

**INDEPENDENT AUDITOR'S REPORT**

To the Members of GMR Aerospace Engineering Limited

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of GMR Aerospace Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies (collectively known as the 'Ind AS Financial Statements') and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.



## **Basis for Qualified Opinion**

As more fully described in Note No. 36 to the Ind AS financial statements, we report that as at March 31, 2017, the Company has investment, loans and trade receivables amounting to Rs. 2,551,612,388, Rs. 1,174,933,774 and Rs. 532,769,118 respectively in its wholly owned subsidiary GMR Aero Technic Limited, whose accumulated losses have fully eroded its net worth. Based on the future business plan and projections approved by the Board of Directors of the Company and valuation assessment done by the Management, the Management is of the view that there is no impairment in the value of such investment, loans and trade receivables. However, in view of the current financial position of the wholly owned subsidiary and in the absence of sufficient and appropriate audit evidence to support the key assumptions made by the management in the business plan, we are unable to comment on the carrying value of such investment, loans and trade receivables including adjustments, if any, that may be required to be made to such carrying amounts of investment, loans and trade receivables.

## **Qualified opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, of its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. 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 Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;
  - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (g) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;

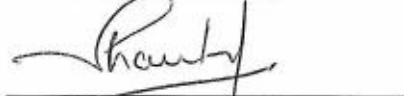


# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
- (j) 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 from time to time in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 5(C) and 15 to the Ind AS financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For S.R. BATLIBOI & ASSOCIATES LLP  
ICAI Firm Registration Number: 101049W/E300004  
Chartered Accountants



per Shankar Srinivasan  
Partner

Membership Number: 213271



Place: Hyderabad  
Date: May 03, 2017



## Annexure 1 referred to in our report of even date

Re: GMR Aerospace Engineering Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (b) All Property, Plant and Equipment have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute.



# S.R. BATLIBOI & ASSOCIATES LLP

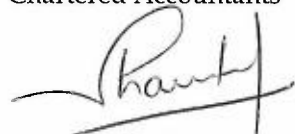
Chartered Accountants

- viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues to financial institutions, government, and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given by the management, the company has utilised the term loans for the purpose which they were raised. The company has not raised money by way of initial public offer or debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, 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 Ind AS 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 under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (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.

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants



per Shankar Srinivasan  
Partner

Membership Number: 213271



Place: Hyderabad

Date: May 03, 2017

**ANNEXURE 2 To the Independent Auditor's Report of even date on the Ind AS Financial Statements of GMR Aerospace Engineering Limited**

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

To the Members of GMR Aerospace Engineering Limited

We have audited the internal financial controls over financial reporting of GMR Aerospace Engineering Limited ("the Company") as of March 31, 2017, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable





assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017:

The Company has designed internal financial controls over estimation of impairment in value of investments, loans and trade receivables, however, in case of such assessment with respect to a wholly owned subsidiary company, as more fully explained in the note 36 to the Ind AS financial statements as at March 31, 2017, in the absence of sufficient appropriate audit evidence to support the key assumptions made by the management in the business plan, could potentially result in the Company not providing for adjustments, if any, that may be required to be made to such carrying amount of investments, loans and trade receivables.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Ind AS financial statements will not be prevented or detected on a timely basis

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

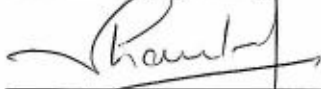
## **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Ind AS financial statements of GMR Aerospace Engineering Limited, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 Ind AS financial statements of the Company and this report affects our report dated May 03, 2017, which expressed a qualified opinion on those Ind AS financial statements.

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants



per Shankar Srinivasan

Partner

Membership Number: 213271



Place: Hyderabad

Date: May 03, 2017



GMR Aerospace Engineering Limited  
CIN: U45201TG2008PLC067141  
Balance sheet as at March 31, 2017  
(All amounts in Indian Rupees except otherwise stated)

