GMR Air Cargo And Aerospace Engineering Limited

Sixteenth Annual Report
FY 2022-23

Contents

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
Director
Mrs. Bijal Tushar Ajinkya
Addnl Director (Appointed w.e.f. March 29, 2023)

Key Managerial Personnel

Mr. G. Chandrabushan, Manager
Mr. Srikanth Vetcha, Chief Financial Officer
(Till March 15, 2023)
Mr. Sreenivasulu Kandi
(From April 29, 2023)
Mr. Rakhal 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, 2°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/NBFC

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

NOTICE OF THE SIXTEENTH (16TH) ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth (16th) Annual General Meeting of the Members of GMR Air Cargo And Aerospace Engineering Limited will be held on Wednesday, September 27, 2023 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, 2023 together with the reports of the Board of Directors and Statutory Auditors thereon.

2) To appoint a Director in place of Mr. Rajesh Kumar Arora (DIN: 03174536), who retires by rotation, being eligible & seeks re-appointment.

3) To appoint a Director in place of Dr. Kavitha Gudapati (DIN: 02506004), who retires by rotation, being eligible & seeks re-appointment.

SPECIAL BUSINESS

4) 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 2023-24, be and is hereby ratified.**"**

5) Appointment of Mrs. Bijal Tushar Ajinkya 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 149,150, 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) Mrs. Bijal Tushar Ajinkya (DIN 01976832), who was initially appointed as an additional (Independent) Director of the Company with effect from March 29, 2023 and holds office of the Director up to the date of 16th Annual General Meeting (AGM) pursuant to section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of the independent directorship as provided under section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold the office for a maximum term of Five (5) years with effect from March 29,2023 or till the conclusion of the 20th Annual General Meeting of the Company to be held in the year 2027, whichever is earlier, subject to the approval of the Shareholders in the ensuing AGM and shall not be 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**

Sd/-
Rakhal Panigrahi
Company Secretary

Date: July 28, 2023
Place: Hyderabad

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, May 05,2022 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. 10/2022 dated December 28, 2022, allowed the companies whose AGMs are due to be held in year 2023, to conduct their AGMs through video conferencing (VC) or other Audio-Visual Means (OAVM), on or before September 30, 2023. Pursuant the aforesaid MCA Circulars, the 16th 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 27, 2023, 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.

   In terms with the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the deemed venue for the 16th 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 under Section 105 of the Act will not be available for the 16th (Sixteenth) AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.

   Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

4. Notice convening the 16th AGM along with the 16th Annual Report 2022-23 (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. As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at Item Nos. 4 & 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

7. All the documents referred to in the 16th 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 16th AGM. In this regard, Members are requested to send an email from their registered email id to rakhal.panigrahi@gmrgroup.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@gmrgroup.in, on or before September 23, 2023 and response for the same will be sent by the Company accordingly.

8. 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.

9. 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@gmrgroup.in

10. 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.

11. 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.

12. 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.

13. 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@gmrgroup.in] through their email addresses which are registered with the Company.

14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

15. Apart from the ordinary business, the following agenda items under special business are being placed at 16th AGM for consideration and approval of the Members, which are unavoidable in the opinion of the Board:

1	Ratification of remuneration of the Cost Auditors for the financial year 2023-24.	As per agreed scope of cost audit for the financial year 2023-24, 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.

2	Appointment of Bijal Tushar Ajinkya as Director of the Company	Mrs. Bijal Tushar Ajinkya was appointed as an Additional Director w.e.f. March 29,2023 in accordance with the provisions of Section 161 of the Companies Act, 2013. Mrs. Bijal Tushar Ajinkya 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 Mrs. Bijal Tushar Ajinkya for 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.

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

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

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

19. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. on Wednesday, September 27, 2023, subject to receipt of the requisite number of votes in favor of the Resolutions.

ANNEXURE TO NOTICE OF THE 16TH ANNUAL GENERAL MEETING

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

Item No.4

The Board of Directors of the Company, at its meeting held on July 28, 2023, has re-appointed M/s. Narasimha Murthy & Co, Cost Auditors (Firm Registration 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 2023-24.

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.4 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.4 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.5

In order to broad base the Board and to have good Corporate Governance practices, the Board of Directors of the Company by way of circular resolution, have appointed Mrs. Bijal Tushar Ajinkya (DIN: 01976832) as an additional (Independent) Director with effect from March 29, 2023; She holds office of the Director for a maximum term of five (5) years from the date of appointment subject to the approval of shareholders at the ensuing Annual general meeting(AGM) and shall not be liable to retire by rotation.

Mrs. Bijal Tushar Ajinkya is a Lawyer and partner in M/s. Khaitan & Co. in the Direct Tax, Private Client and Investment Funds Practice Groups in their Mumbai office. With over 20 years of experience, on the tax side. She has huge experience in the areas of on international tax, structuring of inbound and outbound investments, M&A tax negotiations, providing opinions on complex tax issues on international tax.

The Board is of the opinion that Mrs. Bijal Tushar Ajinkya fulfils the conditions specified in the Companies Act, 2013 ("the Act") and the Rules made thereunder for appointment as an Independent Director of the Company and also that her rich and varied management experience would immensely benefit the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Bijal Tushar Ajinkya as an Independent Director to hold office for the first term commencing from March 29, 2023 for a maximum term of 5 (five) years commencing from the date of appointment, is being placed before the Members at the ensuing 16th Annual General Meeting for their approval.

None of the Directors or Key Managerial Personnel or their relatives of the Company, except Mrs. Bijal Tushar Ajinkya, are concerned or interested in the resolution as set out in item No. 5.

The Board recommends the resolution as set out in Item No. 5 of the AGM Notice for approval of the shareholders, as an Ordinary Resolution.

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

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

Sd/-
Rakhal Panigrahi
Company Secretary

Place: Hyderabad
Date: July 28, 2023

BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To,
The Members
GMR Air Cargo And Aerospace Engineering Limited

Your Directors have pleasure in presenting the 16th (Sixteenth) Boards Report of the Company together with the Audited financial statements for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS:

The financial performance of your Company for the financial year ended 31st March, 2023 as compared to the previous financial year, is summarized below:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Revenue		
Turnover	38239.95	34905.13
Other Income	971.46	719.14
Total Income (i)	**39211.41**	**35624.27**
Expenses		
Employee benefits expense	11604.48	9835.51
Other expenses	20456.68	19078.70
Total expenses (ii)	**32061.16**	**28914.21**
Earnings before interest, tax, depreciation and amortization (i) – (ii)	**7150.25**	**6710.06**
Depreciation and amortization expenses	2555.09	2499.68
Finance costs	3572.8	3575.50
Profit before tax	**1022.36**	**634.88**
Deferred tax income	-	-
Adjustments of tax relating to earlier periods		(550.59)
Profit/(Loss) for the year – (iii)	**1022.36**	**1185.47**
Other comprehensive income for the year	-35.47	
Re-measurement on defined benefit plans		6.68
Other comprehensive income for the year – (iv)	-	-
Total comprehensive income for the year (iii)+(iv)	**986.89**	**1192.15**

STATE OF COMPANY'S AFFAIRS

Operational Review

For the financial year ended 31st March, 2023, your Company earned a total income of Rs. 39,211.41 Lakh, as against the previous year's total income of Rs. 35,624.27 Lakh. The operations of the company during the financial year under review resulted in a net profit of Rs. 1,022.36 lakh as compared to a net profit of Rs. 1,185.47 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 and other allied services to the domestic and international customers at its MRO facility in Hyderabad and Line Maintenance services to the domestic and international customers at 12 airports in India and 2 airports in Nepal. The aircraft type services for base maintenance include Airbus A320 family (Including NEO with PW and Leap engine), Boeing B737-NG & Max, Bombardier Q400 and ATRs.

