607.60	1,362.39
Components of cash and cash equivalents		
Cash in hand	0.88	1.82
Cheques on hand	-	-
With banks - on current accounts	-	-
With banks - on escrow accounts	288.52	425.97
Exchange earners foreign currency account	1.01	2.00
Deposits with maturity for less than 3 months	317.19	732.60
Deposits with maturity for less than 3 months	-	200.00
Total cash and cash equivalents	607.60	1,362.39

Reconciliation of liabilities from financing activities for the year ended March 31, 2021:

Particulars	As at March 31, 2020	Proceeds/ Impact of Ind AS 116 #	Repayment	Fair value change/other adjustments##	As at March 31, 2021
Borrowings	27,429.06	2,907.38	-	15.70	30,352.14
Lease liabilities	4,326.11	178.65	(687.42)	(830.56)	2,986.79
Total	31,755.17	3,086.03	(687.42)	(814.86)	33,338.93

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

includes adjustment on account of lease termination (Refer Note 34)

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 change/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	30,213.28	7,964.42	(3,165.66)	(3,256.87)	31,755.17

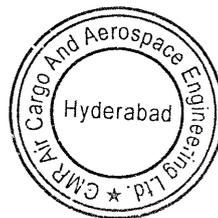
The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached

For K.S. Rao & Co.,
Chartered Accountants

ICAI Firm Registration No: 0031095

Hitesh Kumar P
Partner
Membership No: 233734



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

SCK Kishore
Director
DIN : 02916539

Dr. Kavitha Gudapati
Director
DIN : 02506004

Srikanth Vetha
Chief Financial Officer

Rakhol
Company Secretary
M.No. ACS39622

Place : Hyderabad
Date : April 22, 2021

Place : Hyderabad
Date : April 22, 2021

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).

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.

- 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.

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).



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.



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.

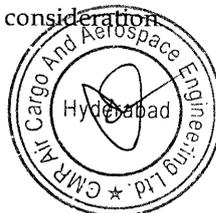
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.



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

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**

Revenue from Services:

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.

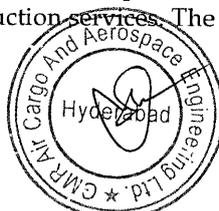
"Income from the concession arrangements earned under the intangible asset model consists of :

- (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.



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.

Interest for delayed payments from customers is accounted only when it is unconditionally accepted by the customers and on receipt basis.

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:

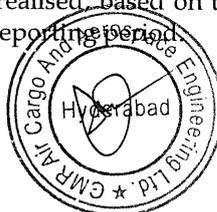
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates 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 Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141

Notes to the Financial Statements for the year ended March 31, 2021

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

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.

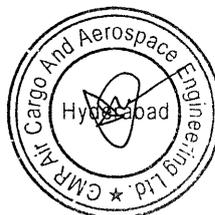
However, in case of tools and equipment, where such individual items constitute more than 10% of the total cost of Tools and equipment, normal useful lives have been considered.

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.



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.

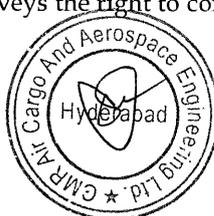
j) Borrowing cost

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 34.

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.



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,



Notes to the Financial Statements for the year ended March 31, 2021

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

unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

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

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

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:

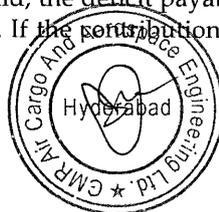
- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability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

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.

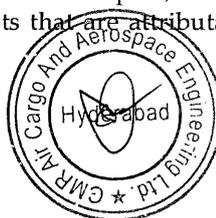
p) Financial instruments

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.



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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

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

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

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

Debt instruments at amortised cost:

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

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

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

Debt instrument at FVTOCI:

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

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

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

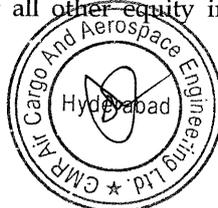
Debt instrument at FVTPL:

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

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

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



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

irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to 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.

Derecognition:

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

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

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

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

Impairment of financial assets:

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

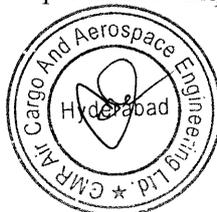
- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or 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



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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement:

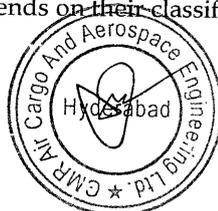
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Subsequent measurement:

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



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

Financial liabilities at fair value through profit or loss:

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

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

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

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

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

Loans and borrowings:

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at 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 Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141

Notes to the Financial Statements for the year ended March 31, 2021

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

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.



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, 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)
At March 31, 2020	11,959.04	8,511.50	315.62	174.82	306.52	29.92	21,297.42
Additions	11.29	1,138.78	74.45	170.97	61.84	15.54	1,472.86
Disposals	-	(0.29)	-	-	-	-	(0.29)
As at March 31, 2021	11,970.33	9,649.99	390.07	345.79	368.36	45.46	22,769.99
Accumulated Depreciation							
At April 1, 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	1,493.59
Disposals	-	(99.28)	(1.16)	(4.46)	-	-	(104.90)
At March 31, 2020	3,303.63	3,220.95	191.33	93.64	168.87	13.15	6,991.58
Depreciation charge for the year	706.23	792.90	49.35	58.12	41.77	4.36	1,652.73
Disposals	-	(0.13)	-	-	-	-	(0.13)
As at March 31, 2021	4,009.86	4,013.72	240.68	151.76	210.64	17.51	8,644.18
Net Block							
At March 31, 2020	8,655.41	5,290.55	124.29	81.18	137.65	16.77	14,305.85
As at March 31, 2021	7,960.47	5,636.27	149.39	194.03	157.72	27.95	14,125.81

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, 2019	2,634.31	354.96	898.29	3,887.56
Additions	371.78	72.32	-	444.10
Disposals	(5.18)	-	-	(5.18)
At March 31, 2020	3,000.91	427.28	898.29	4,326.48
Additions	7,131.75	16.47	-	7,148.21
Disposals	-	-	-	-
As at March 31, 2021	10,132.66	443.75	898.29	11,474.69
Accumulated Amortization				
At April 1, 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)
At March 31, 2020	1,506.60	310.63	898.29	2,715.52
Charge for the year	697.79	25.78	-	723.57
Disposals	-	-	-	-
As at March 31, 2021	2,204.39	336.41	898.29	3,439.09
Net Block				
At March 31, 2020	1,494.31	116.65	-	1,610.96
As at March 31, 2021	7,928.27	107.34	-	8,035.60