|   | Notes | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|---|-------|-------------------------|-------------------------|------------------------|
| <b>Assets</b>                                     |       |                         |                         |                        |
| <b>Non-current assets</b>                         |       |                         |                         |                        |
| Property, plant and equipment                     | 3     | 375,532,988             | 423,176,376             | 477,753,781            |
| Investment property                               | 4     | 1,040,341,533           | 1,106,548,654           | 1,172,882,069          |
| Investments                                       | 5A    | 2,551,612,388           | 2,017,949,173           | 1,929,148,069          |
| <b>Financial assets</b>                           |       |                         |                         |                        |
| Loans   | 5B    | 1,144,933,774           | 1,062,333,555           | 986,381,263            |
| Other non-current financial assets                | 5D    | 52,984,492              | 794,896                 | 713,083                |
| Deferred tax asset (net)                          | 6     | -                       | -                       | -                      |
| Non current tax asset                             |       | 3,940,278               | 3,822,335               | 3,681,935              |
| Other non current assets                          | 7     | 53,053,955              | 101,074,435             | 119,755,053            |
|   |       | <b>5,222,399,408</b>    | <b>4,715,699,424</b>    | <b>4,690,315,253</b>   |
| <b>Current assets</b>                             |       |                         |                         |                        |
| <b>Financial assets</b>                           |       |                         |                         |                        |
| Loans   | 5B    | 30,000,000              | 7,600,000               | -                      |
| Trade receivables                                 | 8     | 532,769,118             | 475,624,984             | 242,270,667            |
| Derivative instruments                            | 5C    | 136,089,662             | 166,595,622             | -                      |
| Cash and cash equivalents                         | 9     | 841,990                 | 3,757,147               | 199,503                |
| Other current assets                              | 7     | 45,912,175              | 18,642,916              | 5,804,751              |
|   |       | <b>745,612,945</b>      | <b>672,220,669</b>      | <b>248,274,921</b>     |
| <b>Total assets</b>                               |       | <b>5,968,012,353</b>    | <b>5,387,920,093</b>    | <b>4,938,590,174</b>   |
| <b>Equity and liabilities</b>                     |       |                         |                         |                        |
| <b>Equity</b>                                     |       |                         |                         |                        |
| Equity share capital                              | 10    | 2,929,000,000           | 2,439,000,000           | 2,379,000,000          |
| Other equity                                      | 11    |                         |                         |                        |
| Retained earnings                                 |       | (74,834,087)            | (45,401,311)            | (136,625,206)          |
| Share application money pending allotment         |       | 120,000,000             | -                       | -                      |
| <b>Total equity</b>                               |       | <b>2,974,165,913</b>    | <b>2,393,598,689</b>    | <b>2,242,374,794</b>   |
| <b>Financial liabilities</b>                      |       |                         |                         |                        |
| Borrowings  | 12    | 2,656,410,863           | 2,781,549,367           | 2,572,575,931          |
| Long term provisions                              | 13    | 140,576                 | 64,533                  | 3,829                  |
|   |       | <b>2,656,551,439</b>    | <b>2,781,613,900</b>    | <b>2,572,579,760</b>   |
| <b>Current liabilities</b>                        |       |                         |                         |                        |
| <b>Financial liabilities</b>                      |       |                         |                         |                        |
| Borrowings  | 12    | 123,600,000             | 33,600,000              | -                      |
| Trade payables                                    | 14A   | 203,401,611             | 152,349,060             | 104,120,652            |
| Other payables                                    | 14B   | 8,010,848               | 8,330,186               | 17,552,245             |
| Other current financial liabilities               | 15    | 825,000                 | 17,049,106              | 822,746                |
| Other current liabilities                         | 16    | 860,154                 | 905,224                 | 761,299                |
| Short term provisions                             | 13    | 597,388                 | 473,928                 | 378,678                |
| <b>Total liabilities</b>                          |       | <b>337,295,001</b>      | <b>212,707,504</b>      | <b>123,635,620</b>     |
| <b>Total equity and liabilities</b>               |       | <b>5,968,012,353</b>    | <b>5,387,920,093</b>    | <b>4,938,590,174</b>   |
| <b>Summary of significant accounting policies</b> | 2.2   |                         |                         |                        |

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

As per our report of even date.

For S.R.BATLIBOI & ASSOCIATES LLP  
ICAI Firm registration number: : 101049W  
Chartered Accountants

per Shankar Srinivasan  
Partner  
Membership No : 213271



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

Rajesh Kumar Arora  
Director  
DIN : 03174536

SGK Kishore  
Director  
DIN : 02916539

K Venkata Ramana  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

Place : Hyderabad  
Date : May 03, 2017

Place : Hyderabad  
Date : May 03, 2017

GMR Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Statement of profit and loss for the year ended March 31, 2017