During the financial year 2022-23, the MRO Division achieved a total revenue of INR 274.21 Crore and has a Year-on-Year (YoY) growth of 7% when compared to previous year. It has also achieved EBITDA of INR 64.62 Crore, Cash profit of INR 33.73 Crore and PAT of INR 15.90 Crore. This is the fourth consecutive year of profitable operations.

During this FY, the MRO Division of the Company has enhanced the capability of A320 NEO (both engine variants), B737 Max and component capability for De-icer boot repair, 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 Covid-19 pandemic.

Line Maintenance business highlights:

MRO Division has achieved phenomenal growth in terms of number of stations, number of customers at various stations and annual revenue. As of now, MRO Division is having line maintenance capability at 12 airports in India and 2 airports in Nepal. The target revenue for line maintenance exceeded by 8% than AOP figures.

Regulatory Approvals:

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

Business Strategies

As part of the growth strategy and establishing a new line of business, MRO Division has signed an agreement with Boeing for passenger to freighter conversion of B737 Aircraft that is expected to start from CY 2024. MRO Division has developed some of the limited components repair capabilities such as De-Icer boot, Nacelle components etc. In order to provide a one stop solution to our airline customers, nacelle component capability is being established in collaboration with Spirit AeroSystems from the US. Further, MRO Division is exploring to establish Military MRO capability to provide maintenance services to Indian Defence Forces.

In addition to the above, AME Training school is being established, a center of excellence training school. The project has already been launched some time back and construction activity is expected to be completed by end of July 2023 and the School is expected to be operational by September 2023. The School will be approved by DGCA India and EASA. GAT signed agreement with Airbus to be the knowledge partner in the training school. In addition to ab-initio course a comprehensive package being finalized for SAFRAN Engine MRO new recruits to be trained in our facility.

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.

In order to further improve the processes and systems, MRO Division is working to implement Lean Six Sigma. The employees are being trained in Lean Six Sigma for the implementation. As part of employee growth, MRO Division imparts training in-house and also from OEMs to Engineers and technicians. In this FY, MRO Division has arranged training for its nominated employees for De-Icer boot repair, B737Max, A320 NEO Leap engine differential trainings.

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.

During the financial year under review, the e-mail migration in line with GMR Group mail id has been done successfully.

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 95 Crore during the financial year under review with an EBTDA of 15%. In FY23, GHAC has handled about 1,28,498 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 FY23:

- Submitted Proposal to AERA for tariff increase for Cargo and Courier, applicable from FY24 to FY26. After multiple discussions and review with AERA a consultation paper has been released in the month of March 2023 with 32% tariff increase in FY24 & 20% tariff increase YoY subsequently in FY25 & FY26.

- Launched International Export Courier/Express Cargo as a new line of business in April 2022, which promises to be one of the future growth drivers for GHAC business.

- Operationalized an exclusive yard for the storage and maintenance of cooltainers with charging facility. This has been created to ease the movement of containers between Hyderabad & other ports.

- New Cargo Specific ERP System (Kale Systems) has been implemented for better performance to achieve operational excellence.

- Obtained/Renewed key Certifications: IATA Safety Audit for Ground Operations (ISAGO) & Transported Asset Protection Association (TAPA).

- The GHAC division of the Company also started working on several new-tech initiatives including the implementation of SAP, 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, 2023.

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 financial year under review.

Fixed Deposits

During the financial 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 [ICRA]AA (CE) (Positive); Reaffirmed and the working Capital of INR 45 Crores carries an instrument rating of [ICRA] AA- (Stable); Assigned by ICRA Limited respectively as on March 31, 2023.

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 7% growth of revenue compared to previous year.
- Achieved highest gross revenue of INR 274.21 Crore till date with a fourth consecutive year PAT positive of INR 17.05 Crore.
- GAT was selected on a global competitive bidding process by Boeing Company for B-737 Freighter Conversion Project.

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:

- GHAC total Cargo Volume grew by 2% YoY. Relatively better growth compared to peer metro airports.
- Handled highest domestic cargo 52,000 MT since inception.
- GHAC has seamlessly handled several Charters to various International and Domestics destinations, predominantly with Pharma and Vaccines shipments.

Events Subsequent to the date of the Financial Statements

Mr. Kandi Sreenivasulu has been appointed as the Chief Financial Officer of the Company with effect from April 29,2023.

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

As on March 31, 2023, the Board of Directors and Key Managerial Personnel of your company comprises of the followings:

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
6	Mr. Pradeep Panicker	Director
7	Mrs. Bijal Tushar Ajinkya (With effect from March 29, 2023)	Independent Director

Key Managerial Personnel

Sl. No.	Name	Designation
1	Mr. G. Chandrabushan	Manager
2	Mr. Rakhal Panigrahi	Company Secretary

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

a) In the AGM held on September 28, 2022:

- The appointment of Mr. Pradeep Panicker, as a Non-Executive Director was regularized.

- Mr. G. Chandrabushan, was re-appointed as the Manger 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.

b) Mr. Srikanth Vetcha was resigned from the office of Chief Financial Officer of the Company w.e.f. March 15,2023. The Board of Directors placed on record its appreciation for the services rendered by him.

Re-appointments / Change in Designation

In the Board Meeting held on July 28, 2023, the Board of Directors has approved following appointments / re-appointments, subject to approval of the shareholders at the ensuing AGM of the Company:

a) As per the provisions of the Companies Act, 2013, the Chairman of the Board, Mr. Rajesh Kumar Arora (DIN: 03174536) and Dr. Kavita Gudapati (DIN: 02506004), retires by rotation at the ensuing AGM and, being eligible, seeks reappointment.

b) Mrs. Bijal Tushar Ajinkya (DIN: 01976832), who was appointed as an Additional Director in the category of Independent for a period of five (5) years with effect from March 29, 2023 will be regularized at the ensuing AGM.

