



GMR Air Cargo And Aerospace Engineering Limited

**Fifteenth Annual Report
FY 2021-22**



GENERAL INFORMATION

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141

Board of Directors

Mr. GBS Raju

Chairman

Mr. Puthalath Sukumaran Nair

Director

Mr. S.G.K. Kishore

Director

Mr. Rajesh Arora

Director

Dr. Kavitha Gudapati

Woman Director

Mr. Pradeep Panicker

Addnl Director (Appointed w.e.f July 22,2022)

Key Managerial Personnel

Mr. G. Chandrabushan, Manager

Mr. Srikanth Vetcha, Chief Financial Officer

Mr. Rakhil Panigrahi, Company Secretary

Corporate Social Responsibility Committee

Mr. Rajesh Arora - Chairman

Mr. P.S. Nair - Member

Dr. Kavitha Gudapati - Member

Statutory Auditors

M/s. K S Rao & Co

Chartered Accountants

[Firm Reg. No. 117366W/W-100018]

10/2, 2nd Floor, Khivraj Mansion

Kasturba Road

Bengaluru -560001

Secretarial Auditors

M/s. KBG Associates

1st Floor, 1-9-309/A, Achyuta Reddy Marg,

Vidya Nagar, Hyderabad - 500044

Bankers

ICICI Bank Limited

HSBC Bank Limited

NIIF IFC Limited

Registrar and Share Transfer Agent

KFin Technologies Private Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad – 500 032

Registered Office

Plot No.1, GMR Hyderabad Aviation SEZ
Limited,

Rajiv Gandhi International Airport,

Shamshabad, Hyderabad -500108, Telangana

BUSINESS DIVISION

GMR Hyderabad Air Cargo Division

Air Cargo Terminal,

Rajiv Gandhi International Airport,

Shamshabad, Hyderabad – 500108

MRO Division

Plot No.1, GMR Aerospace Park,

GMR Hyderabad Aviation SEZ Limited,

Rajiv Gandhi International Airport,

Shamshabad, Hyderabad – 500108

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(CIN: U45201TG2008PLC067141)

Regd. Office: Plot No. 1, GMR Hyderabad Aviation SEZ Limited,
Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500 108

Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010, Website: www.gmraerotech.in

NOTICE OF THE FIFTEENTH (15TH) ANNUAL GENERAL MEETING

Notice is hereby given that the Fifteenth (15th) Annual General Meeting of the Members of GMR Air Cargo And Aerospace Engineering Limited will be held on Wednesday, September 28, 2022 at 12:00 Noon (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

- 1) To consider and adopt the standalone audited financial statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Statutory Auditors thereon.
- 2) To appoint a Director in place of Mr. SGK Kishore (DIN: 02916539), who retires by rotation, being eligible & seeks re-appointment.
- 3) To appoint a Director in place of Mr. PS Nair (DIN: 00063118), who retires by rotation, being eligible & seeks re-appointment

SPECIAL BUSINESS

- 4) Reappointment of Mr. G. Chandrabushan as a Manager

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with rules made thereunder (including any statutory modifications / amendments for the time being in force) and subject to the approval of the shareholders of the Company, Mr. G. Chandrabushan, who was appointed as the Manager of the Company with effect from September 19, 2019 to September 18, 2022, be and is hereby re-appointed as the Manager of the Company to hold office for a period of three (3) years ("Second Term") commencing from the September 19, 2022 to September 18, 2025 on payment of remuneration as detailed in the offer letter.

RESOLVED FURTHER THAT the Board of Directors, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be

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considered necessary in connection with the aforesaid resolution including filing of relevant forms with the Registrar of Companies, Telangana.”

- 5) To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs.2,00,000/- (Rupees Two Lakhs only) plus applicable taxes and reimbursement of out of pocket expenses, payable to M/s. Narasimha Murthy & Co., Cost Accountants, (Firm Registration Number: 000042), Cost Auditors, for conducting the audit of cost records of the Company for the financial year 2022-23, be and is hereby ratified.”

- 6) Appointment of Mr. Pradeep Panicker as a Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Pradeep Panicker (DIN: 02730418), who was appointed as Additional Director in the Board on July 22, 2022 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Directors, the Chief Financial Officer and the Company Secretary of the Company, be and are hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

By Order of the Board
For GMR Air Cargo And Aerospace Engineering Limited

GMR Air Cargo And Aerospace Engineering Limited

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Sd/-

Rakhal Panigrahi

Date: July 22, 2022

Place: Hyderabad

Company Secretary

Notes:

1. In view of the prevailing Covid-19 pandemic and maintain the social distancing norms, the Ministry of Corporate Affairs ("MCA") has vide its General Circular dated May 05, 2020 read with General Circulars dated April 08, 2020, April 13, 2020, April 21, 2020, June 15, 2020, September 28, 2020, December 31, 2020 and the Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 (collectively referred to as "MCA Circulars and Amended Rules") permitted the holding of the General Meetings through Video Conferencing ("VC") facility or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue, in compliance with the provisions of the Companies Act, 2013 ("Act"). Further, MCA vide its General Circular No. 02/2022, dated May 05, 2022, allowed the companies whose AGMs are due to be held in year 2022, to conduct their AGMs through video conferencing (VC) or other audio visual means (OAVM), on or before December 31, 2022. Pursuant the aforesaid MCA Circulars, the 15th Annual General Meeting ("AGM" or "the Meeting") of GMR Air Cargo And Aerospace Engineering Limited ("GACAEL" or "the Company") is scheduled to be held on Wednesday, September 28, 2022, at 12 Noon (IST) through video conferencing (VC) / OAVM.
2. As per provisions of the Act and aforesaid MCA Circulars and Amended Rules, the Company is not required to provide the facility of e-voting. The MCA Circulars prescribe that in case the Company has in its records, the email address of the members of at least half of the total numbers, who represent not less than seventy-five percent of the paid-up share capital of the Company and gives a right to vote in the meeting, the AGM of such Company may be conducted through VC facility or OAVM only. The Company has in its records, the email addresses of all the Members of the Company representing hundred percent of the total paid-up share capital of the Company and gives right to the vote at the meeting. However, the Company is required to comply with the framework prescribed by the MCA vide its Circulars dated April 08, 2020, April 13, 2020, January 13, 2021 and May 05, 2022 for conducting the AGMs through VC facility or OVAM and issue of AGM Notice and subject to the fulfillment of the requirements which are covered hereunder in this Notice.

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The deemed venue for the 15th AGM is the address of the Registered Office of the Company i.e. at Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108, Telangana.

3. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself or herself and such proxy need not be a member of the Company. However, in view of the specific circumstances during which this AGM is being held, pursuant to MCA Circulars on holding of AGM through VC / OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, and Attendance Slip are not annexed to this AGM Notice.
4. Notice convening the 15th AGM along with the 15th Annual Report 2021-22 (including financial statements, auditors report, board's report and relevant documents) is being sent only through electronic mode i.e. by email to all the Members and others entitled to their e-mail addresses registered with the Company.
5. The explanatory statement pursuant to Section 102(1) of the Act in respect of Special Business is annexed hereto.
6. All the documents referred to in the 15th AGM Notice in respect of special business, Annual Report as well as Annual Accounts of the subsidiary companies and all the Statutory Registers, which are to be kept open for inspection by the Members of the Company, will be available for inspection through electronic mode during 11.00 a.m. and 5.00 p.m. on all working days till the date of the 15th AGM. In this regard, Members are requested to send an email from their registered email id to rakhal.panigrahi@gmraerotech.in. Further, the Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to rakhal.panigrahi@gmraerotech.in, on or before September 23, 2022 and response for the same will be sent by the Company accordingly.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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8. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company, the Authorisation Letter along with a certified copy of the Board Resolution authorising their representative to attend and vote thereat, on their behalf at the AGM. The scanned copy of Authorization Letter along with Board Resolution shall be sent by email from their registered email id to rakhal.panigrahi@gmraerotech.in.
9. The instructions or details of the AGM i.e. access link to the VC or OAVM, login id, passwords, helpline numbers, e-mail id of a designated person who shall provide assistance for easy access to the AGM, shall be shared separately.
10. Facility for joining the AGM will be kept open 15 minutes before the scheduled time of the AGM and shall not be closed till the expiry of 15 minutes after the scheduled time of the AGM.
11. The Chairman of the Board will preside as the Chairman of AGM. In case, the Chairman is not present due to other occupation, the Directors present will elect one among themselves to be the Chairman of the AGM. If no director is willing to act as Chairman or if no director is present within 15 minutes after the time appointed for holding the AGM, the members present shall choose one of their members to be the Chairman of AGM.
12. The Chairman of the AGM may conduct a vote on the Resolutions by show of hands, unless a demand for poll is made by a member in accordance with the provisions of section 109 of the Act. Where a poll on any item is required, the members shall cast their votes on the resolutions only by sending e-mails to the email ID [Rakhal.panigrahi@gmraerotech.in] through their email addresses which are registered with the Company.
13. This AGM is being held through VC / OAVM, as such the route map to the venue is not annexed to this Notice.
14. Apart from the ordinary business, the following agenda items under special business are being placed at 15th AGM for consideration and approval of the Members, which are unavoidable in the opinion of the Board:

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1	Re-appointment of Mr. G Chandrabushan as the Manager of the Company	Mr. G. Chandrabushan has been re-appointed as the Manager of the Company subject to the approval of the members, for a period of three years (Second Term) commencing from September 19, 2022 to September 18, 2025 on payment of remuneration as detailed in the Offer Letter. Hence placing this agenda in this AGM.
2	Ratification of remuneration of the Cost Auditors for the financial year 2022-23	As per agreed scope of cost audit for the financial year 2022-23, the cost auditor has to provide limited review report on cost audit on quarterly basis for management review. The cost audit remuneration fixed by the Board is subject to ratification by the Members of the Company. Hence, placing this agenda in this AGM.
3	Appointment of Mr. Pradeep Panicker as Director of the Company	Mr. Pradeep Panicker was appointed as an Additional Director w.e.f. July 22, 2022 in accordance with the provisions of Section 161 of the Companies Act, 2013. Mr. Pradeep Panicker holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Pradeep Panicker candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

15.The recorded transcript of the VC / OAVM will be maintained in safe custody by the Company.

16.Meeting through VC or OAVM facility is allowed two-way teleconferencing for ease of participation of the members.

17.The Auditor or his / her authorized representative, who is qualified to be an auditor would attend such meeting through VC or OVAM facility.

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ANNEXURE TO NOTICE OF THE 15TH ANNUAL GENERAL MEETING

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 4

The Shareholders at the 13th Annual General Meeting of the Company have approved the appointment of Mr. G Chandrabushan as the Manager of the Company for a period of three years w.e.f. September 18, 2019.

The Board at its meeting held on July 22, 2022 had considered the re-appointment of Mr. G Chandrabushan as the Manager of the Company for a further period of three (3) Years w.e.f September 19, 2022 to September 18, 2025 at a remuneration of Rs. 25.74 Lakh per annum and subject to the approval of the Shareholders.

The Board is of the opinion that Mr. G. Chandrabushan fulfills the conditions specified in the Companies Act, 2013 ("the Act") and the Rules made thereunder for appointment as the Manager of the Company and also that his rich and varied management experience would immensely benefit the Company.

As required under the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Act, an Ordinary resolution is being placed before the shareholders for approval.

Accordingly, the Board seeks the approval of his appointment by the shareholders of the Company as set out in Item No.4.

Relevant documents are available for inspection in the Company during business hours till the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and their Relative except Mr. G Chandrabushan is interested, financially or otherwise, in the resolution as set out under Item no.4 of the accompanying Notice.

Item No.5

The Board of Directors of the Company, at its meeting held on July 22, 2022, has re-appointed M/s. Narasimha Murthy & Co, Cost Auditors (Firm Registration

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Number: 000042), as Cost Auditors of the Company, in terms of Section 148 of the Companies Act, 2013 and has fixed a sum of Rs.2,00,000/- (Rupees Two Lakhs only) as remuneration payable to the Cost Auditors for the financial year 2022-23.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Board recommends the ordinary resolution as set out under Item No.5 of the accompanying Notice for approval of the shareholders.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out under Item No.5 of the accompanying Notice.

Relevant documents are available for inspection in the Company during business hours till the date of the Annual General Meeting

Item No.6

Mr. Pradeep Panicker was appointed as an Additional Director w.e.f. July 22, 2022 in accordance with the provisions of Section 161 of the Companies Act, 2013. Mr. Pradeep Panicker holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Pradeep Panicker candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Pradeep Panicker on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 3 for adoption. None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Pradeep Panicker are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolution under Item No. 6 to be passed as an ordinary resolution.

By Order of the Board
Sd/-

Place: Hyderabad
Date: July 22, 2022

Rakhal Panigrahi
Company Secretary

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Profile of Mr. Pradeep Panicker seeking reappointment as the Director of the Company at the 15th Annual General Meeting, pursuant to Clause 1.2.5 of the Secretarial Standard-2 on General Meetings:

Name of Director	Pradeep Panicker		
DIN	02730418		
Age (Years)	55		
Qualification	Chartered Accountant, Cost & Works Accountant		
Experience	More than 31 Years		
Terms & Conditions of reappointment including remuneration	Appointment as Director as per terms and conditions as stated in the resolution.		
Date of first appointment on Board	22/07/2022		
Shareholding in the Company	Nil		
Other Directorships	S.No	Name of the Company	Designation
	1	GMR Hyderabad Aviation SEZ Limited	Director
	2	GMR Hyderabad International Airport Limited	CEO
Brief Profile	<p>Mr. Pradeep Panicker is the Chief Executive Officer of GMR Hyderabad International Airport Ltd. (GHIAL). Prior to taking over as CEO, he was the Dy. CEO of GHIAL since January 2018. Before joining GHIAL, he has held various portfolios at GMR Delhi International Airport including that of Executive Vice-President (EVP) & Chief Commercial Officer for Aeronautical Business. He has been with the GMR group for the last 16 years.</p> <p>He comes with a vast experience of over 31 years working in leading infrastructure and financial institutions viz. Feedback Ventures (P) Ltd., L&T Group, IDBI, and Price Waterhouse Coopers.</p> <p>Mr. Panicker has presented insightful papers and shared his knowledge at various conferences including those of CII, FICCI, ASSOCHAM, Aerodrome India, Business Standard, CRISIL, Indo-US Aviation, Construction India, British Airport Group, Forum Asia-Bangkok, Dubai Future of Borders Conference, PHD Chamber of Commerce, Air Cargo Agents Association of India, Federation of Freight Forwarders Association of India and so on.</p>		

GMR Air Cargo And Aerospace Engineering Limited**BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

To,
The Members,
GMR Air Cargo And Aerospace Engineering Limited

Your Directors have pleasure in presenting the 15th (Fifteenth) Boards Report of the Company together with the Audited financial statements for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS:

The financial performance of your Company for the year ended 31st March, 2022 as compared to the previous financial year, is summarized below:

(Amount in Rs. Lakhs)

Particulars	2021-22	2020-21
Revenue		
Turnover	34905.13	32565.19
Other Income	719.14	774.70
Total Income (i)	35624.27	33339.89
Expenses		
Employee benefits expense	9835.51	8638.51
Other expenses	19078.71	18236.74
Total expenses (ii)	28914.22	26875.25
Earnings before interest, tax, depreciation and amortization (i) – (ii)	6710.05	6464.64
Depreciation and amortization expenses	2499.68	2698.05
Finance costs	3575.50	3204.93
Profit before tax	634.87	561.66
Deferred tax income	-	(6.14)
Adjustments of tax relating to earlier periods	(550.59)	-
Profit/(Loss) for the year – (iii)	1185.45	567.80
Other comprehensive income for the year		
Re-measurement on defined benefit plans	6.68	23.60
Other comprehensive income for the year – (iv)	-	(6.14)
Total comprehensive income for the year (iii)+(iv)	1192.13	585.26

STATE OF COMPANY'S AFFAIRS**Operational Review**

For the year ended 31st March, 2022, your Company earned a total income of Rs. 35,624.27 Lakh, as against the previous year's total income of Rs. 33,339.89 Lakh. The operations of the company during the year under review resulted in a net profit of Rs. 1185.45 lakh as compared to a net profit of Rs. 567.80 Lakh in the previous year.