(All amounts in Indian Rupees except otherwise stated)

|   | Notes      | For the year ended<br>March 31, 2017 | For the year ended<br>March 31, 2016 |
|---|------------|--------------------------------------|--------------------------------------|
| <b>Income</b>   |            |                                      |                                      |
| Revenue from operations   | 17         | 298,964,015                          | 304,012,216                          |
| Other income  | 18         | 4,235,435                            | 150,847,547                          |
| Finance income  | 19         | 195,097,169                          | 116,041,007                          |
| <b>Total income (i)</b>   |            | <b>498,296,619</b>                   | <b>570,900,770</b>                   |
| <b>Expenses</b>   |            |                                      |                                      |
| Employee benefits expense   | 20         | 5,070,489                            | 4,408,406                            |
| Other expenses  | 21         | 99,133,105                           | 63,750,096                           |
| <b>Total expenses (ii)</b>  |            | <b>104,203,594</b>                   | <b>68,158,502</b>                    |
| <b>Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]</b> |            | <b>394,093,025</b>                   | <b>502,742,268</b>                   |
| Depreciation and amortization expenses  | 22         | 113,850,509                          | 120,910,820                          |
| Finance costs   | 23         | 309,637,089                          | 290,600,535                          |
| <b>(Loss)/Profit before tax</b>   |            | <b>(29,394,573)</b>                  | <b>91,230,913</b>                    |
| <b>Other comprehensive income for the year</b>  |            |                                      |                                      |
| Other comprehensive income not to be reclassified to profit or loss in subsequent years:  |            |                                      |                                      |
| Re-measurement losses on defined benefit plans  |            | (38,203)                             | (7,018)                              |
| <b>Other comprehensive loss for the year, net of tax</b>                                  |            | <b>(38,203)</b>                      | <b>(7,018)</b>                       |
| <b>Total comprehensive (loss)/income for the year</b>                                     |            | <b>(29,432,776)</b>                  | <b>91,223,895</b>                    |
| <b>Earnings per share [nominal value of share Rs. 10 (March 31, 2016: Rs. 10)]</b>        |            |                                      |                                      |
| Basic and diluted   | 24         | (0.11)                               | 0.38                                 |
| <b>Summary of significant accounting policies</b>   | <b>2.2</b> |                                      |                                      |

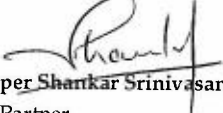
The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP

ICAI Firm registration number: : 101049W/E300004

Chartered Accountants

  
per Shankar Srinivasan  
Partner

Membership No : 213271




For and on behalf of the Board of Directors

GMR Aerospace Engineering Limited

  
Rajesh Kumar Arora  
Director  
DIN : 03174536

  
SGK Kishore  
Director  
DIN : 02916539

  
K Venkata Ramana  
Chief Financial Officer

  
Lalit Kumar Tiwari  
Company Secretary

Place : Hyderabad

Date : May 03, 2017

Place : Hyderabad

Date : May 03, 2017



GMR Aerospace Engineering Limited  
 CIN: U45201TG2008PLC067141  
 Statement of Changes in Equity for the year ended March 31, 2017  
 (All amounts in Indian Rupees except otherwise stated)

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid  
 As at April 1, 2015  
 Issue of shares  
 As at March 31, 2016  
 Issue of shares  
 As at March 31, 2017

| No.         | Rs.           |
|-------------|---------------|
| 237,900,000 | 2,379,000,000 |
| 6,000,000   | 60,000,000    |
| 243,900,000 | 2,439,000,000 |
| 49,000,000  | 490,000,000   |
| 292,900,000 | 2,929,000,000 |

b. Other Equity

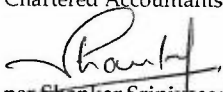
(i) Retained earnings

As at April 1, 2016/ April 1, 2015  
 Loss for the year  
 Other comprehensive income / (loss) for the year  
 Total comprehensive income  
 As at March 31, 2017/ March 31, 2016

| March 31, 2017 | March 31, 2016 |
|----------------|----------------|
| (45,401,311)   | (136,625,206)  |
| (29,394,573)   | 91,230,913     |
| (38,203)       | (7,018)        |
| (29,432,776)   | 91,223,895     |
| (74,834,087)   | (45,401,311)   |
| 120,000,000    | -              |

(ii) Share application money pending allotment


The accompanying notes are an integral part of the financial statements.  
 As per our report of even date.

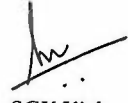
For S. R. BATLIBOI & ASSOCIATES LLP  
 ICAI Firm Registration Number: 101049W/E300004  
 Chartered Accountants  
  
 per Shankar Srinivasan  
 Partner  
 Membership No : 213271





Place : Hyderabad  
 Date : May 03, 2017

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

  
 Rajesh Kumar Arora  
 Director  
 DIN : 03174536

  
 SGK Kishore  
 Director  
 DIN : 02916539

  
 K Venkata Ramana  
 Chief Financial Officer

  
 Lalit Kumar Tiwari  
 Company Secretary

Place : Hyderabad  
 Date : May 03, 2017