The Board received a declaration from all the directors under section 164 and other applicable provisions, if any, of the Companies Act, 2013 that none of the directors of the Company is disqualified under the provisions of the Companies Act, 2013 ('Act')

Committees of the 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.

Board Meetings:

The Board of Directors of the company met 4 (Four) times during the financial year under review as detailed hereunder. The gap between two meetings did not exceed one hundred and twenty days and the meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

S. No.	Name of the Director	Dates of the Board Meetings			
		22-04-22	22-07-22	14-11-22	19-01-23
1.	Mr. GBS Raju	LOA	LOA	LOA	Yes
2.	Mr. Gopala Krishna Kishore Surey	LOA	Yes	Yes	Yes
3.	Mr. Puthalath Sukumaran Nair	Yes	Yes	Yes	Yes
4.	Mr. Rajesh Kumar Arora	Yes	LOA	LOA	Yes
5.	Dr. Kavitha Gudapati	LOA	Yes	LOA	Yes
6.	Mr. Pradeep Panicker	NA	Yes	Yes	Yes
7.	Mrs. Bijal Tushar Ajinka	NA	NA	NA	NA

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

NUMBER OF COMMITTE E MEETINGS HELD DURING THE FINANCIAL YEAR 2022-23:

<u>Corporate Social Responsibility (CSR) Committee: -</u>

One CSR Committee Meeting was held during the financial year 2022-23 and the details of attendance of the Members are as under:

S. No.	Name of the Committee Member	22-04-2022
1.	Mr. Rajesh Arora, Director	Yes
2.	Dr. Kavitha Gudapati	LOA
3.	Mr. P.S. Nair	Yes

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

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:

During the Financial Year, the Annual General Meeting (AGM) of the Company was held on September 28, 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. The Board has devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems were adequate and operating effectively.

Directors' Responsibility Statement

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(b) they have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Statement on Declaration of Independent Directors

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

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 Lakh)
Mr. G Chandrabushan	30.41

2) Sitting fees paid to the Independent Directors during the financial year 2022-23:

Sl. No.	Name of the Independent Directors	Sitting fees paid (Amount in Rs.)
1	Dr. Kavitha Gudapati	30,000
Total		**30,000**

Other than the aforesaid payment of the sitting fees during the Financial Year 2022-23, 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 2022-23, 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.

Your Company has received the same in the month of March 2023.

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 were 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 2022-23.

The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is https://www.gmraerotech.in/corporate-governance.aspx

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, 2023, the particulars regarding foreign exchange earnings and outgo are as given below:

(Rs. In Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Foreign Exchange Earnings		
MRO Division	246.35	233.86
GMR Hyderabad Air Cargo Division	1.65	1.43
	248.00	**235.29**
Foreign outgo (expenditure)		
MRO Division	59.28	92.34
GMR Hyderabad Air Cargo Division	0.79	0.96
	60.07	**93.30**

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, 2023 is as follows:

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

The Authorized Share Capital of the Company is Rs.700,00,00,000/- (Rupees Seven Hundred Crores) divided into 7,00,00,000 Equity Shares of Rs.10/- each.

Paid up Capital of the Company:

- During the year under review, your Company has converted the entire Compulsorily Convertible Cumulative Preference Share (CCCPS) as per the terms of CCCPS on March 29,2023.

  i. Accordingly, GACAEL has allotted 18,000 equity shares of Rs.10 each against 11.97% CCCPS Series A of face value of Rs. 10,000/- per share aggregating to Rs.1,80,000 and 18,735 equity shares of Rs.10 each against 11.97% CCCPS Series B of face value of Rs. 10/- per share aggregating to Rs.1,87,350 to GMR Hyderabad International Airport Limited (GHIAL).

  ii. The equity Paid up capital of the Company after conversion of CCCPS into equity has been increased from 45,58,12,200 equity shares of Rs.10 each aggregating to Rs.455,81,22,000 (Rupees Four Hundred Fifty Five Crore Eighty One Lakh Twenty Two Thousand Only) to 45,58,48,935 equity shares of Rs. 10/- each aggregating to Rs. 455,84,89,350/- (Rupees Four Hundred Fifty Five Crore Eighty Four Lakh Eighty Nine Thousand Three Hundred Fifty Only). The paid-up Preference Share Capital of Rs.18,01,87,350 has been reduced to Nil. Accordingly, the total paid up capital of the Company would stand reduced from Rs.473,83,09,350 to Rs.455,84,89,350. The revised paid-up equity capital as on March 31, 2023 is INR 455,84,89,350 are as follows:

Particulars of the Shares	No of Shares at the time of Pre-Conversion	No of Shares post Conversion
No of Equity shares of Rs. 10/- each	45,58,12,200	45,58,48,935
No of 11.97% Compulsory Convertible Cumulative Preference Shares Series A of Rs.10,000/- per share	18,000	Nil
No. of 11.97% Compulsory Convertible Cumulative Preference Shares Series B of Rs.10/- per share	18,735	Nil

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. (3.45) Lakhs as compared to a net loss of Rs. (0.57) 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, 2023.

Material changes and commitments, affecting the financial position of the company

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report i.e. between March 31, 2023 to July 28, 2023.

Code of conduct for the Board of Directors and Chairman.

The Directors and Chairman have affirmed compliance with the Code of Conduct of the Company.

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, at such remuneration as may be agreed upon between the Auditors and the Board of Directors. M/s. K.S. Rao & Co., have given their consent for their re-appointment as Statutory Auditors of the Company.

Further, the report of the Statutory Auditors along with notes to accounts is a part of the Annual Report. There are no qualifications, reservations or adverse remarks in the audit report for the financial year ended March 31, 2023.

Reporting of frauds by auditors

During the year under review, the statutory auditors has reported the below fraud under Section 143 (12) of the Companies Act, 2013.

Sl. No.	Observations by Auditors	Management's Reply
1.	During the financial year, the Management has identified the involvement of two employees favouring certain vendors with respect to the procurement of goods or services and thereby causing financial loss to the Company to the tune Rs.50 lakhs (approximately) based on internal estimates.	Your Company has initiated an investigation and legal proceedings against the employees. The company has taken necessary measures to further strengthen the procurement process subsequent to such incidence.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed 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 2022-23. The Secretarial Audit Report dated July 28, 2023 is appended to this Report as **Annexure - 2**.

There has been no other qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report except the concern about delay in deposit of some of the tax dues. In this regard, the management explained that the Company has deposited all its pending taxes during the 2022-23 and has assured that the same will be given priority hereinafter.

Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as get its cost records audited by a Cost Accountant and accordingly such cost accounts and records are being maintained by the Company.

The Board of Directors has approved the re-appointment of M/s. Narasimha Murthy & Co, Cost Accountants (FRN: 000042), Cost Auditors of the Company for the financial year ending 31st March, 2023, under section 148 of the Companies Act, 2013, all other applicable provisions of the Act to conduct the audit of the cost records of the Company for the 2023-24 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. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to M/s. Narasimha Murthy & Co, Cost Accountants (FRN: 000042) is included at Item No. 4 of the Notice convening the AGM.