Performance of MRO Division (doing business as GMR Aero Technic "GAT")

The MRO Division of the Company provided base maintenance services, Line Maintenance services and other allied services to the domestic and international customers at its MRO facility in Hyderabad. The aircraft type services include Airbus A320 family, Boeing B737-NG, Bombardier Q400 and ATRs.

During the financial year 2021-22, the MRO Division achieved a total revenue of INR 256.09 Crore and has a Year-on-Year (YoY) growth of 8% when compared to previous year. It has also achieved EBITDA of INR 56.15 Crore, Cash profit of INR 30.26 Crore and PAT of INR 13.04 Crore. This is the third consecutive year of profitable operations.

During this FY, the MRO Division of the Company has enhanced the capability to include A320 Neo and B-737 Max in addition to the other capabilities added to the workshop area.

Base Maintenance business highlights:

Due to pandemic, many of the airlines deferred the C checks due to less flying and converted some of C-checks to End-Of-Lease (EOL) checks due to early termination of the Aircraft lease period. Therefore, the MRO Division of the Company took and performed many EOL Checks resulting in enhanced business and revenue to support the customers in the times of crisis. There has been reduction in the International Business as well due to the pandemic.

Line Maintenance business highlights:

Line maintenance business bounced back from the pandemic and started serving International customers, by adding 12 new customers at various stations. The target revenue for line maintenance exceeded by 33.8% than AOP figures. MRO Division of the Company was also very successful with a YoY growth.

Regulatory Approvals:

The MRO Division of the Company holds 21 International approvals including EASA and FAA.

Business Strategies

As part of the growth strategy, management is evaluating new line of business such as developing limited Component capabilities, Military MRO services, Freight conversion and establishing a premier AME Training School.

The Training school project has already been launched and construction activity is expected to complete by September 2022 and the School is expected to be operational by October/November 2022. The School will be approved by DGCA and EASA. GAT signed agreement with Airbus to be the knowledge partner to operate the School.

The 5S Initiatives were launched at GAT in the year 2017, with an intention to bring about process efficiency and to improve our systems and service delivery to our customers and in the last 5 years, our systems and procedures have reached a matured level, several 5S Zones have been identified within the facility and awarded with the Excellence in 5S award by the CII (Confederation of Indian Industry) Southern Region.

Further, considering the ongoing growth for employee, GAT has decided to train the employee on Lean Six Sigma as a part of our next phase of expansion and process enhancement, supported by the Business Excellence Team from the Corporate Group.

Oliver Wyman is a globally reputed management consulting firm, engaged for evaluating MRO performance in line with global market and provide strategy roadmap for future growth & development.

Information Technology

As we wanted to keep our self in par with the latest technology, we did invest in building our IT foothold, through activities such as Implementation of Process Automations through RPA to simplify routine activities and enhancing our RAMCO ERP utilization for digitization of task card and certifications by 2022-23.

Similarly, RFID process for tool management is being implemented during the FY 2021-22.

We've enhanced the Data security through enhancing our Firewall policies and did invest in revamping our Network Infrastructure considering the projects we've planned for the upcoming year, like Digitization of our Task Cards and going paperless.

Performance of GMR Hyderabad Air Cargo Division (GHAC):

GHAC achieved a total revenue of INR 91 Crore during the year under review with an EBTDA of 19%. In FY22, GHAC handled about 1,25,755 MT, thereby standing out as one of the well performing metro airports in a challenging market scenario.

With an aim to increase stakeholder engagement and customer experience, GMR Hyderabad Air Cargo has undertaken the below major initiatives in the FY22:

- Inaugurated and operationalized Interim International Express and Courier Terminal (IECT), opening an entire new segment of business which promises to be one of the future growth drivers for GHAC business
- Established India's largest on-airport dedicated Cool Container Station and strengthened our position as the market leader by bringing on board major

Container companies to set up as their South Asian cool container storage and distribution station

- Upgraded & expanded infrastructure for handling temperature-controlled cargo – new Super Store for vaccine storage, conversion of entire export build-up zone into temp-controlled, new Cool Cells for built-up unit storage
- Completed multiple new projects to prepare the business for next phase of growth – Truck Dock expansion, extension of truck dock canopy and new office spaces
- Obtained/Renewed key Certifications: Upgraded WHO GDP Certification covering -15oC to + 25oC range, new ISO 9001:2015 and EU RA3 Security Certificate
- The GHAC division of the Company also started working on several new-tech initiatives including the implementation of new ERP system, focused on improving operational effectiveness.

Change in the Nature of Business, If Any:

During the year under review, there is no change in the Business of the Company.

Dividend

Due to accumulated losses of the Company, the Board of Directors have not recommended any dividend to its shareholders for the Financial Year ended March 31, 2022.

Appropriations to Reserves

Due to accumulated losses of the Company, the Board of Directors do not propose to carry any amount to any reserves for the year under review

Fixed Deposits

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Rating

The Rupee Term Loan of INR 300 Crore from NIIF IFL carries an instrument rating of AA (CE) (Negative) by ICRA Limited. Your Company has also obtained an issuer rating of A1+ by CRISIL for its working Capital covenants.

Major Events and Achievements

The Company received the following awards / accolades during the period under review recognizing the significant contributions made in different facets of functional excellence.

Achievements of MRO Division

- Achieved YoY 8% growth of revenue compared to previous year.
- Achieved highest gross revenue of INR 256.09 Crore till date with a third consecutive year PAT positive of INR 13.04 Crore.

Achievements of GHAC Division

GHAC has shown great resiliency in this global crisis and is moving towards a sustainable future along with its stakeholders with various Initiatives for strengthening its business:

- Emerged as the fastest growing Domestic Cargo Terminal in India with 47% YoY growth - DOM cargo crossed pre-COVID numbers, exceeded 50,000 MT mark for the first time since inception with an all-time-high tonnage
- GHAC has seamlessly handled several Charters to various International and Domestic destinations, predominantly with Pharma and Vaccines shipments

Events Subsequent to the date of the Financial Statements

Mr. Pradeep Panicker has been appointed as an additional director (Non- Executive Director) in the Board with effect from July 22, 2022.

Corporate Governance

The Board of Directors supports the broad principles of Corporate Governance. The Board has a formal schedule of matters reserved for its consideration and decision.

Directors and Key Managerial Personnel

The Board of Directors and Key Managerial Persons of your company presently comprise of the following:

Board of Directors

Sl. No.	Name of the Directors	Designation
1	Mr. G B S Raju	Chairman
2	Mr. Gopalakrishna Kishore Surey	Director
3	Mr. Rajesh Kumar Arora	Director
4	Mr. Puthalath Sukumaran Nair	Director
5	Dr. Kavitha Gudapati	Woman Director

Key Managerial Personnel

Sl. No.	Name	Designation
1	Mr. G. Chandrabushan	Manager
2	Mr. Srikanth Vetcha	Chief Financial Officer
3	Mr. Rakhal Panigrahi	Company Secretary

Changes in the Composition of the Board of Directors and Key Managerial Personnel (KMP):

During the year under review, Mr. N C Sarabeswaran has resigned as an Independent Director w.e.f September 22, 2021

Re-appointments / Change in Designation

As per the provisions of the Companies Act, 2013, the Chairman of the Board, Mr. SGK Kishore (DIN: 02916539) and Mr. PS Nair (DIN: 00063118), retires by rotation at the ensuing AGM and, being eligible, seeks reappointment.

Dr. Kavitha Gudapati (DIN: 02506004) was appointed as the Director in the category of Independent for a period of five (5) years with effect from September 28, 2016 till the conclusion of the ensuing 14th AGM of the Company held in September, 2021. Her term as an Independent Director expired at the 14th AGM of the Company. However, Dr. Kavitha Gudapati continues to act as a woman director in the category of Professional Director of the Company with effect from the conclusion of the ensuing 14th AGM.

Committees of Board

In accordance with the Companies Act, 2013, Currently, there is only one Committee of the Board;

Following is the composition of the Committees:

Name of the Committee	Composition
Corporate Social Responsibility (CSR) Committee	(i) Mr. Rajesh Kumar Arora, Chairman
	(ii) Dr. Kavitha Gudapati, Member
	(iii) Mr. P.S. Nair, Member

The Audit Committee and Nomination & Remuneration Committee of the Board of Directors was dissolved at the Board meeting held on 21st September, 2021 pursuant to the Companies (Appointment and Qualification of Directors) Amendment Rules in July, 2017 and the MCA Notification dated 19th February, 2021 since the Company no longer falls under the category of Class of Companies that necessitates to appoint two (2) Independent Directors on the Board.

Further, consequent to the redemption of the Non- Convertible Debentures in September 2021, the Non-Convertible Debentures Committee was dissolved w.e.f. November 25, 2021.

Board Meetings:

The Board of Directors of the company met 6 (Six) times during financial year under review and the details of attendance of Directors are as under:

S. No.	Name of the Director	Dates of the Board Meetings					
		22-04-21	16-07-21	21-09-21	25-11-21	06-01-22	19-01-22
1	Mr. GBS Raju	LOA	LOA	LOA	LOA	LOA	Yes
2	Mr. Gopala Krishna Kishore Surey	Yes	LOA	LOA	LOA	LOA	Yes
3.	Mr. Puthalath Sukumaran Nair	Yes	Yes	Yes	Yes	Yes	Yes
4.	Mr. Rajesh Kumar Arora	Yes	Yes	Yes	Yes	Yes	Yes
5.	Dr. Kavitha Gudapati	Yes	LOA	LOA	LOA	LOA	Yes
6.	Mr. N C Sarabeswaran	Yes	Yes	Yes	NA	NA	NA

(Attended-Yes; Leave of Absence-LOA; Not Applicable - NA)

NUMBER OF COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2021-22:

Audit Committee Meetings

Two Audit Committee Meetings were held during the financial year 2021-22 and the details of attendance of the Members are as under:

S. No.	Name of the Committee Member	Dates of the Audit Committee Meeting	
		22-04-21	16-07-21
1	Mr. N C Sarabeswaran	Yes	Yes
2	Dr. Kavitha Gudapati	Yes	LOA
3	Mr. Rajesh Kumar Arora	Yes	Yes

(Attended-Yes; Leave of Absence-LOA; Not Applicable - NA)

Nomination & Remuneration Committee: -

Two Nomination & Remuneration Committee Meetings were held during the financial year 2021-22 and the details of attendance of the Members are as under:

S. No.	Name of the Committee Member	Dates of the NRC Meeting	
		22-04-21	16-07-21
1.	Mr. N C Sarabeswaran	Yes	Yes
2.	Dr. Kavitha Gudapati	Yes	LOA
3.	Mr. Rajesh Kumar Arora	Yes	Yes

(Attended-Yes; Leave of Absence-LOA; Not Applicable - NA)

Corporate Social Responsibility (CSR) Committee: -

One CSR Committee Meeting was held during the financial year 2021-22 and the details of attendance of the Members are as under:

S. No.	Name of the Committee Member	22-04-21
1.	Mr. N C Sarabeswaran	Yes
2.	Dr. Kavitha Gudapati	Yes
3.	Mr. P.S. Nair	Yes

(Attended-Yes; Leave of Absence-LOA; Not Applicable - NA)

The CSR Committee was reconstituted at the board meeting held on November 25, 2021 with following composition consequent to the resignation of Mr. N C Sarabeswaran:

- 1) Mr. Rajesh Arora, Director, Chairman
- 2) Dr. Kavitha Gudapati, Woman Director, Member
- 3) Mr. P S Nair, Director, Member

Separate Meeting of the Independent Directors:

During the financial year under review, in terms of section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, No separate meeting of the independent directors was held as the provisions were not applicable to the Company.

General Meetings:

The Annual General Meeting (AGM) of the Company was held on September 22, 2021 and one Extra- Ordinary General Meeting (EGM) of the Company was held on February 14, 2022.

Secretarial Standards

The applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors confirm the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note No. 2 of Notes to the financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;
- f. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration of Independent Directors

Based on the confirmation / disclosures received from the Independent Directors and on evaluation of the relationships disclosed, the following Directors are Independent in terms of Section 149(6) of the Companies Act, 2013: -

- Mr. N.C. Sarabeswaran*
- Dr. Kavitha Gudapati*

Pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the above Independent Directors have registered with the Independent Directors Databank, maintained by the Indian Institute of Corporate Affairs.

- * Mr. N C Sarabeswaran resigned as an Independent Director in September, 2021. The designation of Dr. Kavitha Gudapati was changed from Independent Director to Non Independent Woman Director in September, 2021.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation for the financial year, in respect of the Board and Committees, the Chairman, Self and Peers of the Directors. The exercise was carried out by circulating the structured and separate questionnaires among the Directors through DESS Digital Meeting Platform, for the Board and Committees Evaluation; the Chairman's Evaluation; the Directors' Self-Evaluation; and the Directors' Peer Evaluation, after taking into consideration various aspects of the management and

governance. The Directors have successfully completed the said evaluation through DESS Digital Meeting Platform.

Company's Policy on Directors' Appointment and Remuneration

The Nomination and Remuneration Policy of the Company covering Director's appointment, remuneration, criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 is placed on the website of the Company www.gmraerotech.in.

1) Remuneration paid to the Managing Director (MD), Whole-time Directors (WTD) and / or Manager (Managerial Personnel) during the financial year:

Name of the Manager	Remuneration (Amount in Rs.)
Mr. G Chandrabushan	25.74 lakh

2) Sitting fees paid to the Independent Directors during the financial year 2021-22:

Sl. No.	Name of the Independent Directors	Sitting fees paid (Amount in Rs.)
1	Mr. N C Sarabeswaran	90,000
2	Dr. Kavitha Gudapati	50,000
Total		1,40,000

Other than the aforesaid payment of the sitting fees during the Financial Year 2021-22, there were no other pecuniary relationships or transactions between the Non-Executive Directors and the Company.

Particulars of loans, guarantees or investments under section 186 of the Companies act, 2013

During the FY 2021-22, your Company has extended the unsecured loan in the category of Inter Corporate Deposit (ICD) of Rs. 20,00,00,000/- (Rupees Twenty Crore only) to GMR Goa International Airport Limited (GGIAL) which was given in the FY 2021.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies act, 2013

All transactions entered into with the related parties during the financial year under review were on arm's length basis and in the ordinary course of business. Your Company has not entered into any contracts or arrangements with the related parties referred to in Section 188(1) of the Companies Act, 2013 and as such no particulars are required to be given.