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 34)	6,174.76	1,884.68	8,059.44
Additions	-	-	-
Adjustments (Refer Note 34)	(3,790.40)	-	(3,790.40)
As at March 31, 2020	2,384.36	1,884.68	4,269.04
Additions	262.02	-	262.02
Adjustments (Refer Note 34)	-	(1,884.68)	(1,884.68)
As at March 31, 2021	2,646.38	-	2,646.39
Accumulated Amortization			
At April 01, 2019	-	-	-
Impact of adoption of Ind AS 116 (Refer Note 34)	-	-	-
Charge for the year	277.75	475.07	752.82
Adjustments	-	-	-
As at March 31, 2020	277.75	475.07	752.82
Charge for the year	203.76	118.12	321.88
Adjustments (Refer Note 34)	-	(593.18)	(593.18)
As at March 31, 2021	481.51	0.00	481.52
Net Block			
As at March 31, 2020	2,106.61	1,409.62	3,516.22
As at March 31, 2021	2,164.87	-	2,164.87

6. Intangible Assets under development

Capital expenditure incurred on intangible assets

	As at March 31, 2021	As at March 31, 2020
	624.36	121.23
	624.36	121.23



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

CIN: U45201TG2008PLC067141

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts in ₹ lakhs except otherwise stated)

7(a) Investments

	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investment equity instruments (fully paid-up)				
Unquoted investment in subsidiaries				
100,000 (March 31, 2020: 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, 2020: Rs. 5,000 lakhs))	-	-	-	4,964.11
Investment in mutual funds (unquoted) (held at fair value through profit and loss)				
Nil units (March 31, 2020: 124,251.904 units) of Rs.100 each of Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan			-	394.80
18,514.138 units (March 31, 2020: Nil units) of Rs.1000 each of Aditya Birla Sun Life Overnight Fund- Growth-Direct Plan			-	-
Nil units (March 31, 2020: 173,207.142 units) of face value of Rs.100 each ICICI Prudential Liquid Fund - Growth	-	-	-	506.63
Nil units (March 31, 2020: 23,337.357 units) of face value of Rs.1000 each Axis Liquid Fund Growth	-	-	-	512.95
115,516.808 units (March 31, 2020: Nil units) of face value of Rs.100 each ICICI Prudential Overnight Fund Direct Plan Growth	-	-	128.20	-
3,561.616 units (March 31, 2020: Nil units) of face value of Rs.1000 each UTI Overnight Fund-Direct Growth Plan	-	-	100.35	-
Total	10.00	10.00	228.55	6,378.49
7(b) Other Financial Assets				
Security deposits				
Unsecured,considered good, to related parties	37.33	48.30	-	7.23
Unsecured,considered good, to others	78.99	62.74	-	-
Margin money deposits held with bank	4.50	-	-	-
Unsecured loan to GMR Goa International Airport Limited	-	-	-	-
Interest accrued on fixed deposits	-	-	8.53	11.40
Interest accrued on Commercial Paper	-	-	-	25.12
Interest accrued on Loan	-	-	20.27	-
Duty Credit Script certificate on hand	-	-	-	-
Other deposits	0.71	0.71	-	-
Unbilled revenue	-	-	2,275.93	902.99
Other receivables	-	-	47.38	-
Total	121.53	111.75	2,352.13	946.74



8. Tax Assets:

Advance income-tax (net of provisions of Rs. 5,133.27 lakhs (March 31, 2020: Rs. 5,133.27 lakhs)

	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	3,505.36	3,287.09	1.00	170.64
	3,505.36	3,287.09	1.00	170.64

9. Other Assets:

Unsecured, considered good
Capital advances
Advances recoverable in cash or kind
Total (A)

Other loans and advances
Prepaid expenses
Advance Concession fee
Balances with statutory/ government authorities
Total (B)

Total (A+B)

	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	1,273.01	285.48	-	-
	272.55	272.55	539.05	191.38
	1,545.56	558.03	539.05	191.38
	9.82	13.83	248.48	204.75
	2,596.42			
	112.47	112.47	257.41	202.02
	2,718.71	126.30	505.90	406.77
	4,264.27	684.33	1,044.95	598.15

10. Inventories

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

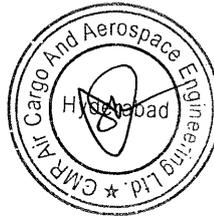
*includes material in transit of Rs.282.24 lakhs (March 31,2020 Rs. 3.58 lakhs)

	As at March 31, 2021	As at March 31, 2020
	6,484.29	4,325.30
	6,484.29	4,325.30

11. Trade Receivables

Unsecured, considered good
- Considered good- Secured
- Considered good-Un Secured
- Credit impaired
Less: Provisions for Expected Credit Loss - credit impaired
Total

	As at March 31, 2021	As at March 31, 2020
	6,427.68	5,358.99
	77.41	71.13
	(77.41)	(71.13)
	6,427.68	5,358.99



12(a) Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash on hand		
Cheques on hand	0.88	1.82
Balance with banks	0.00	-
- on current accounts		
- exchange earner's foreign currency account	288.52	425.97
- on escrow accounts	317.19	732.60
- Deposits with maturity for less than or equal to 3 months	1.01	2.00
	-	200.00
Total	607.60	1,362.39

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

Fixed deposits held as Margin money	5.73	5.33
Deposits with maturity for more than three months but less than 12 months		
- With Others	195.00	498.00
Total	200.73	503.33

13. Financial Assets - Loans

	As at March 31, 2021	As at March 31, 2020
Inter corporate deposit and loans		
- Considered good- Secured	-	-
- Considered good-Un Secured	2,000.00	-
- Have significant increase in Credit Risk	-	-
- Credit impaired	-	-
Total	2,000.00	-

*The company has given loan to GMR Goa International Airport Limited amounting to Rs. 20 Crores with an interest rate of 10% p.a. repayable within 60 days from the date of disbursement.