M/s. Narasimha Murthy & Co, Cost Accountants (FRN: 000042), have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

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

Extract of Annual Return:

Pursuant to Section 92 (3) and Section 134(3)(a) of the Act 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 as on March 31, 2023 is available on the 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 2022-23, 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 formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy has been circulated to all employees by hosting on notice board. An Internal Complaint Committee has been set up in compliance with the said Act to redress complaints received regularly. All Women employees (permanent, contractual, temporary trainees) are covered under the policy. To build awareness in this area, the Company has been conducting awareness sessions during induction.

During the financial year, the Company has not received any complaint pertaining sexual harassment.

Whistle Blower Policy/ 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

During the year under review, there were no significant material orders of Insolvency passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

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**

Sd/-	**Sd/-**
PS Nair	**Rajesh Arora**
Director	**Director**
DIN: 00063118	**DIN: 03174536**

Place: Hyderabad
Date: July 28,2023

(Annexure-1)

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

<u>Part "A": Subsidiaries</u>

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

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, 2023
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%

1. Names of subsidiaries which are yet to commence operations: Nil
2. 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 28, 2023

Sd/-
PS Nair
Director
DIN: 00063118

Sd/-
Rajesh Arora
Director
DIN:03174536

Sd/-
Kandi Sreenivasulu
Chief Financial Officer

Sd/-
Rakhal Panigrahi
Company Secretary

(Annexure-2)

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.** 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, 2023, 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, 2023 according to the provisions of:

Sl. No.	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;

<table>
<tr><th>Sl. No.</th><th colspan="2">Particulars</th></tr>
<tr><td>3.</td><td colspan="2">The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(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;
(c) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015;
(d) The Company has complied with the provisions of the Securities and Exchange Board of India (Debenture Trustee) (Amendment) Regulations 2017</td></tr>
<tr><td>4.</td><td colspan="2">We have also examined compliance with the applicable clauses of the following: Secretarial Standards issued by the Institute of Company Secretaries of India.</td></tr>
<tr><td>5.</td><td colspan="2">Under the Companies Act, 2013</td></tr>
<tr><td rowspan="6">A.</td><td colspan="2">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:</td></tr>
<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>The meetings of:

i. Board of Directors held on 22nd April, 2022, 22nd July, 2022, 14th November, 2022 and 19th January, 2022.

ii. CSR Committee held on 22nd April, 2022</td></tr>
</table>

Sl. No.		Particulars
	f.	The Annual General Meeting held on 28th September, 2022 and No Extra Ordinary General Meeting was during the year under review;
	g.	Approvals of the Members, the Board of Directors wherever required;
	h.	Constitution of the Board of Directors, appointment, retirement and reappointment of Directors;
	i.	Payment of remuneration to Directors / Key Managerial Personnel;
	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.
B.	**Under the Companies Act, 2013, we further report that**	
i.	The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive 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.	

	During the year under review: (a) Mr. Pradeep Panicker was appointed as Additional Director in the Board Meeting held on 22nd July 2022 and had been regularized in the AGM held on 28th September, 2022 (b) Mr. G Chandrabhushan was reappointed as Manager with remuneration in the Board Meeting held on 22nd July 2022 and his appointment was ratified in the AGM held on 28th September, 2022
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.
iii.	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.
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.
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 during the year 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.	We have been given to understand that the Company expended the eligible CSR expenditure for the FY 2022-23 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 2022-23.
vii.	We have been given to understand that the (a) 11.97% Series A 18000 CCPS shares and (b) Series B 18735 CCPS shares both have been extinguished and converted into Equity Shares of the value of Rs. 10/- per share with effect from 29th March, 2023. Accordingly, the paid-up share capital had been increased from 45,58,12,200 no. of shares @ Rs. 10/- each aggregating to Rs. 455,81,22,999/- to 45,58,48,935 no. of shares @ Rs. 10/- each aggregating to Rs. 455,84,89,350/- and the same is reflected in the Balance Sheet and P&L Account drawn as at 31-03-2023.

	We have been given to understand that the provisions of the Act in this regard, have been complied with.
viii.	We have been given to understand that the Company availed credit facilities from ICICI Bank pursuant to the approval of Board in its meeting held on 22nd July, 2022.
6.	**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.
7.	**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 2022-2023 (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.
8.	**Under the SEBI Act, We report that**
a)	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. 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).**
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.

Sl. No.	Particulars
9.	**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 2022-2023 (for all 4 quarters), we are of opinion there has been due compliance of all the Laws to the extent applicable.
10.	**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

Sd/-
(**Srikrishna Chintalapati**)
Partner
CP # 6262
UDIN: F005984E000687610

Place: Hyderabad
Date: 28th Jul, 2023

'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. No.	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.
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

Sd/-
(**Srikrishna Chintalapati**)
Partner
CP # 6262

Place: Hyderabad
Date: 28th July, 2023

(Annexure - 3)

Form - C – CSR Annual Reporting

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, 2022

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. 23,00,000/-**

(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) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 23,00,000 /-**

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

Total Amount Spent for the Financial Year. (in Rs. Lakhs)	Amount Unspent (in Lakh)				
	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
23.00	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	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						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. 4,46,000/-	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. 17,39,000/-	Yes	-	-
	Total				Rs. 21,85,000/-			

(d) Amount spent in Administrative Overheads: Rs 1.15 lakhs
(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs 23 lakhs
(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.		**Amount transferred**	**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.)**

	Preceding Financial Year.	**to Unspent CSR Account under section 135 (6) (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/-	**Sd/-**
PS Nair	**Rajesh Arora**
(Director)	**(Chairman CSR Committee)**

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 Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone 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, 2023 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, 2023, 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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
The Company is primarily in the business of providing Aerospace Engineering and Cargo Services to the Airlines.
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.
For the year ended March 31, 2023, Revenue from such services amounts to Rs. 27,420.71 Lakhs.
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.
</td><td>
In response to the key matter, the following principal Audit procedures performed:
Our procedures included:
• 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.
For time and material-based contracts:
i. We obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate;
ii. We obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and
iii. We verified the revenue based on the hours charged on the projects and approved rate per hour.
For fixed price contracts:
We selected a sample of contracts with customers and performed the following procedures.
i. We verified the total revenue with customer contracts agreements including amendments as appropriate;
ii. We assessed the reliability of management's estimates by comparing actual results of delivered projects to previous estimates;
iii. We evaluated management's estimates and assumptions in recognition of the revenue;
iv. We verified the revenue based on the stage of completion of the projects; and
v. We obtained appropriate evidence based on the circumstances to conclude whether the proportion of completion of projects was appropriate.
Based on the procedures performed we consider the amount of revenue recognised to be fairly stated in the standalone financial statements.
</td></tr>
</table>

Information Other than the Standalone 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 Responsibilities and Those Charged with Governance for the Standalone Financial Statements:

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

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

Report on Other Legal and Regulatory Requirements:

15. 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.