All related party transactions (RPTs) are placed before the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which were of a repetitive nature. All the transactions with the related parties are audited by the Management Assurance Group (Internal Auditors) of the Company, while placing the same before the Board for their review and approval. All RPTs are mentioned in the Note No. 37 to the Notes to the Financial Statements of the Company for the financial year 2021-22.

Conservation of energy, technology absorption, and foreign exchange earnings and outgo

Since the Company does not own any manufacturing facility, the particulars relating to energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

During the year ended 31st March, 2022, the particulars regarding foreign exchange earnings and outgo are as given below:

(Rs. In Crores)

Particulars	For the year ended 31.03.2022(Rs.)	For the year ended 31.03.2021 (Rs.)
Foreign Exchange Earnings		
MRO Division	235.32	243.33
GMR Hyderabad Air Cargo Division	1.43	1.23
	236.75	244.56
Foreign outgo (expenditure)		
MRO Division	102.60	117.92
GMR Hyderabad Air Cargo Division	0.96	0.99
	103.56	118.91

Risk Management

The Company has established Enterprise Risk Management (ERM) framework to identify, assess, monitor and mitigate various risks that may affect the organization. As per ERM framework, the risks are identified considering the internal and external environment. No risks perceived that threatens the existence of the company.

Internal Control System

Your Company's internal control systems commensurate with the nature of its business and the size and complexity of its operations.

Your Company's internal control procedures ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations. The Management Assurance Group (Internal

Auditors) of the Company, carries out extensive audits throughout the year, across all functional areas and submits its reports to the Board.

Internal Financial Controls and Its Adequacy:

Your Company has adopted policies and procedures including 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 fraud and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures under the Companies Act, 2013.

During the year under review, such controls were reviewed and tested by the Internal Auditors and found to be adequate.

Share Capital

The Authorized Share Capital of the company as on March 31, 2022 is as follows:

Authorised Capital - INR 700,00,00,000/-

- 1) 68,15,00,000 (Sixty-Eight Crore Fifteen Lakhs) equity shares of Rs.10/- each aggregating to Rs. 681,50,00,000/- (Rupees Six Hundred and Eighty-One Crore fifty lakhs only)
- 2) 18,450 (Eighteen Thousand Four Hundred and Fifty) compulsory Convertible cumulative Preference shares series A of Rs. 10,000/- (Rupees Ten Thousand Only) per share ("Series A preference shares") aggregating to Rs.18,45,00,000/- (Rupees Eighteen Crores Forty-Five Lakhs Only); and
- 3) 50,000 (Fifty Thousand) compulsory Convertible cumulative Preference shares series B of Rs.10/- (Rupees Ten Only) each ("Series B preference shares") aggregating to Rs. 5,00,000/- (Rupees Five Lakhs Only).

Paid up Capital of the Company:

The paid-up equity capital as on March 31, 2022 is INR 473,83,09,350/- which comprises as follows

- 1) 45,58,12,130 (Forty-Five Crore Fifty-Eight Lakhs Twelve Thousand One Hundred and Thirty) equity shares of Rs.10/- each aggregating to INR 455,81,21,300/- (Rupees Four Hundred and Fifty-Five Crore Eighty-One lakhs Twenty One Thousand Three Hundred only)
- 2) 18,000 (Eighteen Thousand) compulsory Convertible cumulative Preference shares series A of Rs. 10,000/- (Rupees Ten Thousand Only) per share ("Series A preference shares") aggregating to Rs.18,00,00,000/- (Rupees Eighteen Crores Only); and
- 3) 18,735 (Eighteen Thousand Seven Hundred and Thirty-Five) compulsory Convertible cumulative Preference shares series B of Rs.10/- (Rupees Ten Only)

each ("Series B preference shares") aggregating to Rs. 1,87,350/- (Rupees One Lakh Eighty-Seven Thousand Three Hundred and Fifty Only)

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has one wholly owned subsidiary, viz., GMR Aero Technic Limited.

Statement under Section 129(3) of the Companies Act, 2013

GMR Air Cargo And Aerospace Engineering Limited has only one wholly owned subsidiary, GMR Aero Technic Limited ("GATL") and there has been no change in the number of subsidiaries.

GATL is working on Consultancy business. The operations of the company during the year under review resulted in a net loss of Rs. (0.57) Lakhs as compared to a net loss of Rs. (31.60) Lakhs in the previous year.

A statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached as **Annexure-1**.

There are no associate and joint venture companies as on March 31, 2022.

AUDITORS

Statutory Auditors

M/s. K.S. Rao & Co., Chartered Accountants (Firm Registration No. 003109S), Bengaluru, were appointed as Statutory Auditors of the Company at the Annual General Meeting ('AGM') held on September 22, 2021 of the Company from the conclusion of 14th AGM till the conclusion of 19th AGM. M/s. K.S. Rao & Co., have given their consent for their re-appointment as Statutory Auditors of the Company.

There are no qualifications, reservations or adverse remarks in the audit report for the financial year ended March 31, 2022.

The Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company in the financial year under review.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board had reappointed M/s. KBG Associates, a firm of Company Secretaries in Practice (CP No. 6262) represented by its Partner Mr. Srikrishna Chintalapati, to conduct the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report dated July 16, 2022 is appended to this Report as **Annexure - 2**.

There are no qualifications, reservations or adverse remarks in the secretarial audit report for financial year 2021-22.

Cost Auditors

The Board of Directors has approved the re-appointment of M/s. Narasimha Murthy & Co, Cost Auditors of the Company for the financial year ending 31st March, 2022, under section 148 of the Companies Act, 2013, and recommends ratification of his remuneration by the shareholders at the ensuing Annual General Meeting of the Company. Further, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

There are no qualifications, reservations or adverse remarks in the cost audit report for the financial year.

Suspension of ISIN from stock exchanges

Your Company has suspended the Non-Convertible Debentures from BSE Limited and the National Stock Exchange of India Limited with effect from September 29, 2021. As a result, regulations relating to SEBI(LODR) Regulations, 2015 shall not be applicable to the Company from the said date.

Rupee Term Loan and NCD Redemption

During the year, the Company has made early redemption of 1,000 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of Rs.10,00,000/- each and 1750 Senior. Rated, Listed, Unsecured and Redeemable Non-Convertible Debentures (NCDs") of face value of Rs. 10,00,000/- each aggregating to Rs. 27,500 Lakhs on Sep 29, 2021.

The company has obtained Rupee Term Loan Facility from NIIF Infrastructure Limited amounting to Rs. 30,000 Lakhs at an interest rate of 8.3% on Sep 27, 2021 repayable in 40 structured quarterly installments commencing from December 31, 2021 till September 30, 2031.

The Company has also renewed its existing overdraft facility up to Rs. 3,000 Lakhs from ICICI Bank which is repayable on demand and convert Rs. 1500 Lakhs in FCNR facility.

Extract of Annual Return:

Pursuant to Section 92 (3) read with Rule 12 of Companies (Management and Administration) Rules, 2014 and subsequent Amendment Rules, 2021 effective from March 05, 2021, the draft Annual Return is posted on Company's website.

Corporate Social Responsibility (CSR)

The Company is driven by Group's vision on CSR to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. The Company has constituted a Corporate Social Responsibility (CSR) Committee on June 04, 2020 in accordance with Section 135 of the Companies Act, 2013.

Details about the CSR Policy and initiatives taken by your Company on CSR during the financial year are given in the CSR Annual Report 2021-22, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, which is annexed to this report as Annexure-3

The Company's CSR Policy is available on our website, at <https://www.gmraerotech.in/investors-relations.aspx>

Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013

The Company has in place an Anti-Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee is set up to redress complaints received regularly. All employees (permanent, contractual, temporary trainees) are covered under the policy.

During the financial year, the Company has received a complaint from one on-Job Trainee (OJT) pertaining to sexual harassment and the same was resolved.

Vigil Mechanism

The Company has established a vigil mechanism for Directors, regular employees and consultants of the Company, including advisors, in-house consultants, Whole-time Directors and employees on contract. This Policy shall also apply to third parties with any commercial dealings with the Company, including vendors, service providers, partners, joint venture employees and customers. Any Whistle Blower making a complaint under this Policy may make a Disclosure to the Ombudsperson – Mr. HJ Dora of the Company, through the following modes.

- (a) Oral complaints through teleconference or by personally meeting the Ombudsperson, or by calling 1800-1020-467 or such other number as is set out on the Company's website at www.gmraerotech.in
- (b) Complaints filed through Electronic Means to gmr@ethicshelpline.in to raise a concern under the Policy.

The Policy provides for maintaining confidentiality and protection to the Whistle Blower against any victimization.

Particulars of Remuneration

Your Company being an unlisted Company is not required to provide the details of the remuneration under the provisions of section 197 (12) of the Companies Act, 2013 vis-à-vis Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details of Significant and material Orders passed by the Regulators/Courts/Tribunals impacting the Going Concern status and the Company's operations in future

No significant material orders have been passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

Security Trustee Details

During the year under review, your company has done the complete redemption of its Rated, senior, listed, secured, redeemable, Non-Convertible Debentures by way of availing Rupee Term Loan from NIIF IFL and in which Axis Trustee Services Limited has been appointed as a Security Trustee. However, both parties have agreed to continue the same Debenture Trustee as Security Trustee for the said loan facility.

Safety and Environment

The GHAC Division of your Company have taken the following initiatives for Safety purpose during the Financial Year under review.

Training.

- Mandatory safety induction training by In-house faculty.
- Periodical refresher trainings by In-house and external faculty.
- Safety briefings (Toolbox Talk) before commencement of work shifts.

Hazard Identification and Risk Assessment.

- Effective hazard identification and fair reporting mechanism.
- Risk assessment for all the equipment (GSE), work sites and work activities.

Audits and Inspection.

- Weekly Cross-functional audits.
- Workplace inspections.
- Safety Inspection.
- Equipment (GSE) Safety Inspection.
- Emergency equipment inspection.

Work Permit System.

- Work permits are mandatory prior to any Civil, Mechanical, Electrical activities.
- Hot work permit for activities involving cutting, grinding, welding etc.

Maintenance of Emergency Equipment.

- Hazardous spill management kits availability at all DG storage areas.
- Medical first aid kits are available at all required locations.
- Smoke Detector – Ceiling mounted and Beam detectors.
- Heat Detector.
- Water Curtain.
- Hydrant and Sprinkler system.
- Alarm system.

Sub-contractor Management.

- Site assessment.
- Work plan documents.
- PPE and other safety precautions.
- Effective monitoring.

LOTO – Lock out Tag Out System.

- Breakdown/ equipment under maintenance is tagged.
- Electrical systems are isolated with locks – Pad & pin type locks.

Signage & Communication.

Safety communication, safety posters, warning & caution signage etc. is made available at all prominent locations.

The MRO Division of your Company have taken the following initiatives for Safety purpose during the Financial Year under review.

- ❖ Safety Week celebrated from 4th March to 10th March 2022 with following various activities:
 - Safety Roadshows
 - Safety Promotional Activities
 - Fire & Safety Training conducted for GADL and Housekeeping staff
 - Felicitation of staff who have reported best hazards
- ❖ Safety Management System training is provided to 164 newly joined staff.
- ❖ Safety Management System Internal Audit conducted in the month of May and November 2021.
- ❖ HAZMAT (Hazardous Material) Awareness Training was provided to the staff.
- ❖ FOD (Foreign Object Debris) Walk conducted every Tuesday in Production department to emphasize the criticality of FOD in major maintenance facility.
- ❖ Fire Mock drill conducted on 19th April and 07th Oct 2021 with support from ARFF (Airport Rescue and Fire Fighting) and Airport Apollo hospital staff involving all staff of the GAT.
- ❖ Fire Service Week celebrated from 14th April to 20th April 2021 with various following activities:
 - Fire Equipment Display,
 - Training to Fire Wardens
 - On-line quiz competition
 - First Aid and Fire Fighting Training
 - Fire System Training to Security and FEM (Facility Equipment Maintenance) Team
- ❖ As a part of Environment Day celebration on 5th June 2021, plantation and on-line quiz was organized.
- ❖ Maintenance of following various emergency equipment carried out as per Plant Preventive Maintenance:
 - Hazardous spill management kits availability at all DG storage areas.
 - Medical first aid kits are available at all required locations.
 - Smoke Detector – Ceiling mounted and Beam detectors.
 - Heat Detector
 - Hydrant and Sprinkler system.
 - Alarm system.

- ❖ GAT followed Work Permit System for the Civil, Mechanical, Electrical and hot work.
- ❖ Daily routine inspection of Fire Fighting systems and Emergency Equipment's carried out on daily basis.
- ❖ As a part of Waste Management System, staff are briefed about the segregation and handling of hazardous waste.
- ❖ Cross Functional Training provided to GAT security staff from 21st March to 25th March 2022.

Details of the application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the Financial Year

During the Financial Year, no application was made and no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

Acknowledgement

Your Directors take this opportunity to express their sincere thanks and gratitude to GMR Air Cargo And Aerospace Engineering Limited, Various Government and Government Agencies and all the employees who have extended their co-operation and support in achieving the goals that the company is established for.