14. Equity Share Capital

Authorised share capital:

At April 01, 2019

Increase during the year

At March 31, 2020

Increase during the year

As at March 31, 2021

Equity Shares	
In numbers	Amount
357,568,450	37,600
324,000,000	32,400
681,568,450	70,000
-	-
681,568,450	70,000.00

Issued, subscribed and fully paid share capital

455,812,200 (March 31, 2020: 455,812,200) fully paid equity shares of Rs. 10 each

18,000 (March 31, 2020: 18,000) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up (Refer Note 1.1)

18,735 (March 31, 2020: 18,735) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up (Refer Note 1.1)

As at March 31, 2021	As at March 31, 2020
45,581.22	45,581.22
1,800.00	1,800.00
1.87	1.87
47,383.09	47,383.09

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

Equity Shares

As at April 01, 2019

Issues of the shares during the year (Refer Note below)

As at March 31, 2020

Issues of the shares during the year

As at March 31, 2021

In numbers	Amount
338,400,000	33,840.00
117,412,200	11,741.22
455,812,200	45,581.22
-	-
455,812,200	45,581.22

Preference shares - Series A

CCCPS of Rs.10,000/- each fully paid up

As at April 01, 2019

Issues of the shares during the year (Refer Note below)

As at March 31, 2020

Issues of the shares during the year

As at March 31, 2021

In numbers	Amount
-	-
18,000	1,800.00
18,000	1,800.00
-	-
18,000	1,800.00

Preference shares - Series B

CCCPS of Rs.10/- each fully paid up

As at April 01, 2019

Issues of the shares during the year (Refer Note below)

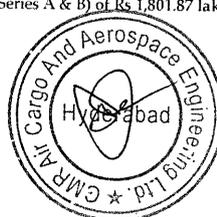
As at March 31, 2020

Issues of the shares during the year

As at March 31, 2021

In numbers	Amount
-	-
18,735	1.87
18,735	1.87
-	-
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 year. 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, 2021		As at March 31, 2020	
	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	45,58,12,200	45,581.22	45,58,12,200	45,581.22
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	18,000	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	18,735	1.87

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	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	45,58,12,200	100%	45,58,12,200	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%	18,000	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%	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.

15. Other equity

(i) Equity component of related party loan

As at April 01, 2020 / As at April 01, 2019

Less: Adjustment during the year/year

Closing Balance

	As at March 31, 2021	As at March 31, 2020
	51.17	51.17
	-	-
	51.17	51.17

(ii) Retained earnings

Opening Balance

Add: (Loss)/Profit for the year

Remeasurement (losses) on the defined benefit plans

Dividend paid to earlier share holders of CCCPS (Series A) amount per share Rs. 1.197/- per share (Refer Note 1.1)

Dividend paid to earlier share holders of CCCPS (Series B) amount per share Rs. 1.197/- per share (Refer Note 1.1)

Dividend distribution tax on CCCPS dividend

Closing Balance

	As at March 31, 2021	As at March 31, 2020
	(46,700.62)	(48,170.13)
	567.80	1,637.07
	17.46	(37.55)
	-	(107.73)
	-	(0.11)
	-	(22.17)
	(46,115.35)	(46,700.62)

(iii) Amalgamation Adjustment Deficit Account

Opening balance

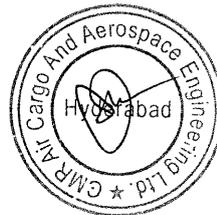
Add: Adjustment during the year/year

Closing balance

	As at March 31, 2021	As at March 31, 2020
	(1,089.16)	(1,089.16)
	-	-
	(1,089.16)	(1,089.16)

Total

	(47,153.34)	(47,738.61)
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16. Borrowings

	Long Term		Short Term	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Debentures				
Secured				
Redeemable Non Convertible Debentures	9,984.91	9,974.20	-	-
Unsecured				
Redeemable Non Convertible Debentures	17,459.85	17,454.86	-	-
Others				
Overdraft facility from bank	-	-	2,907.38	-
	27,444.76	27,429.06	2,907.38	-

Notes: (i) During the previous 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 ₹ 28.69 lakhs as at March 31, 2021 (As at March 31, 2020: ₹ 31.55 lakhs).

(ii) During the previous year ended March 31, 2018 the Company issued 1750 Senior, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹ 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 ₹ 50.15 lakhs as at March 31, 2021 (₹ 55.16 lakhs as at March 31, 2020)

(iii) The Company has availed the overdraft facility upto 3000 Lakhs from ICICI Bank is repayable on demand and carries interest of MCLR-6M is 8.20% plus spread 1.4%, as per the terms of sanction letter.

17. Lease Liabilities

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Refer Note 34)	2,322.32	3,002.85	664.46	1,323.26
	2,322.32	3,002.85	664.46	1,323.26

18. Provisions

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits				
Provision for gratuity	14.70	80.05	-	-
Leave Encashment	-	-	404.49	386.25
Other provisions				
Provision for replacement obligations	662.00	-	405.50	-
Total	676.69	80.05	809.99	386.25

19. Trade payables

	Current	
	As at March 31, 2021	As at March 31, 2020
Trade Payables		
(i) Total Outstanding dues of micro enterprises and small enterprises	50.36	12.60
(ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises	9412.35	9,464.42
	9,462.71	9,477.02



20. Other financial liabilities

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Payables for purchase of fixed assets	-	-	303.94	78.13
Deposit from customers	-	-	79.27	71.88
Retention money	-	-	8.88	17.05
Interest Accrued but not due on borrowings	-	-	6.44	6.44
Security deposit received	-	-	2.00	-
Other Payables	-	-	0.00	27.41
Other liabilities	-	-	-	-
	4,230.01	-	-	-
	4,230.01	-	400.53	200.91

21. Other current liabilities

Advances from customers
 Others
 Stutory Liabilities
 Unearned revenue

Current	
As at March 31, 2021	As at March 31, 2020
1,383.50	213.28
551.46	598.95
1,352.39	935.35
3,287.35	1,747.58



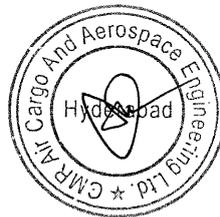
GMR Air Cargo And Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)

CIN: U45201TG2008PLC067141

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts in ₹ lakhs except otherwise stated)

22. Revenue from operations	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from MRO operations		
Revenue from MRO Services	24,361.87	20,346.02
Income from cargo operations		
Cargo operations	7,597.37	8,748.14
Improvements to concession asset	258.22	371.78
Other operating revenue		
Document handling charges	59.56	100.08
Container handling charges	123.48	74.51
Rent	136.01	145.05
Parking income	28.68	37.07
	32,565.19	29,822.65
23. Other income	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income	367.99	602.70
Finance income on financial assets held at amortised cost	13.89	7.09
Fair value gain on financial instruments at fair value through profit or loss	1.74	24.38
Profit on sale of Mutual Funds	29.12	69.32
Duty credit Scrips	161.87	-
Gain on account of foreign exchange fluctuation (net)	-	350.15
Other non operating income	65.31	40.94
Miscellaneous income	134.78	236.84
	774.70	1,331.42
24. Cost of stores and spare consumed	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	4,325.30	3,368.33
Add: Purchases	11,069.87	7,037.81
Less: Inventory written off	(34.65)	(26.25)
Less: Inventory at the end of the year	(6,484.29)	(4,325.30)
	8,876.23	6,054.59