16. 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 extend applicable.

17. 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, 2023 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2023 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 standalone financial statements – (Refer Note 39b 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, 2023.

   iv.
      a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or

provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended March 31, 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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 29, 2023

Appendix – A to the Independent Auditor's Report

The Appendix referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2023, 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 other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.

(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, 2023 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. However, the company is not required to submit quarterly stock statements or receivable statements. Hence reporting under this clause is not applicable.

(iii)

(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 this clause is not applicable.

(b) According to the information and explanations provided to us, the Company does not made any investments or granted any loans during the year and accordingly reporting under this clause is not applicable.

(c) According to the information and explanations provided to us, the Company does not made any investments or granted any loans during the year and accordingly reporting under this clause is not applicable.

(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 which has fallen due, details of the same are as follows: -

(Rs. In lakhs)

Name of the Parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate Overdue amount settled by Renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year	Remarks
GMR Goa International Airport Limited	-	2,000.00	-	The loan has fallen due on 31st August 2022 which was initially extended till 31st October 2022. On 31st October 2022, the company has extended the loan again till 31st March 2023. The company received the due amount on 28th March 2023.

[[

(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.

(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, 2023 for a period of more than six months form 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)**	**Period for which the amount Relates**	**Forum where Dispute is pending**
Income Tax Act, 1961	Income tax	417.17	AY 2015-16	CIT (Appeals), Hyderabad
Finance Act, 1994	Service tax (including penalty)	591.99	March 2008 to June 2010	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
Finance Act, 1994	Service tax (including penalty)	128.05	2013-14 to 2015-16	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad

Income Tax Act, 1961	Income Tax	16.47	AY 2016-17	CIT (Appeals), Hyderabad
Finance Act, 1994	Service tax	210.57	October 2013 to June 2017	Director General of GST Intelligence, Hyderabad Zonal Unit
Income Tax Act, 1961	Income Tax	72.45	AY 2018-19	CIT (Appeals), Hyderabad
Income Tax Act, 1961	Income Tax	2,397.42	AY 2017-18	High Court
Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	14.26	2017-18	High Court

(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 and banks.
(b) The Company has not 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 standalone 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 standalone 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, 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 and hence the reporting under clause 3(x)(a) of the Order 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 on the Company by the officers and employees of the Company has been noticed or reported during the period except a fraud committed by certain employees on the Company to the tune of Rs.50.00 lakhs as explained in Note 46 of the financial statements.

(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 up to the date of this report as it is not applicable.

(c) According to the information and explanations provided to us, during the year the company has not received any whistle blower complaints.

(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) of the Order is not applicable.

(b) In our opinion, the company is not conducting any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by RBI. Accordingly, the provisions stated in paragraph 3(xvi)(c) of the Order are not applicable to the Company.

(d) According to the information explanation provided to us, the group has one CIC as a part of its group.

(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 standalone 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) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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 29, 2023

Appendix - B to the Independent Auditor's 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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors 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 standalone financial 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 financial statements and such internal financial controls with reference to financial statements were operating effectively and controls needs to be further strengthened with reference to the incident mentioned in note 46 of the financial statement as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No.

Place: Bengaluru
Date: April 29, 2023

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Standalone Balance sheet as at March 31, 2023
(All amounts in Indian Rupees lakhs, except as otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	13,961.80	14,929.63
Capital Work in Progress	3A	2,404.12	261.06
Other intangible assets	5	9,299.03	8,214.51
Intangible assets under development	6	165.79	1,337.64
Right-of-use assets	4	2,525.03	2,764.07
Financial assets			
i) Investments	7(a)	10.00	10.00
ii) Other financial Assets	7(b)	152.57	133.45
Non-current tax assets(Net)	8	3,803.82	4,275.67
Other non-current assets	9	1,332.76	610.98
		33,654.92	**32,537.01**
Current assets			
Inventories	10	5,876.52	6,708.85
Financial assets			
i) Investments	7(a)	5,516.86	2,342.90
ii) Trade receivables	11	4,766.64	4,674.70
iii) Cash and cash equivalents	12(a)	996.89	1,458.49
iv) Bank balances other than (iii) above	12(b)	203.12	203.07
v) Loans	13	-	2,000.00
vi) Other financial assets	7(b)	3,170.56	2,724.17
Other current assets	9	1,065.20	1,869.53
		21,595.79	**21,981.71**
Total assets		**55,250.71**	**54,518.72**
Equity and liabilities			
Equity			
Equity share capital	14	45,584.89	47,383.09
Other equity	15	(43,176.13)	(45,961.22)
Total Equity		**2,408.76**	**1,421.87**
Non-current liabilities			
Financial Liabilities			
Long term Borrowings	16	26,454.89	28,577.55
Lease Liabilities	17	2,897.28	2,903.38
Other financial liabilities	20	4,216.99	4,150.20
Provisions	18	2,042.51	1,142.72
		35,611.67	**36,773.85**
Current liabilities			
Financial Liabilities			
Short-term Borrowings	16	4,383.68	3,046.65
Lease Liabilities	17	745.47	895.84
Trade payables	19		
(i) total outstanding dues of micro enterprises and small enterprises; and		108.17	66.04
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		8,082.73	8,695.59
Other financial liabilities	20	1,432.31	748.67
Provisions	18	1,249.97	1,462.46
Other current liabilities	21	1,227.95	1,407.75
		17,230.28	**16,323.00**
Total equity and liabilities		**55,250.71**	**54,518.72**
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 and on behalf of the Board of Directors
GMR Air Cargo And Aerospace Engineering Limited

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

Hitesh Kumar P
Partner
Membership No: 233734

Rajesh Kumar Arora
Director
DIN: 03174536

P. S. Nair
Director
DIN:00063118

Kandi Sreenivasulu
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Bengaluru
Date : April 29, 2023