By Order of the Board of Directors
For GMR Air Cargo And Aerospace Engineering Limited

Place: Hyderabad
Date: July 22, 2022

Sd/-
PS Nair
Director
DIN: 00063118

Sd/-
Rajesh Arora
Director
DIN: 03174536

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	GMR Aero Technic Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2022
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	10,00,000
5.	Reserves & surplus	(51,000)
6.	Total assets	10781000
7.	Total Liabilities	10781000
8.	Investments	Nil
9.	Turnover	4158000
10.	Profit before taxation	(51,000)
11.	Provision for taxation	(6,000)
12.	Profit after taxation	(57000)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**By Order of the Board of Directors
For GMR Air Cargo And Aerospace Engineering Limited**

**Place: Hyderabad
Date: July 22, 2022**

**Sd/-
PS Nair
Director
DIN: 00063118**

**Sd/-
Rajesh Arora
Director
DIN:03174536**

**Sd/-
Srikanth Vetcha
Chief Financial Officer**

**Sd/-
Rakhal Panigrahi
Company Secretary**

Form No. MR-3

Secretarial Audit Report

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

GMR Air Cargo and Aerospace Engineering Limited

Plot No. 1, GMR Hyderabad Aviation SEZ Limited

Rajiv Gandhi International Airport, Shamshabad

Hyderabad, Telangana, India – 500 108

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GMR Air Cargo and Aerospace Engineering Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

Sl	Particulars
1.	The Companies Act, 2013 (the Act) and the Rules made thereunder;
2.	The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

SI	Particulars										
3.	<p>The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')</p> <p>(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</p> <p>(b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;</p> <p>(c) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015</p> <p>(d) The Company has complied with the provisions of the Securities and Exchange Board of India (Debenture Trustee) (Amendment) Regulations 2017</p>										
4.	We have also examined compliance with the applicable clauses of the following: Secretarial Standards issued by the Institute of Company Secretaries of India.										
1.	Under the Companies Act, 2013										
A.	<p>That based on our examination and verification of the records produced to us and according to the information and explanations given to us by the Company that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 ("the Act") and the rules made under the Act and Memorandum, and Articles of Association of the Company, inter alia with regard to :</p> <table border="1"> <tr> <td>a.</td><td>Maintenance of various statutory registers and documents and making necessary entries therein;</td></tr> <tr> <td>b.</td><td>Forms, returns, documents and resolutions required to be filed with the Register of Companies and the Central Government;</td></tr> <tr> <td>c.</td><td>Service of documents by the company on its members and Registrar of Companies.</td></tr> <tr> <td>d.</td><td>Notices, Agenda and Minutes of proceedings of General Meetings and of the Board and its Committee meetings including Circular Resolution;</td></tr> <tr> <td>e.</td><td> <p>The meetings of :</p> <p>i. Board of Directors held on 22nd April, 2021, 16th July, 2021, 21st September, 2021, 25th November, 2021, 6th January, 2022 and 19th January, 2022.</p> <p>ii. Audit Committees of Members held on 22nd April, 2021 and 16th July, 2021</p> <p>iii. Nomination & Remuneration Committee held on 22nd April, 2021 and 16th July, 2021</p> <p>iv. CSR Committee held on 22nd April, 2021</p> </td></tr> </table>	a.	Maintenance of various statutory registers and documents and making necessary entries therein;	b.	Forms, returns, documents and resolutions required to be filed with the Register of Companies and the Central Government;	c.	Service of documents by the company on its members and Registrar of Companies.	d.	Notices, Agenda and Minutes of proceedings of General Meetings and of the Board and its Committee meetings including Circular Resolution;	e.	<p>The meetings of :</p> <p>i. Board of Directors held on 22nd April, 2021, 16th July, 2021, 21st September, 2021, 25th November, 2021, 6th January, 2022 and 19th January, 2022.</p> <p>ii. Audit Committees of Members held on 22nd April, 2021 and 16th July, 2021</p> <p>iii. Nomination & Remuneration Committee held on 22nd April, 2021 and 16th July, 2021</p> <p>iv. CSR Committee held on 22nd April, 2021</p>
a.	Maintenance of various statutory registers and documents and making necessary entries therein;										
b.	Forms, returns, documents and resolutions required to be filed with the Register of Companies and the Central Government;										
c.	Service of documents by the company on its members and Registrar of Companies.										
d.	Notices, Agenda and Minutes of proceedings of General Meetings and of the Board and its Committee meetings including Circular Resolution;										
e.	<p>The meetings of :</p> <p>i. Board of Directors held on 22nd April, 2021, 16th July, 2021, 21st September, 2021, 25th November, 2021, 6th January, 2022 and 19th January, 2022.</p> <p>ii. Audit Committees of Members held on 22nd April, 2021 and 16th July, 2021</p> <p>iii. Nomination & Remuneration Committee held on 22nd April, 2021 and 16th July, 2021</p> <p>iv. CSR Committee held on 22nd April, 2021</p>										

Sl	Particulars
f.	The Annual General Meeting held on 22 nd September, 2021 and one Extra Ordinary General Meeting held on 14 th February, 2022;
g.	Approvals of the Members, the Board of Directors, the Committees of Directors wherever required;
h.	Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors.
i.	Payment of remuneration to Directors.
j.	Appointment and remuneration of Auditors;
k.	Transfer and transmission of Company's shares and issue and dispatch of duplicate share certificates. There were no transfers and transmission of shares during the financial year.
l.	the Company has not declared any dividend during the financial year under review
m	Transfer of Unpaid and Unclaimed dividend to the Investor Education and Protection Fund – Not Applicable
n.	Borrowings and registration, modification and satisfaction of charges wherever applicable;
o.	Investment of the Company's funds including investments and loans to Wholly Owned Subsidiary;
p.	Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
q.	Directors' Report;
r.	Contracts, common seal, registered office and publication of name of the Company.

Sl	Particulars
B.	Under the Companies Act, 2013, we further report that
i.	<p>The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.</p> <p>During the year under review:</p> <p>(a) Mr. N C Sarabeswaran resigned as an Independent Director w.e.f. 22nd September, 2021; the designation Dr. Kavita Gudapati changed from Independent and Woman Director to Woman Director w.e.f. 22nd September, 2021.</p> <p>(b) Mr. K Venkata Ramana resigned as CFO w.e.f. 31st March, 2021 and Mr. Srikanth Vetcha was appointed as CFO of the Company and Key Managerial Personnel w.e.f. 22nd April, 2021;</p> <p>We have been given to understand that as per Sec 177 & 178 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Amendment Rules in July, 2017 and pursuant to the MCA Notification dated 19th February, 2021, the Company no longer falls under the category of Class of Companies that necessitates to appoint two (2) Independent Directors on the Board and such exemption from compliance was noted by the Board in its meeting held on 21st September, 2021.</p>
ii.	Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
iii.	All decisions at Board Meetings and Committee Meetings are carried out on requisite majority and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
iv.	There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, Depositories Act, Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

Sl	Particulars
v.	The Company had obtained the necessary permission for renewal of the loan given to M/s. GMR Goa International Airport Limited to the tune of Rs. 20.00 cr repayable in the Board Meetings held on July 16, 2021 and November 25, 2021 pursuant to Sec 185, Sec 186 of the Companies Act, 2013 and the provisions of the Act have been complied with, in this regard.
vi.	The Company obtained the necessary members permission in the EGM held on 14 th Feb, 2022 for donation to Charitable / Other Funds and the provisions of the Act have been complied with in this regard.
vii.	We have been given to understand that the Company expended the eligible CSR expenditure for the FY 2021-22 and have been informed that the amount had been contributed to a related party for which proper Board approvals and disclosures have been made for the FY 2021-22.
viii.	We have been given to understand that the increase in Borrowings Limits from Rs. 600.00 cr to Rs. 650.00 cr pursuant to Sec 180 (1) (a) and Sec 180 (1) (c) as approved by the Board in its meeting held on 21 st September, 2021 had been duly approved by the members in the Annual General Meeting held on 22 nd September, 2021 (AGM) and the provisions of the Act have been complied with, in this regard.
ix.	We have been given to understand that the Company availed credit facilities from NIIF Infrastructure Finance Limited pursuant to the approval of Board in its meeting held on 21 st September, 2021 and the provisions of the Act have been complied with, in this regard.
2.	Under the Depositories Act, 1996, we report that
	The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
3.	Under FEMA, 1999, we report that
	As per the declarations issued by the Quarterly Compliance Certificate issued by CEO of the Company (and submitted to the Board of Directors at the Board Meetings held during the financial year 2021-2022 (for all 4 quarters), we are of opinion that the Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

Sl	Particulars
4.	Under the SEBI Act, We report that
a.	<p>We have been informed by the management that the Company has listed its non-convertible debentures on BSE and NSE in October, 2017 and since then Company has complied with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>Furthermore, the Company had redeemed its debentures wef 29th September, 2021 and filed the satisfaction of charge with MCA authorities on 4th October, 2021 and since the Company is no more debt listed Company and hence need not continue the Audit Committee and Nomination and Remuneration Committee as it was required when it was a debt listed company (with SEBI).</p>
b.	The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with regard to maintenance of records required under the Regulations.
c.	The Company has complied with the provisions of the Securities and Exchange Board of India (Debenture Trustee) (Amendment) Regulations 2017.
5.	Under other Applicable laws, we report that
	Based on the Quarterly Compliance Certificate issued by CEO of the Company (and submitted to the Board of Directors at the Board Meetings held during the financial year 2021-2022 (for all 4 quarters), we are of opinion there has been due compliance of all the Laws to the extent applicable.
6.	We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For KBG Associates
Company Secretaries
 Firm Regn No # P2009AP006100

(Srikrishna Chintalapati)
Partner
CP # 6262
UDIN: F005984D000564773

Place: Hyderabad
Date: 6th Jul, 2022

‘ANNEXURE-A’

To,
The Members
GMR Air Cargo And Aerospace Engineering Limited
Plot No. 1, GMR Hyderabad Aviation SEZ Limited
Rajiv Gandhi International Airport, Shamshabad
Hyderabad, Telangana
India-500108

Our report for the even date to be read with the following Letter;

Sl	Particulars
1.	Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2.	We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3.	We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4.	Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5.	The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6.	The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SI	Particulars
7.	Though the audit scope includes such other Acts (not involving Companies Act, all Securities related Acts and FEMA); due to time, legal verification, transaction validation, expert knowledge (at certain peak levels) limitations and resulting in consequent omission of even random checking on various Acts (such as Labour Laws, Pollution and Environment related Laws, Laws governing Aircraft and Airport Authorities of India Act,1994, all connected State and Central such other applicable Acts); we had to rely upon the undertaking, declaration and written representation from the management only and had to be certified thereon.

For **KBG Associates**
Company Secretaries

(**Srikrishna Chintalapati**)
Partner
CP # 6262

Place: Hyderabad
Date: 6th Jul 2022

Form C – CSR Annual Reporting

Annexure – 3 to GACAEL Board's Report FY 2021-22

Format for The Annual Report on CSR Activities to be Included in the Board's Report for Financial Year Commencing on or After 1st Day of April, 2021

1. Brief outline on CSR Policy of the Company.

GMR Air Cargo And Aerospace Engineering Limited (the Company) forming part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

The Company is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company, through GMR Varalakshmi Foundation (GMRVF), help partners with the communities around the businesses to drive various initiatives in the areas of (i) Education, (ii) Health, Hygiene and sanitation, (iii) Empowerment Livelihood and Community Development.

2. Composition of CSR Committee:

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajesh Kumar Arora	Director	1	1
2	Dr. Kavitha Gudapati	Woman Director	1	1
3	Mr. P S Nair	Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
www.gmraerotech.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

Sl. No.	Financial Year	Amount available for setoff from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5) : **Rs. 16,50,000/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

(c) Amount required to be set off for the financial year, if any: **NIL**

(d) (d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 16,50,000 /-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. Lkhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
16.50	NIL	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No		Item from the list of activities in Schedule VII to the	Local area (Yes/No)	Location of the project.		Amount allocated for the project	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR	Mode of	Mode of Implementation - Through Implementing Agency

	Name of the Project	Act		State	District	Project duration	(in Rs.)		Account for the project as per Section 135(6) (in Rs.)	Implementation - Direct (Yes/No).	Name	CSR Registration number.

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of Implementation through implementing agency.	
				State.	District.			Name.	CSR registration Number.
1	Supporting Digital literacy training and awareness, digital education support for government school children in villages without internet access around Hyderabad International Airport	Promoting Education including Vocational Skills	Yes	Telangana, Rangareddy District		Rs. 5,70,000/-	Yes	-	-

2	Supporting Skill development training of underprivileged school and college dropout youth in villages surrounding Hyderabad International Airport	Promoting Education including Vocational Skills	Yes	Telangana, Rangareddy District	Rs. 10,00,000/-	Yes	-	-
Total					Rs. 15,70,000/-			

(d) Amount spent in Administrative Overheads: Rs 0.80 lakhs

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs 16.50 lakhs

(g) (g) Excess amount for set off, if any: **Not Applicable**

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
(asset-wise details): **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Sd/- PS Nair (Director).	Sd/- Rajesh Arora (Chairman CSR Committee).
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INDEPENDENT AUDITOR'S REPORT

To The Members of GMR Air Cargo and 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, 2022, 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, 2022 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, 2022, 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.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>The Company is primarily in the business of providing Aerospace Engineering and Cargo Services to the Airlines.</p> <p>With respect to Aerospace Engineering services, The Company is having two models for the purpose of recognition of revenue for services rendered, which are time and material contracts and fixed price contracts.</p> <p>For the year ended March 31, 2022, Revenue from such services amounts to Rs. 25,608.55 Lakhs.</p> <p>The existing ERP system has limitation of capturing the manhours spent and effective use of materials issued rate for each aircraft in billing due to which billing is computed manually may have an impact on accuracy and completeness of the revenue recognised for the year.</p>	<p>In response to the key matter, the following principal Audit procedures performed:</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> • We ensured that revenue recognition method applied was appropriate based on the terms of the agreement with the customer; • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; <p>For time and material-based contracts:</p> <p>i. We obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate;</p> <p>ii. We obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and</p> <p>iii. We verified the revenue based on the hours charged on the projects and approved rate per hour.</p> <p>For fixed price contracts:</p> <p>We selected a sample of contracts with customers and performed the following procedures.</p> <p>i. We verified the total revenue with customer contracts agreements including amendments as appropriate;</p> <p>ii. We assessed the reliability of management's estimates by comparing actual results of delivered projects to previous estimates;</p> <p>iii. We evaluated management's estimates and assumptions in recognition of the revenue;</p> <p>iv. We verified the revenue based on the stage of completion of the projects; and</p> <p>v. We obtained appropriate evidence based on the circumstances to conclude whether the proportion of completion of projects was appropriate.</p> <p>Based on the procedures performed we consider the amount of revenue recognised to be fairly stated in the standalone financial statements.</p>

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

5. 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:

6. 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.
7. 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.
8. 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:

9. 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.
10. 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.

11. 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.
12. 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.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

14. As required by Sec 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act.
15. As required by the Companies (Auditor's Report) Order, 2020 ("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.
16. 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, 2022 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2022 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 34 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, 2022.

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

Place: Bengaluru
Date: April 22, 2022

Hitesh Kumar P
Partner
Membership No. 233734
UDIN No:

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, 2022, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE') and relevant details of Right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of PPE and right-to-use assets so to cover all the assets once every 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.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) 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.

(b) As per the information and explanations provided to us, The Company has been sanctioned working capital limits in excess of five Crores on the basis of security of current assets, movable assets and lease hold rights of the land to the extent of 14 acres. There is no requirement to file quarterly returns or statements by the company with the banks.
- (iii) The Company has made investments in, companies, firms, Limited Liability partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) The Company during the year extended the loan given to GMR Goa International Airport Limited which has fallen due during the year, has been extended.

Aggregate Amount	% of the aggregate to the total loans or Advances
Rs. 20,00,00,000	Rs. 20,00,00,000

II

- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- (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, 2022 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	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
Income Tax Act, 1961	Income Tax	72.45	72.45	AY 2018-19	CIT (Appeals), Hyderabad
Income Tax Act, 1961	Income Tax	2,397.42	2,397.42	AY 2017-18	High Court

*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) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) 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.
- (b) The company has not taken been declared wilful defaulter by any bank or financial institution or other lender;
- (c) The Company has applied the loans for which the loans were obtained.
- (d) On an overall examination of financial statements of the Company, funds raised on short-

term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) 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 (x) is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) 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.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

(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 books of account

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the

Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- (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) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no ongoing projects, hence reporting under this clause is not applicable.

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

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No.

Place: Bengaluru
Date: April 22, 2022

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, 2022 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, 2022, 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

Place: Bengaluru
Date: April 22, 2022

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No.