25. Employee benefit expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	7,643.24	7,119.27
Contribution to provident and other funds	396.44	382.83
Gratuity expenses	117.81	28.72
Staff welfare expenses	481.02	522.12
Total	8,638.51	8,052.94

26. Finance costs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on		
Cash Credit facility and overdraft facility from bank	133.77	116.72
Redeemable Non Convertible Debentures	2,366.95	2,367.00
Lease Liability	647.99	698.54
Interest others	-	0.11
Bank and finance charges	56.22	49.15
	3,204.93	3,231.52

27. Depreciation and amortisation expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (Refer note 3)	1,652.60	1,493.58
Amortisation of intangible assets (Refer note 4)	723.57	515.89
Depreciation on Right-of-use Assets (Refer note 5)	321.88	752.82
	2,698.05	2,762.29



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

CIN: U45201TG2008PLC067141

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts in ₹ lakhs except otherwise stated)

28. Other expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates and taxes	272.70	594.53
Concession fee	1,434.29	1,773.74
Technical fee	661.58	581.21
Provision for planned maintenance under SCA	1,184.95	-
Cargo handling charges	399.57	477.34
Lease expenses	61.26	123.18
Concessionaire rent	25.84	33.04
Electricity and water charges (net of recoveries)	539.35	589.01
Equipment hire charges	228.16	81.36
Insurance	475.71	342.99
Repairs and Maintenance		
- Plant and machinery	178.29	213.09
- Buildings	78.37	59.57
- IT Systems	65.36	86.86
- Others	546.76	604.33
Sub-contracting expenses	336.17	153.82
Advertising and sales promotion	-1.58	83.46
Travelling and conveyance	376.66	482.80
Communication expenses	51.38	57.48
Printing and stationery	54.38	42.83
Security expenses	138.17	167.61
House Keeping Charges	71.80	59.92
Business development expenses	214.90	209.58
Membership and Subscriptions	51.63	17.33
Corporate social responsibility expense	14.41	-
Legal and professional fees	1,097.36	1,004.82
Board meeting expenses	2.60	3.39
Payment to auditors *	35.07	41.87
Loss on account of forex fluctuation (net)	158.88	-
Provision for doubtful receivable	8.94	42.57
Property, plant and equipment written off	0.16	105.42
Charity and Donations (Refer Note below)	125.00	770.00
Inventory written off	34.65	26.25
Bad debts written off	20.71	27.55
Miscellaneous expenses	158.82	141.04
	9,102.29	8,997.99

*net of reimbursements

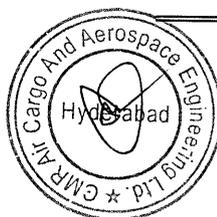
Note: The Company has made a Donation to Prudent Electoral Trust for political purpose amounting to Rs. Nil (March 31, 2020 - Rs. 700 Lakhs).

Payment to auditors	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor:		
Statutory audit fee	12.99	14.96
Tax Audit fee	3.50	
In other capacity:		
Other services	17.68	24.00
Reimbursement of expenses	0.90	2.91
	35.07	41.87

29. 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, 2021	For the year ended March 31, 2020
Re-measurement gains / (losses) on defined benefit plan	23.60	(50.74)
Deferred tax impact on above	(6.14)	13.19
	17.46	(37.55)



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

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Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts in ₹ lakhs except otherwise stated)

30. Tax expenses

(a) Income tax expense:

The major components of income tax expenses For the year ended March 31, 2021 and year ended March 31, 2020 are:

(i) Profit or loss

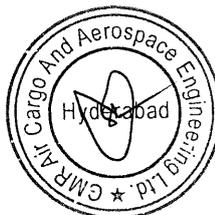
Current tax
Deferred tax
Total income tax expense recognised in statement of Profit & Loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
	-	-
	(6.14)	45.89
	(6.14)	45.89

(ii) OCI

Income tax effect on remeasurement of defined benefit plans
Income tax charge / (credit) to OCI

	For the year ended March 31, 2021	For the year ended March 31, 2020
	6.14	(13.19)
	6.14	(13.19)



31. 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, 2021	For the year ended March 31, 2020
Profit for the year	567.81	1,637.07
Less : Preference and tax thereon	(215.68)	(260.01)
Profit/(Loss) attributable to equity shareholders	307.80	1,377.06
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted)*	455,812,200	449,196,080
Earnings Per Share (Basic and diluted) (face value of Rs. 10 each)**	0.08	0.31

* 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.

32. 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, 2021	For the year ended March 31, 2020
Current service cost (including past service cost)	116.99	24.77
Interest cost on benefit obligation	0.82	3.95
Net benefit expense	117.81	28.72

Balance sheet

Details of provision for gratuity

	As at March 31, 2021	As at March 31, 2019
Present value of defined benefit obligation	(639.77)	(556.06)
Fair value of plan assets	625.06	476.01
Plan liability	(14.71)	(80.05)

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, 2021	March 31, 2020
Current service cost (including past service cost)	77.44	57.02
Interest cost on benefit obligation	6.10	5.33
Net benefit expense	83.54	62.35



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Notes to the Financial Statements for the year ended March 31, 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

Balance sheet

Details of provision for gratuity

	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	(408.56)	(338.31)
Fair value of plan assets	307.13	193.84
Plan liability	(101.42)	(144.47)

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

	March 31, 2021	March 31, 2020
Opening defined benefit obligation	338.31	253.27
Interest cost	22.66	18.36
Current service cost (including past service cost)	77.44	57.02
Benefits paid	(10.28)	(23.27)
Actuarial loss on obligation	(19.57)	32.93
Closing defined benefit obligation	408.56	338.31

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

	March 31, 2021	March 31, 2020
Opening fair value of plan assets	193.84	163.47
Expected return	16.56	13.03
Contributions by employer	109.58	39.32
Actuarial gain	(2.56)	1.30
Benefits paid	(10.28)	(23.28)
Closing fair value of plan assets	307.13	193.84

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

	March 31, 2021	March 31, 2020
Investments with insurer	100%	100%

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

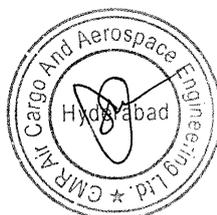
	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Salary escalation Rate	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%

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, 2021
March 31, 2022	17.72
March 31, 2023	20.94
March 31, 2024	30.03
March 31, 2025	46.19
March 31, 2026	59.20
March 31, 2027 to March 31, 2031	354.35

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.



GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
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Notes to the Financial Statements for the year ended March 31, 2021

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

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by Rs. 42.42 lakhs (increase by Rs. 50.44 lakhs) as of March 31, 2021.

If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by Rs. 36.54 lakhs (decrease by Rs. 34.35 lakhs) as of March 31, 2021.

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, 2021	March 31, 2020
Current service cost (including past service cost)	39.55	(32.25)
Interest cost on benefit obligation	(5.28)	(1.38)
Net benefit expense	34.27	(33.63)

Balance sheet

Details of provision for gratuity

	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	(231.21)	(217.75)
Fair value of plan assets	317.93	282.17
Plan asset/ (liability)	86.72	64.42

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

	March 31, 2021	March 31, 2020
Opening defined benefit obligation	217.75	238.42
Interest cost	11.94	15.72
Current service cost (including past service cost)	39.55	(32.25)
Benefits paid	(30.84)	(21.09)
Net Actuarial losses on obligation for the period recognised under OCI	(7.19)	16.95
Closing defined benefit obligation	231.21	217.75

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

	March 31, 2021	March 31, 2020
Opening fair value of plan assets	282.17	228.46
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excl. interest income	(0.59)	(2.17)
Interest income	17.21	17.10
Contributions by employer	49.97	59.87
Benefits paid	(30.84)	(21.09)
Closing fair value of plan assets	317.93	282.17



Net Defined Benefit Obligation recognised in Balance Sheet

	March 31, 2021	March 31, 2020
Defined Benefit Obligation	(231.21)	(217.75)
Fair value of Plan Assets	317.93	282.17
Net Defined Benefit Asset/ (Obligation)	86.72	64.42

Actuarial (gain) / loss on obligation:

	March 31, 2021	March 31, 2020
Experience loss/ (gain)	(8.89)	9.76
Financial loss/ (gain)	2.29	7.19
Total actuarial (gain)/loss	(6.60)	16.95

Amount recognised in other comprehensive income (OCI):

	March 31, 2021	March 31, 2020
Opening amount recognised in OCI	58.46	39.34
Remeasurement for the year - Obligation (gain)/loss	(7.19)	16.95
Return on Plan Assets excluding net interest	0.59	2.17
Closing amount recognised in OCI	51.86	58.46

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

	March 31, 2021	March 31, 2020
Discount rate	5.70%	5.90%
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, 2021	March 31, 2020
Within 1 year	52.66	50.58
1 - 2 year	51.44	58.00
2 - 3 year	49.08	46.29
3 - 4 year	50.25	44.69
4 - 5 year	49.65	47.02
5 - 10 years	206.79	205.14

Sensitivity analysis:

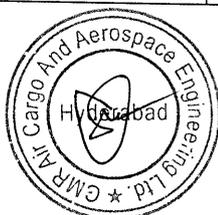
A quantitative sensitivity analysis for significant assumption is as shown below:

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

	March 31, 2021	March 31, 2020
- 1% increase	(8.27)	(7.19)
- 1% decrease	8.94	7.74

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

	March 31, 2021	March 31, 2020
- 1% increase	2.18	0.34
- 1% decrease	(2.01)	(0.31)



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Notes to the Financial Statements for the year ended March 31, 2021

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

c. Defined contribution plan

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

	March 31, 2021	March 31, 2020
Contribution to Provident Fund	368.45	353.11
Contribution to Superannuation Fund	27.96	29.69
Contribution to ESI	29.62	35.23

- d.** Leave benefit liabilities provided based on actuarial valuation amounts to Rs. 404.49 lakhs as at March 31, 2021 (March 31, 2020: Rs. 386.25 lakhs)

The actuarial assumptions (demographic & financial) employed for the calculations for MRO business as at March 31, 2021 and March 31, 2020 are as follows.

	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Salary escalation rate	8.00%	8.00%
Withdrawal rate	5.00%	5.00%

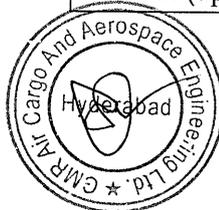
The actuarial assumptions (demographic & financial) employed for the calculations for Cargo business as at March 31, 2021 and March 31, 2020 are as follows.

	March 31, 2021	March 31, 2020
Discount rate	5.70%	5.90%
Salary escalation rate	7.50%	7.50%
Withdrawal rate	20.00%	20.00%

33. 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
		Delhi International Airport Limited
		GMR Airport Developers Limited
(vi)	Post-employment benefit plan	GMR Goa International Airport Limited
		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)
(viii)	Key Managerial personnel (KMP)	Mr. P. S. Nair –Director
		Mr. Rajesh Kumar Arora –Director
		Mr. Gopalakrishna Kishore Surey - Director, Chairman
		Mr. Abdul Rahman Harith Saif Al Busaidi-Independent Director (up to March 27, 2020)



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Notes to the Financial Statements for the year ended March 31, 2021

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

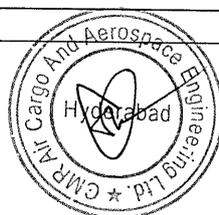
	Mrs. Kavitha Gudapati - Independent & Woman Director
	Mr. Ashok Gopinath - Chief Executive Officer (up to September 19, 2019)
	Mr. K Venkata Ramana - Chief Financial Officer
	Ms. Apeksha Naidu - Company Secretary (up to January 30, 2020)
	Mr. G. Chandrabushan - Manager (w.e.f. September 19, 2019)
	Mr. N. C. Sarabeswaran (w.e.f. March 29, 2020)
	Mr. Rakhil 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Mrs. Kavitha Gudapati	-	-	1.05	1.75
Mr. Abdul Rahman Harith Saif Al Busaidi	-	-	-	1.65
Mr. N. C. Sarabeswaran	-	-	1.55	-
Mr. Ashok Gopinath	-	81.48	-	-
Mr. K. Venkata Ramana	73.02	80.58	-	-
Ms. Apeksha Naidu	-	5.57	-	-
Mr. Rakhil Panigrahi	9.37	1.49	-	-
G. Chandra Bushan	20.30	12.96	-	-
Total		182.08	2.60	3.40