Place : Hyderabad
Date : April 29, 2023

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Standalone Statement of profit and loss for the year ended March 31, 2023
(All amounts in Indian Rupees lakhs, except as otherwise stated)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I.	**Revenue**			
	Revenue from operations	22	38,239.95	34,905.13
	Other income	23	971.46	719.14
	Total Income		**39,211.41**	**35,624.27**
II.	**Expenses**			
	Operations and maintenance expenses		1,740.40	542.54
	Cost of stores and spares consumed	24	7,619.22	8,296.97
	Employee benefits expense	25	11,604.48	9,835.51
	Finance costs	26	3,572.80	3,575.50
	Depreciation and amortization expenses	27	2,555.09	2,499.68
	Other expenses	28	11,097.06	10,239.19
	Total Expenses		**38,189.05**	**34,989.39**
III.	**Profit before Tax [(I) - (II)]**		**1,022.36**	**634.88**
IV.	**Tax expenses**			
	Current tax		-	-
	Deferred tax		-	-
	Adjustments of tax relating to earlier periods		-	(550.59)
			-	**(550.59)**
V.	**Profit for the year (III-IV)**		**1,022.36**	**1,185.47**
VI.	**Other comprehensive income**			
	Items that will not be reclassified to Profit and Loss			
	Re-measurement Gain/(losses) on defined benefit plan	29	(35.47)	6.68
	Deferred tax impact on Re-measurement gains/(losses) on defined benefit plan		-	-
	Total other comprehensive Income		(35.47)	6.68
VII.	**Total comprehensive income for the year (V + VI)**		**986.89**	**1,192.15**
	Earnings per equity share of par value of Rs.10 each : Basic and Diluted EPS (Rs. Per share) not annualised.	30	0.18	0.21
	Corporate information and significant accounting policies	1 & 2		

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

In terms of our report attached
For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm Registration No: 003109S

Hitesh Kumar P
Partner
Membership No: 233734

Place : Bengaluru
Date : April 29, 2023

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

Rajesh Kumar Arora
Director
DIN: 03174536

P. S. Nair
Director
DIN:00063118

Kandi Sreenivasulu
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Hyderabad
Date : April 29, 2023

GMR Air Cargo And Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Standalone Statement of Cash Flows for the year ended March 31, 2023

(All amounts in Indian Rupees lakhs, except as otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**1,022.36**	**634.88**
Cash flow from operating activities		
Adjustments for		
Depreciation and amortization expense	2,555.09	2,499.68
Liabilities no longer required,written back	-	(3.28)
Unrealized foreign exchange gain	(130.70)	(195.23)
Interest income	(213.34)	(227.58)
Inventory write off	166.14	112.22
Income from mutual funds	(1.93)	(5.54)
Provision for doubtful debts	49.56	(8.18)
Fair value gain on financial instruments at FVTPL	(180.81)	(35.67)
Gain on sale of Property, plant and equipment (net)	(9.32)	-
Property, plant and equipment (net) write off	23.75	-
Other notional revenue (Reversal of lease)	(1.00)	-
Finance costs	3,572.80	3,575.50
Operating Profit before working capital changes	**6,852.61**	**6,346.80**
Changes in working capital		
(Decrease) / Increase in trade payables	(468.32)	(629.93)
(Decrease) / Increase in other payables	-	-
(Decrease) / Increase in other financial liabilities and other liabilities	(898.52)	(2,078.56)
(Decrease) / Increase in provisions	567.36	785.98
(Increase) / Decrease in trade receivables	41.31	1,886.77
(Increase) / Decrease in inventories	666.19	(336.78)
(Increase) / Decrease in other financial assets and other assets	271.27	1,365.16
Cash from operations	**7,031.90**	**7,339.45**
Direct taxes paid	471.85	(218.72)
Net cash flow (used in)/from operating activities (A)	**7,503.75**	**7,120.73**
Cash flows from investing activities		
Interest income received	212.89	247.76
Purchase of Property, plant and equipment including CWIP and capital advances	(2,820.42)	(2,772.27)
Unsecured Loan given to GGIAL	2,000.00	
Purchase of Current Investments	(3,099.95)	(2,373.13)
Proceeds from Sale of Property, Plant and Equipment	7.02	
Redemption of Current Investments	100.00	300.00
Investments in bank deposits (having original maturity of more than three months)	(0.05)	(1.00)
Net cash flow (used in)/from investing activities (B)	**(3,600.50)**	**(4,598.64)**
Cash flows from financing activities		
Proceeds from Borrowings	1,627.87	31,606.87
Repayment of Borrowings	(2,430.24)	(2,778.19)
Repayment of long-term borrowings - Non-Convertible Debentures	-	(27,500.00)
Payment of Lease liability	(902.81)	(370.06)
Interest received	0.57	0.34
Interest paid	(2,617.79)	(2,606.95)
Net cash flow from/(used in) financing activities (C)	**(4,322.40)**	**(1,647.99)**
Net (decrease) in cash and cash equivalents (A + B + C)	**(419.15)**	**874.09**
Effect of exchange differences on cash & cash equivalents held in foreign currency	(43.79)	(21.86)
Cash and cash equivalents at the beginning of the year	1,459.83	607.60
Cash and cash equivalents at the end of the period	**996.89**	**1,459.83**

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Standalone Statement of Cash Flows for the year ended March 31, 2023
(All amounts in Indian Rupees lakhs, except as otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Components of cash and cash equivalents		
Cash in hand	2.13	1.58
With banks - on current accounts	150.07	386.68
With banks - on escrow accounts	1.01	1.01
Exchange earners foreign currency account	843.68	1,069.22
Deposits with maturity for less than 3 months	-	1.34
Total cash and cash equivalents	**996.89**	**1,459.83**

Reconciliation of liabilities from financing activities for the year ended March 31, 2023:

Particulars	As at March 31, 2022	Proceeds	Repayment	Fair value change/other adjustments#	As at March 31, 2023
Borrowings	31,624.20	1,627.87	(2,430.24)	16.74	30,838.57
Lease liabilities	3,799.23	-	(507.97)	351.49	3,642.75
Total	**35,423.43**	**1,627.87**	**(2,938.21)**	**368.23**	**34,481.32**

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

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	3,799.23
Total	**33,338.93**	**32,438.50**	**(30,593.02)**	**239.01**	**35,423.43**

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

Hitesh Kumar P
Partner
Membership No: 233734

Rajesh Kumar Arora
Director
DIN: 03174536

P. S. Nair
Director
DIN:00063118

Kandi Sreenivasulu
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Bengaluru
Date : April 29, 2023

Place : Hyderabad
Date : April 29, 2023

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Standalone Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Indian Rupees lakhs, except as 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, 2021	**45,58,12,200**	**45,581.22**
Issue of shares during the year	-	-
As at March 31, 2022	**45,58,12,200**	**45,581.22**
As at April 01, 2022	**45,58,12,200**	**45,581.22**
Issue of shares during the year	36,735	3.67
As at March 31, 2023	**45,58,48,935**	**45,584.89**

Preference Share Capital

11.97% compulsory convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up	No. of shares	Rs. in lakhs
As at April 01, 2021	**18,000**	**1,800.00**
Issue of shares during the year	-	-
As at March 31, 2022	**18,000**	**1,800.00**
As at April 01, 2022	**18,000**	**1,800.00**
Issue of shares during the year	-	-
Conversion into Equity shares during the year	**18,000**	**1,800.00**
As at March 31, 2023	**-**	**-**

11.97% compulsory convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up	No. of shares	Rs. in lakhs
As at April 01, 2021	**18,735**	**1.87**
Issue of shares during the year	-	-
As at March 31, 2022	**18,735**	**1.87**
As at April 01, 2022	**18,735**	**1.87**
Issue of shares during the year	-	-
Conversion of Equity during the year	18,735	1.87
As at March 31, 2023	**-**	**-**