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment & Intangibles			
Property, plant and equipment	3	14,929.63	14,125.81
Other intangible assets	4	8,214.51	8,035.61
Intangible assets under development	6	1,337.64	624.36
Right-of-use assets	5	2,764.07	2,164.87
Capital Work in Progress		261.06	237.22
Financial assets			
Investments	7(a)	10.00	10.00
Other financial Assets	7(b)	133.45	121.53
Non-current tax assets	8	4,274.67	3,505.36
Other non-current assets	9	610.98	1,667.85
		32,536.01	30,492.60
Current assets			
Inventories	10	6,708.85	6,484.29
Financial assets			
Investments	7(a)	2,342.90	228.55
Trade receivables	11	4,674.70	6,427.68
Cash and cash equivalents	12(a)	1,458.49	607.60
Bank balances other than cash and cash equivalents	12(b)	203.07	200.73
Loans	13	2,000.00	2,000.00
Other financial assets	7(b)	2,724.16	2,352.13
Current tax assets (net)	8	1.00	1.00
Other current assets	9	1,869.53	3,641.38
		21,982.71	21,943.35
Total assets		54,518.72	52,435.95
Equity and liabilities			
Equity			
Equity share capital	14	47,383.09	47,383.09
Other equity	15	(45,961.22)	(47,153.34)
Total Equity		1,421.87	229.75
Non-current liabilities			
Financial Liabilities			
Long term Borrowings	16	28,577.55	27,444.76
Lease Liabilities	17	2,903.38	2,322.32
Other financial liabilities	20	4,150.20	4,230.01
Provisions	18	1,142.72	676.69
		36,773.85	34,673.78
Current liabilities			
Financial Liabilities			
Short-term Borrowings	16	3,046.65	2,907.38
Trade payables	19		
(i) total outstanding dues of micro enterprises and small enterprises		66.04	50.36
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		8,939.99	9,412.35
Lease Liabilities	17	895.84	664.46
Other financial liabilities	20	748.67	400.53
Provisions	18	1,218.06	809.99
Other current liabilities	21	1,407.75	3,287.35
		16,323.00	17,532.42
Total equity and liabilities		54,518.72	52,435.95

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

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

Hitesh Kumar P
Partner
Membership No: 233734

Rajesh Arora
Director
DIN: 03174536

P.S. Nair
Director
DIN: 00063118

Srikanth Vetcha
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Bengaluru
Date : April 22, 2022

Place : Hyderabad
Date : April 22, 2022

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, 2022

(All amounts in ₹ Lakhs except otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Revenue			
Revenue from operations	22	34,905.13	32,565.19
Other income	23	719.14	774.70
Total Income		35,624.27	33,339.89
II. Expenses			
Operations and maintenance expenses		542.54	258.22
Cost of stores and spares consumed	24	8,296.97	8,876.23
Employee benefits expense	25	9,835.51	8,638.51
Finance costs	26	3,575.50	3,204.93
Depreciation and amortization expenses	27	2,499.68	2,698.05
Other expenses	28	10,239.20	9,102.29
Total Expenses		34,989.40	32,778.23
III. Profit/(Loss) before Tax [(i) - (ii)]		634.87	561.66
IV. Tax expenses			
Current tax		-	-
Deferred tax		-	(6.14)
Adjustments of tax relating to earlier periods		(550.59)	-
		(550.59)	(6.14)
V. Profit/(Loss) for the year (III-IV)		1,185.45	567.80
VI. Other comprehensive income			
<i>Items that will not be reclassified to Profit and Loss</i>			
Re-measurement (losses) on defined benefit plan		6.68	23.60
Deferred tax impact on Re-measurement gains/(losses) on defined benefit plan		-	(6.14)
Total other comprehensive loss		6.68	17.46
VII. Total comprehensive income for the year (V + VI)		1,192.13	585.26
Earnings per equity share of par value of Rs.10 each :			
Basic and diluted (Rs. Per share)	29	0.21	0.08
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

For and on behalf of the Board of Directors

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

Hitesh Kumar P
Partner
Membership No: 233734

Rajesh Arora
Director
DIN: 03174536

P.S. Nair
Director
DIN: 00063118

Srikanth Vetcha
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Bengaluru
Date : April 22, 2022

Place : Hyderabad
Date : April 22, 2022

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	634.87	561.66
Adjustments for		
Depreciation and amortization expense	2,499.68	2,698.05
Liabilities no longer required, written back	(3.28)	
Unrealized foreign exchange gain	(195.23)	280.67
Interest income	(227.58)	(233.90)
Inventory write off	112.22	34.65
Income from mutual funds	(5.54)	(29.12)
Finance income on financial asset held at amortised cost	-	(13.89)
Provision for doubtful receivables	(8.18)	8.94
Fair value gain on financial instruments at FVTPL	(35.67)	(1.74)
Gain on sale of Property, plant and equipment (net)	-	0.16
Other notional revenue (Reversal of lease)	-	(68.41)
Finance costs	3,575.50	3,204.93
Operating Profit before working capital changes	6,346.79	6,442.00
<i>Changes in working capital</i>		
(Decrease) / Increase in trade payables	(629.93)	(31.63)
Increase in other financial liabilities and other liabilities	(2,078.56)	1,180.61
Increase in provisions	785.98	1,059.68
Decrease in trade receivables	1,886.77	(1,340.26)
(Increase) in inventories	(336.78)	(2,193.64)
(Increase) in other financial assets and other assets	1,365.16	(4,472.08)
Cash from operations	7,339.44	644.69
Direct taxes paid	(218.72)	(48.63)
Net cash flow (used in)/from operating activities (A)	7,120.72	596.06
Cash flows from investing activities		
Interest income received	247.76	241.62
Purchase of Property, plant and equipment including CWIP and capital advances	(2,772.27)	(6,086.96)
Investment in Commercial Paper	-	(14,889.99)
Maturity of Commercial Paper	-	19,854.10
Purchase of Current Investments	(2,373.13)	(899.98)
Redemption of Current Investments	300.00	2,116.66
Loan given	-	(2,000.00)
Investments in bank deposits (having original maturity of more than three months)	(1.00)	(3,968.40)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	-	4,271.00
Net cash flow (used in)/from investing activities (B)	(4,598.64)	(1,361.95)
Cash flows from financing activities		
Proceeds from Borrowings	31,606.87	2,907.38
Repayment of Borrowings	(2,778.19)	-
Repayment of long-term borrowings - Non-Convertible Debentures	(27,500.00)	-
Payment of Lease liability	(370.06)	(354.47)
Interest received	0.34	-
Interest paid	(2,606.95)	(2,541.24)
Net cash flow from/(used in) financing activities (C)	(1,647.99)	11.67
Net (decrease) in cash and cash equivalents (A + B + C)	874.09	(754.22)
Effect of exchange differences on cash & cash equivalents held in foreign currency	(21.86)	(0.57)
Cash and cash equivalents at the beginning of the year	607.60	1,362.39
Cash and cash equivalents at the end of the year	1,459.83	607.60
Components of cash and cash equivalents		
Cash in hand	1.58	0.88
With banks - on current accounts	386.68	288.52
With banks - on escrow accounts	1.01	1.01
Exchange earners foreign currency account	1,069.22	317.19
Deposits with maturity for less than 3 months	1.34	-
Total cash and cash equivalents	1,459.83	607.60

Reconciliation of liabilities from financing activities for the year ended March 31, 2022:

Particulars	As at March 31, 2021	Proceeds/ Imapct of Ind AS 116 #	Repayment	Fair value change/other adjustments##	As at March 31, 2022
Borrowings	30,352.14	31,614.22	(30,222.95)	(119.21)	31,624.20
Lease liabilities	2,986.79	824.28	(370.07)	358.22	3,799.22
Total	33,338.93	32,438.50	(30,593.02)	239.01	35,423.42

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

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

Particulars	As at March 31, 2020	Proceeds/ Imapct 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

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

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

Hitesh Kumar P
Partner
Membership No: 233734

Rajesh Arora
Director
DIN: 03174536

P.S. Nair
Director
DIN: 00063118

Srikanth Vetcha
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Bengaluru
Date : April 22, 2022

Place : Bengaluru
Date : April 22, 2022

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, 2022
(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, 2020	455,812,200	45,581.22
Issue of shares during the year	-	-
As at March 31, 2021	455,812,200	45,581.22
As at April 01, 2021	455,812,200	45,581.22
Issue of shares during the year	-	-
As at March 31, 2022	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, 2021	18,000	1,800.00
Issue of shares during the year	-	-
As at March 31, 2022	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, 2021	18,735	1.87
Issue of shares during the year	-	-
As at March 31, 2022	18,735	1.87
Total Share Capital as at March 31, 2021		47,383.09
Total Share Capital as at March 31, 2022		47,383.09

B. Other Equity

	As at March 31, 2022	As at March 31, 2021
(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	(46,115.36)	(46,700.62)
Add: Profit for the year	1,185.45	567.80
Remeasurement (losses) on the defined benefit plans	6.68	17.46
Closing Balance	(44,923.23)	(46,115.36)
(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)
Total Other Equity	(45,961.22)	(47,153.35)

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

For and on behalf of the Board of Directors of

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

Hitesh Kumar P
Partner
Membership No: 233734

Rajesh Arora
Director
DIN: 03174536

P.S. Nair
Director
DIN: 00063118

Srikanth Vetcha
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Bengaluru
Date : April 22, 2022

Place : Hyderabad
Date : April 22, 2022

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 previous 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:

The Standalone financial statements are comprising Standalone Balance Sheet as at March 31, 2022; Standalone Statement of Profit and Loss account, Standalone Cash flow statement and other explanatory notes for the financial year ended March 31, 2022 (Collectively referred to as "Financial Statements")

(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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized 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 categorization (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.

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.

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 property, plant and equipment and whose use is expected to be irregular are capitalized as property, plant and equipment.

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 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 38.

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 Standalone 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 Standalone Statement of Profit and Loss.

Where the company is lessor

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

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

l) Inventories

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

m) Impairment of non-financial assets

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

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. 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 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 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on;

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement:

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

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

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

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss:

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

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.

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, 2022

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

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.

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, 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)
At March 31, 2021	11,970.33	9,649.99	390.07	345.79	368.36	45.46	22,769.99
Additions	54.41	2,241.21	14.67	26.98	138.72	23.27	2,499.26
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	12,024.74	11,891.20	404.74	372.77	507.08	68.73	25,269.25
Accumulatd Depreciation							
At April 1, 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)
At March 31, 2021	4,009.86	4,013.72	240.68	151.76	210.64	17.51	8,644.18
Depreciation charge for the year	622.71	908.69	46.87	76.23	35.42	5.49	1,695.42
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	4,632.57	4,922.41	287.55	227.99	246.06	23.00	10,339.60
Net Block							
At March 31, 2021	7,960.47	5,636.27	149.39	194.03	157.72	27.95	14,125.81
As at March 31, 2022	7,392.17	6,968.79	117.19	144.78	261.02	45.73	14,929.63

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, 2020	3,000.91	427.28	898.29	4,326.48
Additions	7,131.75	16.47	-	7,148.21
Disposals	-	-	-	-
At March 31, 2021	10,132.66	443.75	898.29	11,474.69
Additions	726.13	5.12	-	731.25
Disposals	-	-	-	-
As at March 31, 2022	10,858.79	448.87	898.29	12,205.94
Accumulated Amortization				
At April 1, 2020	1,506.59	310.63	898.29	2,715.51
Charge for the year	697.79	25.78	-	723.57
Disposals	-	-	-	-
At March 31, 2021	2,204.38	336.41	898.29	3,439.08
Charge for the year	525.34	27.02	-	552.36
Disposals	-	-	-	-
As at March 31, 2022	2,729.72	363.43	898.29	3,991.44
Net Block				
At March 31, 2021	7,928.28	107.34	-	8,035.61
As at March 31, 2022	8,129.07	85.44	-	8,214.51

5. Right of use Assets

	Right-of-use assets		Total
	Land	Buildings	
At April 01, 2020	2,384.36	1,884.68	4,269.04
Additions	262.02	-	262.02
Adjustments	-	(1,884.68)	(1,884.68)
As at March 31, 2021	2,646.38	-	2,646.39
Additions	851.10	-	851.10
Adjustments	-	-	-
As at March 31, 2022	3,497.48	-	3,497.49
Accumulated Amortization			
At April 01, 2020	277.75	475.07	752.82
Charge for the year	203.76	118.12	321.88
Adjustments	-	(593.18)	-593.18
As at March 31, 2021	481.51	0.00	481.52
Charge for the year	251.90	-	251.90
Adjustments	-	-	-
As at March 31, 2022	733.41	0.00	733.42
Net Block			
As at March 31, 2021	2,164.87	-	2,164.87
As at March 31, 2022	2,764.07	-	2,764.07

6. Intangible Assets under development

	As at March 31, 2022	As at March 31, 2021
Capital expenditure incurred on intangible assets (Refer Note 34)	1,337.64	624.36
	1,337.64	624.36

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, 2022

(All amounts in ₹ lakhs except otherwise stated)

7(a) Investments

	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investment equity instruments (fully paid-up)				
Unquoted investment in subsidiaries				
100,000 (March 31, 2021: 100,000) Equity shares of Rs. 10 each fully paid up in GMR Aero Technic Limited	10.00	10.00	-	-
869,307.677 units (March 31, 2021: Nil units) of face value of Rs.100 each ICICI Prudential Overnight Fund Direct Plan Growth	-	-	996.29	128.20
28,775.672 units (March 31, 2021: Nil units) of face value of Rs.1000 each UTI Overnight Fund-Direct Growth Plan	-	-	837.36	
18,082.49 units (March 31, 2021: Nil units) of Rs.1000 each of Aditya Birla Sun Life Overnight Fund- Growth-Direct Plan			207.89	100.35
26,814.824 units (March 31, 2021: Nil) of face value of Rs.1000 each Axis Overnight Fund Direct Growth			301.36	-
Total	10.00	10.00	2,342.90	228.55

7(b) Other Financial Assets

Security deposits				
Unsecured,considered good, to related parties	56.99	37.33	-	-
Unsecured,considered good, to others	71.96	78.99	-	-
Margin money deposits held with bank	4.50	4.50		
Interest accrued on fixed deposits	-	-	7.95	8.53
Total (A)	133.45	120.82	7.95	8.53
Interest accrued on Loan	-	-	-	20.27
Total (B)	-	-	-	20.27
Others				
Other deposits	0.00	0.71	-	-
Unbilled revenue	-	-	2,627.59	2,275.93
Other receivables	-	-	88.62	47.38
Total (C)	-	0.71	2,716.21	2,323.32
Total	133.45	121.53	2,724.16	2,352.13

8. Tax Assets:

Advance income-tax (net of provisions)

Non Current		Current	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
4,274.67	3,505.36	1.00	1.00
4,274.67	3,505.36	1.00	1.00

9. Other Assets:**Unsecured, considered good**

Capital advances

Advances recoverable in cash or kind

Total (A)

Non Current		Current	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
207.10	1,273.01	-	-
272.55	272.55	476.89	539.05
479.65	1,545.56	476.89	539.05

Other loans and advances

Prepaid expenses

Advance Concession fee

Balances with statutory/ government authorities

Total (B)

18.85	9.82	239.16	248.48
-	-	807.95	2,596.42
112.47	112.47	345.52	257.41
131.32	122.29	1,392.64	3,102.33

Total (A+B)

610.98	1,667.85	1,869.53	3,641.38
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10. Inventories

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

As at March 31, 2022	As at March 31, 2021
6,708.85	6,484.29
6,708.85	6,484.29

*includes material in transit of Rs. 3.90 lakhs (March 31, 2021 Rs. 114.30 lakhs)

11. Trade Receivables**Unsecured, considered good**

- Considered good- Secured

- Considered good-Un Secured

- Credit impaired

Less: Provisions for Expected Credit Loss - credit impaired

Total (Refer Note 35)

As at March 31, 2022	As at March 31, 2021
-	-
4,674.70	6,427.68
76.74	77.41
(76.74)	(77.41)
4,674.70	6,427.68

12(a) Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	1.58	0.88
Balance with banks		
- on current accounts	386.68	288.52
- exchange earner's foreign currency account	1,069.22	317.19
- on escrow accounts	1.01	1.01
Total	1,458.49	607.60

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

Fixed deposits held as Margin money*	7.07	5.73
Deposits with maturity for more than three months but less than 12 months		
- With Others	196.00	195.00
	203.07	200.73

*Out of the above, Fixed deposit of Rs. 6.07 lakhs is in the name of Demerged Company (GATL).