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

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	GMR Hyderabad International Airport Limited		
	Allotment of share capital (Refer Not 1.1)	-	11,741.22
	Receipt of Share application money	-	1,550.00
	Lease Rentals and Other Related expense	-	9.07
	Corporate guarantee given in relation to Working capital facility	3,000.00	3,000.00
	Preference dividend paid	-	107.84
	Concessionaire rent	25.84	33.04
	Concessionaire fee	1,434.29	1,773.74
	Reimbursement of salary cost	207.79	214.74
	Deposits received back	-	10.00
	Repairs & Maintenance - Buildings	0.51	0.51
	Repairs and Maintenance - Plant and machinery	1.15	4.21
	Repairs & Maintenance - Others	4.09	6.18
	Training charges	3.43	0.50
	Reimbursement of property insurance	0.60	2.05
	Reimbursement of rates and taxes	12.18	20.84
	Reimbursement of Other Expenses	20.00	-
	Royalty charges	16.11	43.39
	Capital work-in-progress	-	-
	Power and water charges	211.86	245.40
	Bank charges - Reimbursement	24.58	18.05

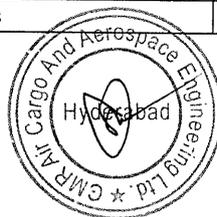


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Notes to the Financial Statements for the year ended March 31, 2021

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

	Interest on security deposit - Unwinding of discount	1.02	3.52
	Travel and conveyance	3.46	7.51
	Communication - Telephone	0.99	10.15
	Audit Charges - Reimbursement	-	0.50
	Depreciation on ROU Assets	138.91	475.07
	Follow me Vehicle Charges	2.46	3.67
	Interest on Lease Liability	382.99	180.74
	Depreciation on intangible asset (Land)	172.23	-
	Gain on termination of lease	73.46	-
	Purchase of CTB & other ancillary assets	2,797.30	-
(b)	GMR Hyderabad Aviation SEZ Limited		
	Interest on Lease Liability	249.47	514.61
	Depreciation on ROU Asset	115.50	253.33
	Interest on security deposit - Unwinding of discount	1.40	1.26
	Electricity and Water Charges	330.52	360.55
	Repairs and maintenance - Others	20.57	19.41
(c)	GMR Airport Developers Limited		
	Repairs and maintenance -IT	43.77	55.92
	Repairs and maintenance -Others	214.82	196.97
	Reimbursement of Software maintenance	25.20	12.60
	Reimbursement of manpower deputation	35.12	18.87
	Capital work-in-progress	39.83	5.02
(d)	GMR Hospitality and Retail Limited		
	Lodging and food expenses (Travelling and conveyance)	54.51	31.85
	Miscellaneous expenses	0.25	0.35
	Marketing expense	-	0.58
	Income from Cargo operations	0.28	6.66
(e)	Raxa Security Services Limited		
	Security services	138.17	131.36
(f)	Delhi International Airport Limited		
	Royalty charges	12.99	13.77
	Electricity charges	1.91	0.42
	Interest on security deposit - Unwinding of discount	1.98	2.31
	Interest on Lease Liability	13.91	-
	Depreciation on ROU Asset	52.68	-
	Lease rental and other related expenses	-	57.70
(g)	GMR Airports Limited		
	Training charges	-	7.14
	Technical fees	661.58	581.21
	Reimbursement of Audit fees and others	0.14	16.29
(m)	GMR Aero Technic Limited		
	Training - Consultancy charges	43.45	-
	Deputation Charges	43.98	5.10
	Income from Management Fees	6.60	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 Goa International Airport Limited		
	Loans given	2,000.00	-
	Interest income on Loan given	21.92	-
(p)	GMR Infrastructure Limited		
	Reimbursement of Audit fees and others	8.00	-



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Notes to the Financial Statements for the year ended March 31, 2021

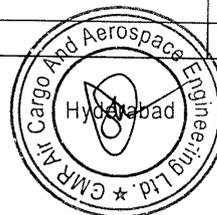
(All amounts are in Rs. lakhs, unless otherwise stated)

(q)	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	49.97	59.87

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, 2021	As at March 31, 2020
(a)	GMR Hyderabad International Airport Limited		
	Equity Share Capital	(47,383.09)	(47,383.09)
	Trade Payable	(236.92)	(247.42)
	Lease liability	(92.32)	(1,514.08)
	Payable for leasehold land rights	(4,230.06)	
	Right-of-use Assets	83.18	1,409.62
	Right to operate Cargo Facility - Land	3,903.99	
	Security Deposit	3.34	29.30
	Corporate guarantee given	30,500.00	30,500.00
	Concession fee paid in advance	2,596.42	-
	Prepaid expenses	10.40	3.91
(b)	GMR Hyderabad Aviation SEZ Limited		
	Security Deposit	13.67	12.26
	Prepaid Expenses	-	-
	Right of use Asset	1,963.46	2,078.96
	Lease Liability	(2,773.26)	(2,787.27)
	Trade Payables	(3,174.29)	(5,423.28)
(c)	GMR Airport Developers Ltd		
	Trade Payable	(89.21)	(77.54)
	Payable for purchase of Intangibles	(16.20)	(3.38)
(d)	GMR Hospitality and Retail Limited		
	Trade Payable	(16.59)	(18.21)
	Advances received from Customers	(1.10)	(0.40)
(e)	Raxa Security services Limited		
	Trade Payable	(36.82)	(18.07)
(f)	GMR Airports Limited		
	Trade Payable	(123.81)	(140.54)
(h)	Delhi International Airport Ltd		
	Security Deposit	20.32	24.97
	Advance to Suppliers	-	0.50
	Right of use Asset	105.37	-
	Lease Liability	(110.44)	-
	Trade Payable	(1.83)	(11.94)
(i)	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)	(0.87)
(j)	GMR Infrastructure Limited		



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Notes to the Financial Statements for the year ended March 31, 2021

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

	Other Current Assets	9.44	-
(k)	GMR Goa International Airport Limited		
	Financial Assets - Loans	2,020.27	-
(l)	GMR Aero Technic Limited		
	Investment in equity shares	10	10
	Other receivables	47.38	-
	Trade Payable	(30.48)	-
	Other payables	-	(27.41)

34. 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. Consequent to the termination of lease agreement with GMR Hyderabad International Airport Limited (i.e., on purchase of terminal building) w.e.f July 01, 2020, remeasurement of lease liability has been carried out and corresponding adjustment of Rs. 1,884.68 lakhs has been done to ROU.