Total Share Capital as at March 31, 2022	**47,383.09**
Total Share Capital as at March 31, 2023	**45,584.89**

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Standalone Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Indian Rupees lakhs, except as otherwise stated)

B. Other Equity

	As at March 31, 2023	As at March 31, 2022
(i) Equity component of related party loan		
Opening Balance	51.17	51.17
Less: Adjustments during the year/period	-	-
Closing Balance	**51.17**	**51.17**
(ii) Retained earnings		
Opening Balance	(44,923.23)	(46,115.36)
Add: Profit for the year	1,022.36	1,185.45
Remeasurement (losses) on the defined benefit plans	(35.47)	6.68
Closing Balance	**(43,936.34)**	**(44,923.23)**
(iii) Amalgamation Adjustment Deficit Account		
Opening balance	(1,089.16)	(1,089.16)
Less: Adjustment duing the year/period	-	-
Closing balance	**(1,089.16)**	**(1,089.16)**
(iv) Security Premium		
Opening Balance	**-**	-
Issued during the period	**1,798.20**	
Closing Balance	**1,798.20**	-
Total Other Equity	**(43,176.13)**	**(45,961.22)**

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

In terms of our report attached
For K.S. Rao & Co.,
Chartered Accountants
ICAI Firm Registration No: 003109S

Hitesh Kumar P
Partner
Membership No: 233734

Place : Bengaluru
Date : April 29, 2023

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

Rajesh Kumar Arora
Director
DIN: 03174536

P. S. Nair
Director
DIN:00063118

Kandi Sreenivasulu
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS39622

Place : Hyderabad
Date : April 29, 2023

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.

2. Significant Accounting Policies

2.1 Basis of preparation and presentation:

The Standalone financial statements are comprising Standalone Balance Sheet as at March 31, 2023; Standalone Statement of Profit and Loss account, Standalone Cash flow statement and other explanatory notes for the financial year ended March 31, 2023 (Collectively referred to as "Financial Statements")

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and include corresponding amendments to IND AS 107 and IND AS 34. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Also there is corresponding amendment to IND AS 101. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

(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. 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.

(All amounts in Indian Rupees lakhs, except as otherwise stated)

3 Property, Plant & Equipment

	Buildings on leasehold land#	Plant and equipment	Office equipment	Computer equipment and IT systems	Furniture and fixtures	Vehicles	Total
Cost or deemed cost							
As at April 01, 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**
Additions	22.31	524.83	25.78	101.37	6.68	9.00	689.96
Disposals	-	(52.03)	-	-	-	(0.95)	(52.97)
As at March 31, 2023	**12,047.05**	**12,364.01**	**430.52**	**474.14**	**513.76**	**76.78**	**25,906.24**
Accumulatd Depreciation							
As at April 01, 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**
Depreciation charge for the year	510.39	939.32	48.88	110.97	23.21	6.33	1,639.11
Disposals	-	(33.91)	-	-	-	(0.36)	(34.27)
As at March 31, 2023	**5,142.96**	**5,827.82**	**336.43**	**338.96**	**269.27**	**28.97**	**11,944.44**
Net Block							
As at March 31, 2022	**7,392.17**	**6,968.79**	**117.19**	**144.78**	**261.02**	**45.73**	**14,929.63**
As at March 31, 2023	**6,904.09**	**6,536.19**	**94.09**	**135.18**	**244.49**	**47.81**	**13,961.80**

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.

3A Capital Work in Progress

	As at March 31, 2023	As at March 31, 2022
Capital expenditure incurred on Property Plant and Equipment	2,404.12	261.06
	2,404.12	**261.06**

(All amounts in Indian Rupees lakhs, except as otherwise stated)

4 Right of use Assets

	Right-of-use assets		Total
	Land	Buildings	
As at April 01, 2021	**2,646.38**	**-**	**2,646.39**
Additions	851.10	-	**851.10**
Adjustments	-	-	**-**
As at March 31, 2022	**3,497.48**	**-**	**3,497.49**
Additions		-	**-**
Adjustments	-	-	**-**
As at March 31, 2023	**3,497.48**	**-**	**3,497.49**
Accumulated Depreciation			
As at April 01, 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**
Charge for the year	239.04	-	239.04
Adjustments	-	-	-
As at March 31, 2023	**972.45**	**0.00**	**972.46**
Net Block			
As at March 31, 2022	**2,764.07**	**-**	**2,764.07**
As at March 31, 2023	**2,525.03**	**-**	**2,525.03**

(All amounts in Indian Rupees lakhs, except as otherwise stated)

5 Other Intangible Assets

	Right to Operate - Cargo facility	Computer Software	Technical Know-how	Total
Cost or deemed cost				
As at April 01, 2021	**10,132.66**	**443.75**	**898.29**	**11,474.69**
Additions	726.13	5.12	-	731.25
Disposals	-	-	-	-
As at March 31, 2022	**10,858.78**	**448.87**	**898.29**	**12,205.94**
Additions	1,748.15	19.21	-	1,767.35
Disposals	(158.65)	-	-	(158.65)
As at March 31, 2023	**12,448.28**	**468.08**	**898.29**	**13,814.64**
Accumulated Amortization				
As at April 01, 2021	**2,204.38**	**336.41**	**898.29**	**3,439.08**
Charge for the year	525.34	27.01	-	552.35
Disposals	-	-	-	-
As at March 31, 2022	**2,729.72**	**363.42**	**898.29**	**3,991.43**
Charge for the year	648.49	28.46	-	676.95
Disposals	(152.77)	-	-	(152.77)
As at March 31, 2023	**3,225.44**	**391.88**	**898.29**	**4,515.61**
Net Block				
As at March 31, 2022	**8,129.06**	**85.45**	**-**	**8,214.51**
As at March 31, 2023	**9,222.84**	**76.20**	**-**	**9,299.03**

6 Intangible Assets under development

	As at March 31, 2023	As at March 31, 2022
Capital expenditure incurred on intangible assets	165.79	1,337.64
	165.79	**1,337.64**

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Notes to the Standalone Financial Statements for the year ended March 31, 2023
(All amounts in Indian Rupees lakhs, except as otherwise stated)