13. Financial Assets - Loans

	As at March 31, 2022	As at March 31, 2021
Inter corporate deposit and loans		
- Considered good- Secured	-	-
- Considered good-Un Secured	2,000.00	2,000.00
- Have significant increase in Credit Risk	-	-
- Credit impaired	-	-
Total	2,000.00	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 by August 31, 2022.

14. Equity Share Capital**Authorised share capital:**

At April 01, 2020

Increase during the year

At March 31, 2021

Increase during the year

As at March 31, 2022

Equity Shares	
In numbers	Amount
681,568,450	70,000
-	-
681,568,450	70,000
-	-
681,568,450	70,000.00

Issued, subscribed and fully paid share capital

455,812,200 (March 31, 2021: 455,812,200) fully paid equity shares of Rs. 10 each

18,000 (March 31, 2021: 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, 2021: 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, 2022	As at March 31, 2021
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	
In numbers	Amount
455,812,200	45,581.22
-	-
455,812,200	45,581.22
-	-
455,812,200	45,581.22

As at April 01, 2020

Issues of the shares during the year

As at March 31, 2021

Issues of the shares during the year

As at March 31, 2022

Preference shares - Series A

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

As at April 01, 2020

Issues of the shares during the year

As at March 31, 2021

Issues of the shares during the year

As at March 31, 2022

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, 2020

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

As at March 31, 2021

Issues of the shares during the year

As at March 31, 2022

In numbers	Amount
18,735	1.87
-	-
18,735	1.87
-	-
18,735	1.87

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, 2022		As at March 31, 2021	
	No of shares held	Amount	No of shares held	Amount
GMR Hyderabad International Airport Limited and its nominees				
45,58,12,200 fully paid equity shares of Rs. 10 each	455,812,200	45,581.22	455,812,200	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, 2022		As at March 31, 2021	
	No of shares held	% Holding in Class	No of shares held	% Holding in Class
45,58,12,200 fully paid equity shares of Rs. 10 each				
GMR Hyderabad International Airport Limited and its nominees	455,812,200	100%	455,812,200	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, 2021/ As at April 01, 2020

Less: Adjustment during the year/year

Closing Balance

As at March 31, 2022	As at March 31, 2021
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

Closing Balance

As at March 31, 2022	As at March 31, 2021
(46,115.36)	(46,700.62)
1,185.45	567.80
6.68	17.46
(44,923.23)	(46,115.36)

(iii) Amalgamation Adjustment Deficit Account

Opening balance

Add: Adjustment during the year/year

Closing balance

(1,089.16)	(1,089.16)
-	-
(1,089.16)	(1,089.16)

Total

(45,961.22)	(47,153.34)
-------------	-------------

16. Borrowings**Debtentures****Secured**

Redeemable Non Convertible Debtentures

Unsecured

Redeemable Non Convertible Debtentures

Others

Loan from Cisco Systems Capital India Private Limited

Loan from ICICI Bank FC Term Loan A/c

Loan from NIIF IFL - Term Loan

Overdraft facility from bank

Long Term		Short Term	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
-	9,984.91	-	-
-	17,459.85	-	-
39.40		37.60	
-		1,492.65	
28,538.15		900.00	
-	-	616.40	2,907.38
28,577.55	27,444.76	3,046.65	2,907.38

During the year, the Company has made early redemption of 1,000 Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debtentures ("NCDs") of face value of Rs. 1,000,000 each and 1750 Senior, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debtentures ("NCDs") of face value of ₹1,000,000 each totalling Rs. 27,500 Lakhs on Sep 29, 2021 due to disagreement on coupon reset. The actual coupon reset date as per terms sheet is October 06, 2021, however both parties mutually settled the NCD redemption by payment of Principal amount of NCD + Interest applicable up to Sep 28, 2021 + prepayment fee of Rs. 25 Lakhs.

In order to fund the same, the company has obtained Rupee Term Loan Facility from NIIF Infrastructure Limited amounting to Rs. 30,000 Lakhs at an interest rate of 8.3% on Sep 27, 2021 repayable in 40 structured quarterly installments commencing from December 31, 2021 till September 30, 2031. The Company has paid processing fee of 0.4% i.e., 120 Lakhs.

The loan is secured by

(i) First pari-passu mortgage of leasehold rights of the land along with the building, structure etc. on the land by way of a memorandum by deposit of title deeds for following lease agreements

(a) Land lease agreement with GHASL for the area admeasuring 14.81 acre

(b) Land lease agreement with GHASL for the area admeasuring 2.72 acre for 147 School.

(c) Land lease agreement with GHASL for the area admeasuring 46483 square feet for inflatable hanger.

(ii) first ranking pari passu charge on (a) moveable assets including plant and machinery, spare, tools and accessories and all other movable assets (b) all the current assets, including bank accounts, cash flows and receivables by way of a deed of hypothecation (c) Project contracts

(iii) Corporate Guarantee from GHIAL to guarantee the obligations of GACAEI under this facility

(iv) Debt Service Reserve of 2 quarter of Debt Service Amount.

The Company has availed the overdraft facility upto 3,000 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. During the financial year, the Company has converted the loan to foreign currency loan amounting to Rs. 1500 Lakhs repayable within 1 year.

During the financial year, the company has obtained loan from Cisco Systems Capital India Private Limited amounting to Rs. 114.22 Lakhs repayable in 12 quarterly installements by February 2024.

17. Lease Liabilities

Lease liabilities (Refer Note 38)

Non-Current		Current	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
2,903.38	2,322.32	895.84	664.46
2,903.38	2,322.32	895.84	664.46

18. Provisions**Provision for employee benefits**

Provision for gratuity (Refer note 31)

Leave Encashment (Refer note 31 (d))

Other provisions

Provision for replacement obligations

Total

Non-Current		Current	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
63.64	14.70	-	-
-	-	382.10	404.49
1,079.09	662.00	835.96	405.50
1,142.72	676.69	1,218.06	809.99

19. Trade payables

Trade Payables (Refer Note 36)

(i) Total Outstanding dues of micro enterprises and small enterprises

(ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises

Current	
As at March 31, 2022	As at March 31, 2021
66.04	50.36
8939.99	9,412.35
9,006.03	9,462.71

20. Other financial liabilities

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payables for purchase of fixed assets	-	-	249.82	303.94
Deposit from customers	-	-	77.33	79.27
Retention money	-	-	19.59	8.88
Interest Accrued but not due on borrowings	-	-	7.28	6.44
Security deposit received	-	-	5.00	2.00
Other liabilities	4,150.20	4,230.01	389.65	-
	4,150.20	4,230.01	748.67	400.53

21. Other current liabilities

	Current	
	As at	As at
	March 31, 2022	March 31, 2021
Advances from customers	266.07	1,383.50
Others		
Stutory Liabilities	544.82	551.46
Unearned revenue	596.86	1,352.39
	1,407.75	3,287.35

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, 2022

(All amounts in ₹ lakhs except otherwise stated)

22. Revenue from operations

Income from MRO operations

Revenue from MRO Services

Income from cargo operations

Cargo operations

Improvements to concession asset

Other operating revenue

Document handling charges

Container handling charges

Rent

Parking income

**For the year ended
March 31, 2022**

**For the year ended
March 31, 2021**

25,608.55

24,361.87

8,403.48

7,597.37

542.54

258.22

50.01

59.56

132.36

123.48

133.62

136.01

34.57

28.68

34,905.13

32,565.19

23. Other income

Interest Income on

- Bank Deposits

-Loan

-Commercial Paper

-Tax refund

Finance income on financial assets held at amortised cost

Fair value gain on financial instruments at fair value through profit or loss

Profit on sale of Mutual Funds

Duty credit Scrips

Gain on account of foreign exchange fluctuation (net)

Other non operating income

Liabilities no longer required, written back

Miscellaneous income

**For the year ended
March 31, 2022**

**For the year ended
March 31, 2021**

27.58

91.20

200.00

21.92

-

120.78

27.74

134.09

8.41

13.89

35.67

1.74

5.54

29.12

-

161.87

195.23

-

66.02

65.31

3.28

149.66

134.78

719.14

774.70

24. Cost of stores and spare consumed

Inventory at the beginning of the year

Add: Purchases

Less: Inventory written off

Less: Inventory at the end of the year

**For the year ended
March 31, 2022**

**For the year ended
March 31, 2021**

6,484.29

4,325.30

8,633.75

11,069.87

(112.22)

(34.65)

(6,708.85)

(6,484.29)

8,296.97

8,876.23

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, 2022

(All amounts in ₹ lakhs except otherwise stated)

25. Employee benefit expenses

Salaries, wages and bonus
Contribution to provident and other funds (Refer Note 31 (c))
Gratuity expenses (Refer Note 31)
Staff welfare expenses
Total

For the year ended March 31, 2022	For the year ended March 31, 2021
8,537.08	7,643.24
458.49	426.06
120.43	117.81
719.51	451.40
9,835.51	8,638.51

26. Finance costs

Interest on
Cash Credit facility and overdraft facility from bank
Loan from Cisco Systems Capital India Private Limited
Redeemable Non Convertible Debentures
NIIF IFL Term Loan
Interest expense-ICICI FCNR Term Loan
Lease Liability
Financial liabilities & Replacement obligations
Bank and finance charges

For the year ended March 31, 2022	For the year ended March 31, 2021
112.00	133.77
3.76	-
1,221.20	2,366.95
1,272.32	-
3.27	-
358.22	275.19
546.10	372.80
58.63	56.22
3,575.50	3,204.93

27. Depreciation and amortisation expenses

Depreciation of property, plant and equipment (Refer note 3)
Amortisation of intangible assets (Refer note 4)
Depreciation on Right-of-use Assets (Refer note 5)

For the year ended March 31, 2022	For the year ended March 31, 2021
1,695.42	1,652.60
552.36	723.57
251.90	321.88
2,499.68	2,698.05

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, 2022

(All amounts in ₹ lakhs except otherwise stated)

28. Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and taxes	356.72	272.70
Concession fee	1,540.50	1,434.29
Technical fee	730.89	661.58
Provision for planned maintenance under SCA	869.81	1,184.95
Cargo handling charges	592.66	399.57
Lease expenses	49.65	61.26
Concessionaire rent	5.77	25.84
Electricity and water charges (net of recoveries)	654.84	539.35
Equipment hire charges	72.46	228.16
Insurance	535.23	475.71
Repairs and Maintenance		
- Plant and machinery	208.13	178.29
- Buildings	52.19	78.37
- IT Systems	77.37	65.36
- Others	713.16	546.76
Sub-contracting expenses	600.95	336.17
Advertising and sales promotion	39.48	(1.58)
Travelling and conveyance	434.50	376.66
Communication expenses	57.72	51.38
Printing and stationery	69.66	54.38
Security expenses	168.71	138.17
House Keeping Charges	76.56	71.80
Business development expenses	221.00	214.90
Membership and Subscriptions	87.50	51.63
Corporate social responsibility expense	16.50	14.41
Legal and professional fees	451.52	440.40
Manpower Charges	772.18	637.16
Recruitment Charges	52.40	19.80
Board meeting expenses	1.50	2.60
Payment to auditors	19.21	35.07
Loss on account of forex fluctuation (net)	-	158.88
Provision for doubtful receivable	-	8.94
Property, plant and equipment written off	-	0.16
Charity and Donations (Refer Note below)	401.00	125.00
Inventory written off	112.22	34.65
Bad debts written off	-	20.71
Miscellaneous expenses	197.20	158.83
	10,239.20	9,102.29

Note: The Company has made a Donation to Prudent Electoral Trust for political purpose amounting to Rs. 250 Lakhs (March 31, 2021 - Rs. NIL).

Payment to auditors

	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor:		
Statutory audit fee	12.00	12.99
Tax Audit fee	3.50	3.50
In other capacity:		
Other services	1.91	17.68
Reimbursement of expenses	1.80	0.90
	19.21	35.07

29. 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, 2022	For the year ended March 31, 2021
Profit/(loss) for the year	1,185.45	567.80
Less : Preference dividend and tax thereon	(215.68)	(215.68)
Profit/ (Loss) attributable to equity shareholders	969.77	352.12
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted)*	455,812,200	455,812,200
Earnings Per Share (Basic and diluted) (face value of Rs. 10 each)**	0.21	0.08

** 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.

30. Corporate Social Responsibility (CSR)

Particulars	March 31, 2022	March 31, 2021
Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:-		
(i) amount required to be spent by the company during the year,	16.50	14.41
(ii) amount of expenditure incurred,	16.50	14.41
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	-	-
(vi) nature of CSR activities,	Improvement of education, health, hygiene, sanitation, empowerment, livelihood and community development of the local communities.	
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	-	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

31. 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, 2022	For the year ended March 31, 2021
Current service cost (including past service cost)	120.60	116.99
Interest cost on benefit obligation	(0.17)	0.82
Net benefit expense	120.43	117.81

Balance sheet

Details of provision for gratuity

	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	(765.68)	(639.77)
Fair value of plan assets	702.04	625.07
Plan liability	(63.64)	(14.70)

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, 2022	March 31, 2021
Current service cost (including past service cost)	80.95	77.44
Interest cost on benefit obligation	4.96	6.10
Net benefit expense	85.91	83.54

Balance sheet

Details of provision for gratuity

	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	(507.67)	(408.56)
Fair value of plan assets	372.95	307.13
Plan liability	(134.72)	(101.42)

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

	March 31, 2022	March 31, 2021
Opening defined benefit obligation	408.56	338.31
Interest cost	27.45	22.66
Current service cost (including past service cost)	79.67	77.44
Benefits paid	(9.74)	(10.28)
Actuarial loss on obligation	1.73	(19.57)
Closing defined benefit obligation	507.67	408.56

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

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	307.13	193.84
Expected return	22.49	16.56
Contributions by employer	57.02	109.58
Actuarial gain/(loss)	(3.95)	(2.56)
Benefits paid	(9.74)	(10.28)
Closing fair value of plan assets	372.95	307.13

Notes to the Standalone Financial Statements for the year ended March 31, 2022

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

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

	March 31, 2022	March 31, 2021
Investments with insurer	100%	100%

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

	March 31, 2022	March 31, 2021
Discount rate	7.10%	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, 2022
March 31, 2023	22.45
March 31, 2024	32.44
March 31, 2025	55.96
March 31, 2026	62.25
March 31, 2027	68.19
March 31, 2028 to March 31, 2032	443.31

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.