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:

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

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

Particulars	For the year ended March 31, 2021
Interest on lease liability (Refer Note 26)	647.99
Amortisation on right of use assets (Refer Note 27)	321.88
Less: Lease rental expenses	(460.11)
Impact on the statement of profit and loss account	509.76



35. 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. 954.57 lakhs (March 31, 2020 - Rs. 548.09 lakhs)

b) Contingent Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Matter relating to indirect tax under dispute (refer footnotes below (a))	1,057.72	1,052.88
Matters relating to income tax under dispute (refer footnotes below (b))	2,231.80	2,231.80
Claims against the company not acknowledged as dues (refer footnotes below (c))	1,417.27	1,416.35
	4,706.79	4,701.03

(a) Matter relating to indirect tax under dispute

(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.

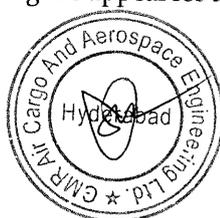
(ii) The Company had rendered cargo handling services for export cargo during the period March 2008 to June 2010 on which the Company had not paid service tax in view of the exemption available under cargo handling services. The Company had received a show cause notice from the Office of Commissioner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

On May 3, 2013, the Company had received an order from Commissioner of Customs, Central Excise and Service tax. As per the said order, the commissioner had concurred with the departments view and classified the services of cargo handling for export cargo as Taxable Service. As a result of which, there was a demand levied of Rs. 188.64 Lakhs as service tax for the period March 2008 to June 2010 under Airport Services and Rs. 107.35 Lakhs as service tax for the period March 2008 to June 2010 on Storage and Warehousing Services along with applicable interest and along with penalty of Rs. 296.00 Lakhs.

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.

(iii) 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 current period. The Company has received an unfavorable order from Commissioner of Customs and Central Tax (Appeals), Hyderabad on November 12, 2018, directing the Additional Commissioner to recalculate the demand. Subsequently, the Company has filed an appeal against the unfavorable order with CESTAT, Hyderabad on February 11, 2019. . The company has paid Rs. 9.55 Lakhs till the date of filing appeal with CESTAT in order to comply with the relevant provisions of the act for filing the appeal for application.



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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. 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.

(v) During the previous year, the Company has received a show cause notice from the Office of Commissioner of Customs & Central taxes requiring the Company to show cause as to why CENVAT Credit of Rs. 24.19 Lakhs along with applicable interest and penalty should not be paid on irregular availment of CENVAT Credit for the capital goods which are included in the "Improvements to Concession Assets". The Management is in the process of responding to the notice and is confident that there won't be any liability in this regard which would be payable and as such no provision has been made in these Financial Statements.

(b) Matters relating to income tax under dispute

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

During the FY 2016-17, the Company has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. The company has applied under Vivad se vishwas scheme for settlement of disputed taxes for AY 2009-10 to AY 2012-13 on December 30, 2020 and awaiting department's confirmation. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(ii) The Company had received an order during previous years for the assessment year 2013-14 and 2014-15 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961. Per this order the refund receivable to the Company has reduced by Rs. 418.47 Lakhs for A.Y. 2013-14 and Rs. 310.92 Lakhs for A.Y 2014-15 . Aggrieved by the reduction in refund and the demand, the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad. During the previous year, the Company has received a favorable order from Commissioner of Income -Tax (Appeals), Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the CIT order before ITAT in respect of the aforesaid years. During the current year, the Company has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2013-2014 and 2014-2015. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. The company has applied under Vivad se vishwas scheme for settlement of disputed taxes



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for AY 2013-14 to AY 2014-15 on December 30, 2020 and awaiting department's confirmation. 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 previous year 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 years, 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) Claims against the company not acknowledged as dues

(i) Custom officers Salaries

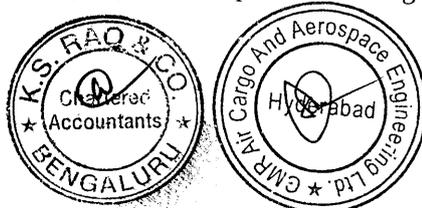
The Company accrued Customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the Customs Department on GMR Hyderabad International Airport Limited (GHIAL) as the ultimate cost has to be borne by the custodian i.e. the Company. GHIAL filed a writ petition under Article 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.

(ii) 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.

(iii) During the current year, the company has received an order from District Consumer Forum (RR District), regarding the compensation for short delivery of cargo to M/s. Excell Media Pvt. Ltd amounts to Rs. 0.92 Lakhs along with applicable interest. The company is in the process of filing appeal against the order. However, based on



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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 Unaudited Standalone Condensed Interim Financial Statements.

(d) 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.377.44 lakhs and tax thereon as on March 31,2021 (March 31, 2020: Rs. 161.76).

36. 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:

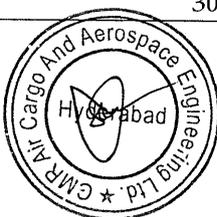
- a) Maintenance, Repairs and Overhauling (MRO) and;
- b) GMR Hyderabad Air Cargo (Air Cargo)

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.

	Segment Revenue		Segment Profit	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
MRO	24,361.87	20,346.02	3,272.76	2,742.83
Air Cargo	8,203.32	9,477.98	(280.86)	840.23
	32,565.19	29,824.00	2,991.90	3,583.06
Less: Inter segment	-	(1.35)	-	-
Total	32,565.19	29,822.65	2,991.90	3,583.06
Other income			774.70	1,331.42
Finance costs			(3,204.93)	(3,231.52)
Tax expense			6.14	(45.89)
Profit after tax			567.81	1,637.07

Segment assets and liabilities:

	As at March 31, 2021	As at March 31, 2020
Segment assets		
MRO	33,767.89	28,054.80
Air Cargo	17,876.44	8,191.70
Unallocable assets	3,744.91	9,846.22
Inter - segment	(2,953.28)	(2,801.26)
Total assets	52,435.96	43,291.46
Segment liabilities		
MRO	16,575.62	14,598.91
Air Cargo	8,231.71	4420.27
Unallocable liabilities	30,352.14	27429.06



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Inter - segment	(2,953.28)	(2801.26)
Total liabilities	52,206.19	43,646.98

Other segment information

	Depreciation and amortization		Additions to non - current assets	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
MRO	1,882.14	1,799.19	2,755.85	3,451.65
Air Cargo	815.91	963.10	7,582.41	2,319.27

Unallocated items

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

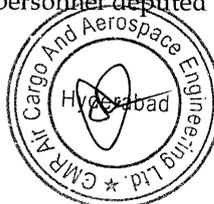
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the company as a whole.