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by Rs. 49.01 lakhs (increase by Rs. 57.83 lakhs) as of March 31, 2022.

If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by Rs. 41.42 lakhs (decrease by Rs. 38.75 lakhs) as of March 31, 2022.

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, 2022	March 31, 2021
Current service cost (including past service cost)	39.65	39.55
Interest cost on benefit obligation	(5.13)	(5.28)
Net benefit expense	34.52	34.27

Balance sheet

Details of provision for Gratuity

	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	(258.01)	(231.21)
Fair value of plan assets	329.09	317.93
Plan asset/(liability)	71.08	86.72

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

	March 31, 2022	March 31, 2021
Opening value of defined benefit obligation at the beginning of the year	231.21	217.75
Current service cost	39.65	39.55
Past service cost - plan amendments	-	-
Interest cost	12.80	11.94
Actuarial loss/(gain) on obligation	(12.57)	(7.19)
Benefits paid	(13.08)	(30.84)
Present value of defined benefit obligation at the end of the year	258.01	231.21

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

	March 31, 2022	March 31, 2021
Fair Value of Plan Assets at beginning of year	317.93	282.17
Expected Return on Plan Assets	(0.21)	(0.59)
Employer Contributions	6.52	49.97
Actuarial gain/(loss) on plan assets	17.93	17.22
Benefits paid	(13.08)	(30.84)
Fair Value of Plan Assets at end of year	329.09	317.93

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

	March 31, 2022	March 31, 2021
Discount rate	6.10%	5.70%
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, 2022
Within 1 year	59.94
1 - 2 year	55.93
2 - 3 year	55.75
3 - 4 year	53.86
4 - 5 year	55.71
5 - 10 years	215.88

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

(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. 9.14 lakhs (increase by Rs. 9.88 lakhs) as of March 31, 2022.

If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by Rs. 3.69 lakhs (decrease by Rs. 3.43 lakhs) as of March 31, 2022.

c. Defined contribution plan

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

	March 31, 2022	March 31, 2021
Contribution to Provident Fund	397.99	368.45
Contribution to Superannuation Fund	30.07	27.96
Contribution to ESI	30.41	29.62

d. Leave benefit liabilities provided based on actuarial valuation amounts to Rs. 382.10 lakhs as at March 31, 2022 (March 31, 2021: Rs. 404.49 lakhs)

The actuarial assumptions (demographic & financial) employed for the calculations for MRO business as at March 31, 2022 and March 31, 2021 are as follows.

	March 31, 2022	March 31, 2021
Discount rate	7.10%	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, 2022 and March 31, 2021 are as follows.

	March 31, 2022	March 31, 2021
Discount rate	6.10%	5.70%
Salary escalation rate	7.50%	7.50%
Withdrawal rate	20.00%	20.00%

37. 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
(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
		GMR Goa International Airport Limited
(vi)	Post-employment benefit plan	GMR Hyderabad Air Cargo and Logistics Private Limited Employees' Group Gratuity Trust (Formerly known as Hyderabad

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

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

		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. Gopalakrishnan Kishore Surey - Director, Chairman
		Mrs. Kavitha Gudapati- Independent & Woman Director
		Mr. K Venkata Ramana – Chief Financial Officer (Up to March 31, 2022)
		Mr. G. Chandrabushan – Manager (w.e.f. September 19,2019)
		Mr. N. C. Sarabeswaran (Resigned w.e.f. September 22, 2021)
		Mr. Rakhal Panigrahi (w.e.f. June 04, 2020)
		Mr. Srikanth Vetcha – Chief Financial Officer (w.e.f. April 22, 2021)

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

Details of Key Managerial Personnel	Remuneration		Sitting fees	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Mrs. Kavitha Gudapati	-	-	0.50	1.05
Mr. N. C. Sarabeswaran	-	-	1.00	1.55
Mr. K. Venkata Ramana	-	73.02	-	-
Mr. Srikanth Vetcha	45.41	-	-	-
Mr. Rakhal Panigrahi	10.75	9.37	-	-
G. Chandra Bushan	25.74	20.30	-	-
Total	81.90	102.69	1.50	2.60

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

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	GMR Hyderabad International Airport Limited		
	Lease Rentals and Other Related expense	-	-
	Corporate guarantee given in relation to Working capital facility	2500.00	3,000.00
	Preference dividend paid	-	-
	Concessionaire rent	9.13	25.84
	Concessionaire fee	1,540.50	1,434.29
	Reimbursement of salary cost	186.24	207.79
	Deposits received back	-	-
	Repairs & Maintenance – Buildings	0.42	0.51
	Repairs and Maintenance - Plant and machinery	2.53	1.15
	Repairs & Maintenance – Others	1.28	4.09
	Training charges	5.68	3.43
	Reimbursement of property insurance	-	0.60
	Reimbursement of rates and taxes	-	12.18
	Reimbursement of Other Expenses	12.76	20.00
	Royalty charges	28.60	16.11
	Capital work-in-progress	-	-
	Power and water charges	290.50	211.86
	Bank charges – Reimbursement	18.09	24.58

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

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

	Interest on security deposit - Unwinding of discount	0.36	1.02
	Travel and conveyance	-	3.46
	Communication - Telephone	0.83	0.99
	Audit Charges - Reimbursement	-	-
	Depreciation on ROU Assets	20.79	138.91
	Follow me Vehicle Charges	2.39	2.46
	Interest on Lease Liability	487.80	382.99
	Amortization on intangible asset (Land & CSB)	284.16	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	340.21	249.47
	Depreciation on ROU Asset	165.56	115.50
	Interest on security deposit - Unwinding of discount	2.06	1.40
	Electricity and Water Charges	370.52	330.52
	Repairs and maintenance - Others	34.08	20.57
(c)	GMR Airport Developers Limited		
	Repairs and maintenance -IT	-	43.77
	Repairs and maintenance -Others	242.33	214.82
	Reimbursement of Software maintenance	37.94	25.20
	Reimbursement of manpower deputation	8.56	35.12
	Capital work-in-progress	78.95	39.83
(d)	GMR Hospitality and Retail Limited		
	Lodging and food expenses (Travelling and conveyance)	50.65	54.51
	Miscellaneous expenses	0.83	0.25
	Marketing expense	-	-
	Income from Cargo operations	1.91	0.28
(e)	Raxa Security Services Limited		
	Security services	168.71	138.17
(f)	Delhi International Airport Limited		
	Royalty charges	41.68	12.99
	Electricity charges	0.42	1.91
	Interest on security deposit - Unwinding of discount	2.20	1.98
	Interest on Lease Liability	8.99	13.91
	Depreciation on ROU Asset	52.68	52.68
	Lease rental and other related expenses	-	-
(g)	GMR Airports Limited		
	Training charges	-	-
	Technical fees	772.89	661.58
	Reimbursement of Audit fees and others	-	0.14
(m)	GMR Aero Technic Limited		
	Training - Consultancy charges	41.58	43.45
	Deputation Charges	-	43.98
	Income from Management Fees	-	6.60
(n)	GMR Infra Developers Limited		
	Loans given	-	-
	Receipt of Loan given	-	-
	Interest income on loans	-	-
(o)	GMR Goa International Airport Limited		
	Loans given	-	2,000.00
	Interest income on Loan given	200.00	21.92
(p)	GMR Infrastructure Limited		
	Reimbursement of Audit fees and others	-	8.00

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(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	6.82	49.97

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, 2022	As at March 31, 2021
(a)	GMR Hyderabad International Airport Limited		
	Equity Share Capital	(47,383.09)	(47,383.09)
	Trade Payable	(340.52)	(236.92)
	Lease liability	(81.77)	(92.32)
	Payable for leasehold land rights	(4,541.58)	(4,230.06)
	Right-of-use Assets	62.38	83.18
	Right to operate Cargo Facility - Land & CSB	3,803.42	3,903.99
	Security Deposit	12.95	3.34
	Corporate guarantee given	31,666.00	30,410.00
	Concession fee paid in advance	807.95	2,596.42
	Prepaid expenses	10.31	10.40
(b)	GMR Hyderabad Aviation SEZ Limited		
	Security Deposit	21.51	13.67
	Prepaid Expenses	-	-
	Right of use Asset	2,649.00	1,963.46
	Lease Liability	(3,652.24)	(2,773.26)
	Trade Payables	(2,856.07)	(3,174.29)
(c)	GMR Airport Developers Ltd		
	Trade Payable	(83.14)	(89.21)
	Payable for purchase of Intangibles	(28.74)	(16.20)
(d)	GMR Hospitality and Retail Limited		
	Trade Payable	(5.51)	(16.59)
	Advances received from Customers	(0.34)	(1.10)
(e)	Raxa Security services Limited		
	Trade Payable	(35.04)	(36.82)
(f)	GMR Airports Limited		
	Trade Payable	(7121.57)	(123.81)
(h)	Delhi International Airport Ltd		
	Security Deposit	22.53	20.32
	Advance to Suppliers	-	-
	Right of use Asset	52.68	105.37
	Lease Liability	(65.33)	(110.44)
	Trade Payable	(4.52)	(1.83)
(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		
	Other Current Assets	9.44	9.44
(k)	GMR Goa International Airport Limited		
	Financial Assets - Loans	2,000.00	2,000.00
	Other Financial Assets	-	20.27
(l)	GMR Aero Technic Limited		
	Investment in equity shares	10.00	10.00
	Other receivables	88.62	47.38
	Trade Payable	-	(30.48)
	Other payables	-	-

38. 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 (ROU) at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

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

Right of Use Assets

Particulars	Amount
As at April 01, 2020	4,269.04
Additions	262.02
Adjustments (Refer Note above)	(1,884.68)
Depreciation till 31st March 2021	(481.51)
As at 31 March 2021	2,164.87
As at April 01, 2021	2164.87
Additions	851.10
Depreciation during the year	(251.90)
As at March 31, 2022	2,764.07

Lease Liability

Particulars	Amount
As at April 01, 2020	4,326.11
Additions	254.06
Adjustments (Refer Note above)	(1,884.68)
Interest For the year	647.99
Repayment made during the year	(356.71)
As at 31 March 2021	2,986.78
As at April 01, 2021	2,986.78
Additions	824.28
Interest For the year	358.22
Repayment made during the year	(370.06)
As at March 31, 2022	3,799.22

Disclosed as:

Particulars	As at 31-Mar-22	As at 31-Mar-21
Non-Current	2,903.38	2,322.32
Current	895.84	664.46

Maturity profile of lease liability

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual Undiscounted payments

Year ended March 31, 2022	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	895.84	1,512.44	5,514.44	7,922.72

Year ended 31 March 2021	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	332.41	1,191.70	4,326.43	5,850.54

Following amount has been recognized in statement of profit and Loss account

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation/amortization on right to use asset	251.90	321.88
Interest on lease liability	358.22	275.19
Variable lease payments (included under other expenses)	-	-
Total amount recognized in statement of profit and loss account	610.12	597.07

39.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. 3,529.19 lakhs (March 31, 2021 – Rs. 954.57 lakhs)

b) Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31,2021
Matter relating to indirect tax under dispute (refer footnotes below (a))	1,151.47	1,057.72
Matters relating to income tax under dispute (refer footnotes below (b))	4616.69	2,231.80
Claims against the company not acknowledged as dues (refer footnotes below (c))	1,487.86	1,417.27
	7,256.02	4,706.79

(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. The Company has appeared e hearing on receipt of notice from CESTAT on March 10, 2022 and application for has been allowed. Registry is directed to list the appeal for final hearing in the next sitting of the Bench.

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 previous years. 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

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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.

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 current year, the Company has received a show cause notice u/s 73 from the GST Office of Deputy Commissioner for the FY 2017-18 requiring the Company to reverse ITC on non-business transactions & exempt supplies amounting to Rs. 19 Lakhs under Rule 42 of the CGST Rules and ITC amounting to Rs 11.60 Lakhs in respect of goods and services which are barred under Section 17(5) of the CGST Act

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.

(vi) During the current year, the Company has received a show cause notice u/s 73 from the GST Office of Deputy Commissioner for the FY 2018-19 requiring the Company to reverse ITC on non-business transactions & exempt supplies amounting to Rs. 46.02 Lakhs under Rule 42 of the CGST Rules and ITC amounting to Rs 22.97 Lakhs in respect of goods and services which are barred under Section 17(5) of the CGST Act & Non-reconciliation and supplier not deposited tax Rs 1.42 Lakhs.

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.

(vii) During the current year, the Company has received a show cause notice u/s 73 from the GST Office of Deputy Commissioner for the FY 2019-20 requiring the Company to reverse ITC amounting to Rs 8.36 Lakhs in respect of goods and services which are barred under Section 17(5) of the CGST Act and supplier not deposited tax of Rs. 1.11 Lakhs.

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.

(viii) During the current year, the Company has received a show cause notice u/s 73 from the GST Office of Deputy Commissioner for the FY 2020-21 requiring the Company to reverse ITC amounting to Rs 7.46 Lakhs in respect of Excess ITC claimed in GSTR-3B compared to the tax on inward supplies.

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.

(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

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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. Also paid amounts paid for AY 2009-10 and AY 2010-11 as per applications accepted by the department.

(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 previous year, the company has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2013-2014 and 2014-2015. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. The company has applied under Vivad se vishwas scheme for settlement of disputed taxes 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 year for the assessment year 2015-16 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, the Company filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 417.17 Lakhs for AY 2015-16. During the 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 year, the Company has received an order for the assessment year 2016-17 denying the deduction u/s 80-IA of the Income Tax Act, 1961 and as per the order there is a tax demand amounting to Rs. 16.47 Lakhs for AY 2016-17. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad which matter is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(vi) During the current year, the Company has received an order for the assessment year 2017-18 of the Income Tax Act, 1961, disallowing the credits made in bank statement during the demonetisation period (i.e. from 09th Nov, 2016 to 31st Dec, 2016) and the same has been added to income as "Unexplained cash credits". As per the order there is a tax demand amounting to Rs. 2,397.42 Lakhs for AY 2017-18. Aggrieved by the demand the Company has filed a Writ petition before Highcourt. 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.

(vii) During the current year, the Company has received an order for the assessment year 2018-19 denying the deduction u/s 80-IA of the Income Tax Act, 1961. As per the order there is a tax demand amounting to Rs. 72.45

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Lakhs for AY 2018-19. 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.

(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 and received Stay Order dated 12th June, 2019. 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) During the previous year, the Company has received an order from District Consumer Forum (RR Dist), 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 has filed an appeal vide. FA. No.821/2020 before the Telangana State District Consumer Redressal Commission challenging the final order passed by the Ranga Reddy District Consumer Redressal Forum. 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) Registration of Cargo Terminal Building

During the current year, the Company has received an order from Sub Registrar, Shamshabad regarding the payment of fine of Rs. 69.09 Lakhs equal to five times of Registration fee of Rs.13.82 Lakhs. The company has filed writ petition before the High Court of Telangana and received Stay Interim Order dated September 27, 2021. 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) Clearance of aircraft

During the current year, the Customs has issued a penalty of Rs. 1.50 Lakhs on M/s GMR Air cargo and Aerospace Engineering Limited for their role in irregular import of aircraft vide Order dated 26th October, 2021. The Company is in the process of filing Appeal with Customs, Excise and Service Tax Appellate Tribunal. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

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(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). the Company has not declared preference dividend on Compulsorily Convertible Cumulative Preference Shares ("CCCPS") which is amounting to Rs.593.12 lakhs and tax thereon as on March 31, 2022 (March 31, 2021: Rs. 377.44).