37. 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.

38. 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 and for the year ended March 31, 2020 on January 31, 2021. 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.
- c) During the financial year ended March 31, 2021, the company has deferred tax asset (net) of Rs. 167.34 lakhs. However, due to the huge accumulated losses there is an un-certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Hence, deferred tax asset is not recognized in the books.

39. 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.



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The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

40. Pursuant to Composite Scheme of Arrangement ("Scheme") approved by NCLT (Refer Note 1.1) all the liabilities relating 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.
41. 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. As per revised terms the second tranche of consideration has been received by the Group subsequently.

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 as at March 31, 2020 of the carrying value of the MRO CGU consequent to the outbreak of the COVID19 pandemic. The Management has reviewed such assessment as at March 31, 2021, the updated business plans and the projections considering the COVID19 impact.

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 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, 2021 in this Financial Statements.

42. As at March 31, 2021, the Company has accumulated losses (including amalgamation adjustment deficit account) of Rs. 47,204.50 lakhs (as at March 31, 2020 is Rs 47,789.78 lakhs). 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). Based on the business plans for the current 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 October 09, 2020 as [ICRA]AA(CE) (Negative). 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.

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. Accordingly, these 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.



43. 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, 2021.

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, 2021.

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, 2021.

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.

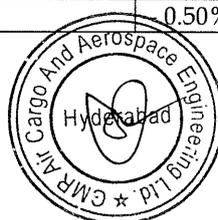
The exposure of the Company's borrowing to fixed interest rate is mentioned below:

Particulars	March 31, 2021	March 31, 2020
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, 2021*		
Overdraft facility from bank	+0.50%	(15.00)
Overdraft facility from bank	0.50%	15.00



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

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 Company has availed overdraft facility from ICICI Bank during the current year March 31, 2021.

Foreign currency risk

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

The Company'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, 2021	
		Amount in Foreign currency	Rs in Lakhs
Trade payables	USD	761,904	557.03
	EURO	29,046	24.91
	SGD	23,252	12.64
	GBP	3	0.00
Trade receivables	USD	8,266,587	6,043.70
Cash and cash equivalent	USD	433,857	317.19
Advances to Vendors	USD	1,949,909	1,425.58
Advance from customers	USD	1,495,186	1,093.13
Deposit from customers	USD	7,416	5.42
Unbilled revenue	USD	2,697,040	1,971.81

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



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, 2021, 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, 2021	March 31, 2020
Particulars	Impact on profit after tax	Impact on profit after tax
USD Sensitivity		
INR/USD- Increase by 5%	405.13	280.04
INR/USD- Decrease by 5%	(405.13)	(280.04)
EURO Sensitivity		
INR/EURO-Increase by 5%	(1.25)	(2.39)
INR/EURO- Decrease by 5%	1.25	2.39
GBP sensitivity		
INR/GBP-Increase by 5%	(0.63)	(0.04)
INR/GBP- Decrease by 5%	0.63	0.04
SGD sensitivity		
INR/SGD-Increase by 5%	(0.00)	(0.27)
INR/SGD- Decrease by 5%	0.00	0.27

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, 2021	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	33,420.00	-	35,771.25
Trade payables	9,462.71	-	-	9462.71
Leases	332.41	1,191.70	4,326.43	5850.54
Payable for Lease-Hold Land Rights	288.96	1,475.17	9,921.48	11,685.61
Other financial liabilities	400.53	-	-	400.53

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



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Leases	817.84	2,157.41	4,603.29	7,578.54
Other financial liabilities	200.91	-	-	200.91

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.

44. Capital management

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

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

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

The following table summarises the capital of the Company:

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	30,352.14	27,429.06
Cash and cash equivalents (including other bank balance)	(808.33)	(1,865.72)
Net debt	29,543.81	25,563.34
Equity	229.76	(355.52)
Net debt to Equity ratio	128.58	(71.90)

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, 2021.



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45. 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, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Financial assets				
Valued at cost				
Investments	10.00	10.00	10.00	10.00
Valued at fair value through profit and loss				
Investments	228.55	228.55	1,414.38	1,414.38
Valued at amortized cost				
Investments	-	-	4,964.11	4,964.11
Trade receivable	6,427.68	6,427.68	5,358.98	5,358.98
Other financial assets	2,453.39	2,453.39	1,058.49	1,058.49
Cash and cash equivalent and other bank balances	808.33	808.33	1,865.72	1,865.72
Financial assets - Loans	-	-	-	-
Total Financial Assets	9,927.95	9,927.95	14,671.69	14,671.69
Financial liabilities				
Valued at amortized cost				
Borrowings	30,352.14	30,352.14	27,429.06	27,429.06
Trade payables	9,462.71	9,462.71	9,477.02	9,477.02
Leases	2,986.77	2,986.77	4,326.11	4,326.11
Other financial liabilities	4,630.54	4,630.54	200.91	200.91
Total Financial Liabilities	47,432.16	47,432.16	41,433.10	41,433.10

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

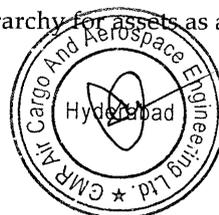
46. Fair value hierarchy

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, 2021

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, 2021	228.55	228.55	-	-

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	-	-

There have been no transfers between Level 1 and Level 2 during the year ending March 31, 2021 & March 31, 2019.

#The mutual funds are valued using the closing NAV.

47. 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 41 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 42 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.

48. Use of estimates and judgement

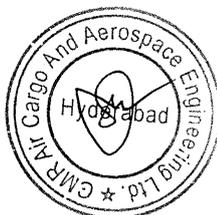
In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on 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 41 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.

Defined benefit plans (gratuity benefits)

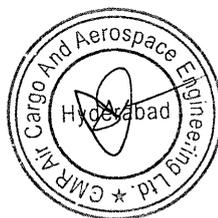
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount 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.



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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

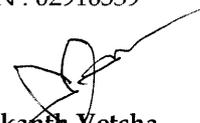
The preparation of Standalone Financial Statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of Standalone Financial Statements and the reported amount of revenues and expenses for the reporting period.

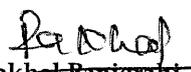
For and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited
(formerly known as GMR Aerospace Engineering Limited)


SGK Kishore
Director
DIN : 02916539


Dr. Kavitha Gudapati
Director
DIN : 02506004




Srikanth Vetcha
Chief Financial Officer


Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place: Hyderabad
Date: April 22, 2021