40. 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:

- Maintenance, Repairs and Overhauling (MRO) and;
- 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 financial statements.

	Segment Revenue		Segment Profit	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
MRO	25,608.55	24,361.87	3,720.74	3,272.76
Air Cargo	9,296.58	8,203.32	(229.52)	(280.86)
	34,905.13	32,565.19	3,491.22	2,991.90
Less: Inter segment	-	-	-	-
Total	34,905.13	32,565.19	3,491.22	2,991.90
Other income	-	-	719.14	774.70
Finance costs	-	-	(3,575.50)	(3,204.93)
Tax expenses	-	-	550.59	6.14
Profit after tax	-	-	1,185.45	567.80

Segment assets and liabilities:

	As at March 31, 2022	As at March 31, 2021
Segment assets		
MRO	30,961.09	33,767.89
Air Cargo	16,929.05	17,876.44
Unallocable assets	9,429.83	3,744.91
Inter - segment	(2,801.25)	(2,953.27)
Total assets	54,518.72	52,435.95
Segment liabilities		
MRO	11,757.32	16,575.62
Air Cargo	9,715.32	8,231.71
Unallocable liabilities	33,425.46	30,352.14
Inter - segment	(2,801.26)	(2,953.28)
Total liabilities	52,096.84	52,206.19

Other segment information

	Depreciation and amortization		Additions to non - current assets	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
MRO	1,974.34	1,882.14	1,508.75	2,755.85
Air Cargo	525.34	815.91	1,974.34	7,582.41

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.

41. 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, 2022, Considering the huge accumulated losses Rs. 46,012.39 Lakhs 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.

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

43. As at March 31, 2022, the Company has accumulated losses (including amalgamation adjustment deficit account) of Rs. 46,012.39 lakhs (as at March 31, 2021 is Rs 47,204.50 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.

44. 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, 2022.

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, 2022.

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, 2022.

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.

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

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

Particulars	March 31, 2022	March 31, 2021
Redeemable Non-Convertible Debentures	-	27,500.00
Term Loan from NIIF IFL	29,550.00	-
Foreign Currency Term Loan from ICICI	1,492.65	
Cisco Systems Capital India Private Limited	77.00	-
Total	31,119.65	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, 2022		
Overdraft facility from bank	+0.50%	(3.08)
Overdraft facility from bank	- 0.50%	3.08

	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

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.

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, 2022	
		Amount in Foreign currency	Rs in Lakhs
Trade payables	USD	615,821.82	466.03
	EURO	18,497.52	15.62
	SGD	512.40	0.29
	GBP	963.23	0.96
Foreign Currency Loan	USD	19,72,416.86	1492.65
Trade receivables	USD	5,736,010.34	4,340.82
Cash and cash equivalents	USD	1,412,888.63	1,069.22
Advances to Vendors	USD	338,653.16	256.28
Advance from customers	USD	41,936.09	31.74
Deposit from customers	USD	14,545.86	11.01
Unbilled revenue	USD	2,912,307.06	2,203.94

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

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, 2022, 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.

Particulars	March 31, 2022	March 31, 2021
	Impact on profit after tax	Impact on profit after tax
USD Sensitivity		
INR/USD- Increase by 5%	493.58	405.13
INR/USD- Decrease by 5%	(493.58)	(405.13)
EURO Sensitivity		
INR/EURO-Increase by 5%	0.78	(1.25)
INR/EURO- Decrease by 5%	(0.78)	1.25
GBP sensitivity		
INR/GBP-Increase by 5%	0.05	(0.63)
INR/GBP- Decrease by 5%	(0.05)	0.63
SGD sensitivity		
INR/SGD-Increase by 5%	0.01	(0.00)
INR/SGD- Decrease by 5%	(0.01)	0.00

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2022

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

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

Year ended March 31, 2022	Up to 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Term Loan – NIIF IFL	900.00	10,800.00	17,850.00	29,550.00
Trade payables	9,006.03	-	-	9,008.24
Leases	895.84	1,512.44	5,514.44	7922.72
Payable for Lease-Hold Land Rights and CSB Lease	391.38	1,699.89	9,456.10	11,547.37
Other financial liabilities	4,898.99	-	-	4,898.99

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

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.

45. 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.

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

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

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, 2022	As at March 31, 2021
Borrowings	31,624.20	30,352.14
Cash and cash equivalents (including other bank balance)	(1,661.56)	(808.33)
Net debt	29,962.64	29,543.81
Equity	1,421.87	229.76
Net debt to Equity ratio	21.07	128.58

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, 2022.

46. 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, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Financial assets				
Valued at cost				
Investments	10.00	10.00	10.00	10.00
Valued at fair value through profit and loss				
Investments	2,342.90	2,342.90	228.55	228.55
Valued at amortized cost				
Investments	-	-	-	-
Trade receivable	4,674.70	4,674.70	6,427.68	6,427.68
Other financial assets	2,857.61	2,857.61	2,453.39	2,453.39
Cash and cash equivalent and other bank balances	1,661.56	1,661.56	808.33	808.33
Financial assets – Loans	2,000.00	2,000.00	2000.00	2000.00
Total Financial Assets	13,536.77	13,536.77	11,927.95	11,927.95
Financial liabilities				
Valued at amortized cost				
Borrowings	31,624.20	31,624.20	30,352.14	30,352.14
Trade payables	9,006.03	9,006.03	9,462.71	9,462.71
Leases	3,799.22	3,799.22	2,986.77	2,986.77
Other financial liabilities	4,898.99	4,898.99	4,630.54	4,630.54
Total Financial Liabilities	49,328.44	49,328.44	47,432.16	47,432.16

Notes to the Standalone Financial Statements for the year ended March 31, 2022

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

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.

47. 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, 2022

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, 2022	2,342.90	2,342.90	-	-

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	-	-

There have been no transfers between Level 1 and Level 2 during the year ending March 31, 2022 & March 31, 2021.

#The mutual funds are valued using the closing NAV.

- 48.** 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.

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.

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.

49. 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.

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.

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.

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

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

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

Hitesh Kumar P
Partner
Membership No.233734

Rajesh Arora
Director
DIN: 03174536

P.S. Nair
Director
DIN:00063118

Srikanth Vetcha
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place: Bengaluru
Date: April 22, 2022

Place: Hyderabad
Date: April 22, 2022

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, 2022

(All amounts in ₹ lakhs except otherwise stated)

7(a) Investments

	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investment equity instruments (fully paid-up)				
Unquoted investment in subsidiaries				
100,000 (March 31, 2021: 100,000) Equity shares of Rs. 10 each fully paid up in GMR Aero Technic Limited	10.00	10.00	-	-
869,307.677 units (March 31, 2021: Nil units) of face value of Rs.100 each ICICI Prudential Overnight Fund Direct Plan Growth	-	-	996.29	128.20
28,775.672 units (March 31, 2021: Nil units) of face value of Rs.1000 each UTI Overnight Fund-Direct Growth Plan	-	-	837.36	
18,082.49 units (March 31, 2021: Nil units) of Rs.1000 each of Aditya Birla Sun Life Overnight Fund- Growth-Direct Plan			207.89	100.35
26,814.824 units (March 31, 2021: Nil) of face value of Rs.1000 each Axis Overnight Fund Direct Growth			301.36	-
Total	10.00	10.00	2,342.90	228.55

7(b) Other Financial Assets

Security deposits				
Unsecured,considered good, to related parties	56.99	37.33	-	-
Unsecured,considered good, to others	71.96	78.99	-	-
Margin money deposits held with bank	4.50	4.50		
Interest accrued on fixed deposits	-	-	7.95	8.53
Total (A)	133.45	120.82	7.95	8.53
Interest accrued on Loan	-	-	-	20.27
Total (B)	-	-	-	20.27
Others				
Other deposits	0.00	0.71	-	-
Unbilled revenue	-	-	2,627.59	2,275.93
Other receivables	-	-	88.62	47.38
Total (C)	-	0.71	2,716.21	2,323.32
Total	133.45	121.53	2,724.16	2,352.13

8. Tax Assets:

Advance income-tax (net of provisions)

Non Current		Current	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
4,274.67	3,505.36	1.00	1.00
4,274.67	3,505.36	1.00	1.00

9. Other Assets:**Unsecured, considered good**

Capital advances

Advances recoverable in cash or kind

Total (A)

Non Current		Current	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
207.10	1,273.01	-	-
272.55	272.55	476.89	539.05
479.65	1,545.56	476.89	539.05

Other loans and advances

Prepaid expenses

Advance Concession fee

Balances with statutory/ government authorities

Total (B)

18.85	9.82	239.16	248.48
-	-	807.95	2,596.42
112.47	112.47	345.52	257.41
131.32	122.29	1,392.64	3,102.33

Total (A+B)

610.98	1,667.85	1,869.53	3,641.38
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10. Inventories

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

As at March 31, 2022	As at March 31, 2021
6,708.85	6,484.29
6,708.85	6,484.29

*includes material in transit of Rs. 3.90 lakhs (March 31, 2021 Rs. 114.30 lakhs)

11. Trade Receivables**Unsecured, considered good**

- Considered good- Secured

- Considered good-Un Secured

- Credit impaired

Less: Provisions for Expected Credit Loss - credit impaired

Total (Refer Note 35)

As at March 31, 2022	As at March 31, 2021
-	-
4,674.70	6,427.68
76.74	77.41
(76.74)	(77.41)
4,674.70	6,427.68

12(a) Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	1.58	0.88
Balance with banks		
- on current accounts	386.68	288.52
- exchange earner's foreign currency account	1,069.22	317.19
- on escrow accounts	1.01	1.01
Total	1,458.49	607.60

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

Fixed deposits held as Margin money*	7.07	5.73
Deposits with maturity for more than three months but less than 12 months		
- With Others	196.00	195.00
	203.07	200.73

*Out of the above, Fixed deposit of Rs. 6.07 lakhs is in the name of Demerged Company (GATL).

13. Financial Assets - Loans

	As at March 31, 2022	As at March 31, 2021
Inter corporate deposit and loans		
- Considered good- Secured	-	-
- Considered good-Un Secured	2,000.00	2,000.00
- Have significant increase in Credit Risk	-	-
- Credit impaired	-	-
Total	2,000.00	2,000.00

*The company has given loan to GMR Goa International Aitport Limited amounting to Rs. 20 Crores with an interest rate of 10% p.a. repayable by August 31, 2022.

14. Equity Share Capital

	Equity Shares	
	In numbers	Amount
Authorised share capital:		
At April 01, 2020	681,568,450	70,000
Increase during the year	-	-
At March 31, 2021	681,568,450	70,000
Increase during the year	-	-
As at March 31, 2022	681,568,450	70,000.00

Issued, subscribed and fully paid share capital

	As at March 31, 2022	As at March 31, 2021
455,812,200 (March 31, 2021: 455,812,200) fully paid equity shares of Rs. 10 each	45,581.22	45,581.22
18,000 (March 31, 2021: 18,000) 11.97% compulsorily convertible cumulative preference shares ('CCCPS')		
Series A of Rs.10,000 each fully paid up (Refer Note 1.1)	1,800.00	1,800.00
18,735 (March 31, 2021: 18,735) 11.97% compulsorily convertible cumulative preference shares ('CCCPS')		
Series B of Rs.10/- each fully paid up (Refer Note 1.1)	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	In numbers	Amount
As at April 01, 2020	455,812,200	45,581.22
Issues of the shares during the year	-	-
As at March 31, 2021	455,812,200	45,581.22
Issues of the shares during the year	-	-
As at March 31, 2022	455,812,200	45,581.22

Preference shares - Series A**CCCPS of Rs.10,000/- each fully paid up**

	In numbers	Amount
As at April 01, 2020	18,000	1,800.00
Issues of the shares during the year	-	-
As at March 31, 2021	18,000	1,800.00
Issues of the shares during the year	-	-
As at March 31, 2022	18,000	1,800.00

Preference shares - Series B**CCCPS of Rs.10/- each fully paid up**

	In numbers	Amount
As at April 01, 2020	18,735	1.87
Issues of the shares during the year (Refer Note below)	-	-
As at March 31, 2021	18,735	1.87
Issues of the shares during the year	-	-
As at March 31, 2022	18,735	1.87

Note: Includes effect of common control transaction, 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, 2022		As at March 31, 2021	
	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, 2022		As at March 31, 2021	
	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, 2021 / As at April 01, 2020

Less: Adjustment during the year/year

Closing Balance

As at March 31, 2022	As at March 31, 2021
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

Closing Balance

As at March 31, 2022	As at March 31, 2021
(46,115.36)	(46,700.62)
1,185.45	567.80
6.68	17.46
(44,923.23)	(46,115.36)

(iii) Amalgamation Adjustment Deficit Account

Opening balance

Add: Adjustment during the year/year

Closing balance

(1,089.16)	(1,089.16)
-	-
(1,089.16)	(1,089.16)

Total

(45,961.22)	(47,153.34)
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Redeemable Non Convertible Debentures

Overdraft facility from bank

Long Term		Short Term	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
-	9,984.91	-	-
-	17,459.85	-	-
39.40		37.60	
-		1,492.65	
28,538.15		900.00	
-	-	616.40	2,907.38
28,577.55	27,444.76	3,046.65	2,907.38

(iv) Debt Service Reserve of 2 quarter of Debt Service Amount.

During the financial year, the company has obtained loan from Cisco Systems Capital India Private Limited amounting to Rs. 114.22 Lakhs repayable in 12 quarterly instalments by February 2024.

Lease liabilities (Refer Note 38)

Non-Current		Current	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
2,903.38	2,322.32	895.84	664.46
2,903.38	2,322.32	895.84	664.46

Total

Non-Current		Current	
As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
63.64	14.70	-	-
-	-	382.10	404.49
1,079.09	662.00	835.96	405.50
1,142.72	676.69	1,218.06	809.99

(ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises

Current	
As at March 31, 2022	As at March 31, 2021
66.04	50.36
8939.99	9,412.35
9,006.03	9,462.71

20. Other financial liabilities

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payables for purchase of fixed assets	-	-	249.82	303.94
Deposit from customers	-	-	77.33	79.27
Retention money	-	-	19.59	8.88
Interest Accrued but not due on borrowings	-	-	7.28	6.44
Security deposit received	-	-	5.00	2.00
Other liabilities	4,150.20	4,230.01	389.65	-
	4,150.20	4,230.01	748.67	400.53

21. Other current liabilities

	Current	
	As at	As at
	March 31, 2022	March 31, 2021
Advances from customers	266.07	1,383.50
Others		
Stautory Liabilities	544.82	551.46
Unearned revenue	596.86	1,352.39
	1,407.75	3,287.35