7(a) Investments

	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Investment equity instruments (fully paid-up)				
Unquoted investment in subsidiaries (at Cost)				
100,000 (March 31, 2022: 100,000) Equity shares of Rs. 10 each fully paid up in GMR Aero Technic Limited	10.00	10.00	-	-
Investment in Mutual Funds (FVTPL) - Unqoutes				
30059.8 units (March 31, 2022: Nil) of face value of Rs.1000 each HDFC Liquid Fund - Regular plan - Growth			1,000.52	
75,847.1 units (March 31, 2022: 18082 units) of Rs.1000 each of Aditya Birla Sun Life Liquid Fund - Growth Regular Plan			919.65	207.89
86,931 units (March 31, 2022: 8,69,308 units) of face value of Rs.1000 each ICICI Prudential Overnight Fund Direct Plan Growth	-	-	1,050.54	996.29
40,079 units (March 31, 2022: 26,815) of face value of Rs.1000 each Axis Overnight Fund Direct Growth	-	-	475.15	301.36
12593.0 units (March 31, 2022: Nil units) of face value of Rs.10 each Sundaram Overnight Fund Direct Plan Growth	-	-	149.99	-
39,504 units (March 31, 2022: Nil units) of face value of Rs.1000 each Kotak Overnight Fund Direct Plan Growth			472.38	-
39.367.2 units (March 31, 2022: Nil) of face value of Rs.1000 each Tata Overnight Fund Direct Plan Growth			465.56	-
32,036.1 units (March 31, 2022: 28,776 units) of face value of Rs.1000 each UTI Overnight Fund-Direct Growth Plan			983.07	837.36
Total	**10.00**	**10.00**	**5,516.86**	**2,342.90**

7(b) Other Financial Assets

	Non Current		Current	
Security deposits				
Unsecured,considered good, to related parties	69.42	56.99	-	-
Unsecured,considered good, to others	78.65	71.96	-	-
Margin money deposits held with bank	4.50	4.50		
Interest accrued on fixed deposits	-	-	8.40	7.95
Total (A)	**152.57**	**133.45**	**8.40**	**7.95**
Others				
Unbilled revenue	-	-	3,133.02	2,627.59
Other receivables	-	-	29.13	88.62
Total (B)	**-**	**-**	**3,162.16**	**2,716.21**
Total	**152.57**	**133.45**	**3,170.56**	**2,724.17**

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Notes to the Standalone Financial Statements for the year ended March 31, 2023
(All amounts in Indian Rupees lakhs, except as otherwise stated)

8. Tax Assets:

	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance income-tax (net of provisions)	3,803.82	4,275.67	-	-
	3,803.82	**4,275.67**	**-**	**-**

9. Other Assets:

	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good				
Capital advances	938.06	207.10		
Advances recoverable in cash or kind	272.55	272.55	363.72	476.89
Total (A)	**1,210.61**	**479.65**	**363.72**	**476.89**
Other loans and advances				
Prepaid expenses	9.66	18.85	270.52	239.16
Advance Concession fee	-	-	-	807.95
Balances with statutory/ government authorities	112.47	112.48	430.94	345.52
Total (B)	**122.13**	**131.33**	**701.46**	**1,392.64**
Total (A+B)	**1,332.76**	**610.98**	**1,065.20**	**1,869.53**

10. Inventories

	As at March 31, 2023	As at March 31, 2022
Stores and spares (valued at lower of cost or net realisable value)*	5,876.52	6,708.85
	5,876.52	**6,708.85**

*includes material in transit of Rs. 45.08 lakhs (March 31, 2022 Rs. 3.90 lakhs)

11. Trade Receivables

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
- Considered good- Secured	-	-
- Considered good-Un Secured	4,766.64	4,674.70
- Credit impaired	91.69	76.74
Less: Provisions for Expected Credit Loss - credit impaired	(91.69)	(76.74)

12(a) Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	2.13	1.58
Balance with banks		
- on current accounts	150.07	386.68
- exchange earner's foreign currency account	843.68	1,069.22
- on escrow accounts	1.01	1.01
Total	**996.89**	**1,458.49**

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

Fixed deposits held as Margin money*	7.07	7.07
Deposits with maturity for more than three months but less than 12 months		
- With Others	196.05	196.00
	203.12	**203.07**

*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, 2023	As at March 31, 2022
Inter corporate deposit and loans		
- Considered good-Un Secured	-	2,000.00
Total	**-**	**2,000.00**

14 Equity Share Capital

	Equity Shares	
	In numbers	Amount
Authorised share capital:		
At April 01, 2021	**68,15,68,450**	**70,000.00**
Increase during the year	-	-
At March 31, 2022	**68,15,68,450**	**70,000.00**
Increase during the year	-	-
As at March 31, 2023	**68,15,68,450**	**70,000.00**

Issued, subscribed and fully paid share capital	**As at March 31, 2023**	**As at March 31, 2022**
455,848,935 (March 31, 2022: 455,812,200) fully paid equity shares of Rs. 10 each	45,584.89	45,581.22
Nill (March 31, 2022: 18,000) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up	-	1,800.00
Nil (March 31, 2022: 18,735) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up	-	1.87
	45,584.89	**47,383.09**

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

Equity Shares	**In numbers**	**Amount**
As at April 01, 2021	**45,58,12,200**	**45,581.22**
Issues of the shares during the year	-	-
As at March 31, 2022	**45,58,12,200**	**45,581.22**
Issues of the shares during the year	36,735	3.67
As at March 31, 2023	**45,58,48,935**	**45,584.89**

Preference shares - Series A **CCCPS of Rs.10,000/- each fully paid up**	**In numbers**	**Amount**
As at April 01, 2021	**18,000**	**1,800.00**
Issues of the shares during the year	-	-
As at March 31, 2022	**18,000**	**1,800.00**
Issues of the shares during the year	-	-
Conversion into Equity during the year	18,000	1,800.00
As at March 31, 2023	**-**	**-**

Preference shares - Series B **CCCPS of Rs.10/- each fully paid up**	**In numbers**	**Amount**
As at April 01, 2021	**18,735**	**1.87**
Issues of the shares during the year	-	-
As at March 31, 2022	**18,735**	**1.87**
Issues of the shares during the year	-	-
Conversion into Equity during the year	18,735	1.87
As at March 31, 2023	**-**	**-**

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.

The earlier 11.97% Series A (18,000) & Series B CCCPS (18,735) has been extinguished and converted into Equity shares face value of Rs. 10/- per share with effect from March 29,2023. Accordingly, GACAEL will allot 18,000 equity shares of Rs.10 each against 11.97% CCCPS Series A of face value of Rs. 10,000/- per share aggregating to Rs.1,80,000 and 18,735 equity shares of Rs.10 each against 11.97% CCCPS Series B of face value of Rs. 10/- per share aggregating to Rs.1,87,350 to GHIAL.

(All amounts in Indian Rupees lakhs, except as otherwise stated)

The equity Paid up capital of the Company after conversion of CCCPS into equity would be increased from 45,58,12,200 equity shares of Rs.10 each aggregating to Rs.455,81,22,000 to 45,58,48,935 equity shares of Rs. 10/- each aggregating to Rs. 455,84,89,350/-. The paid-up Preference Share Capital of Rs.18,01,87,350 will be reduced to Nil. Accordingly, the total paid up capital of the Company would stand reduced from Rs.473,83,09,350 to Rs.455,84,89,350.

d. 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, 2023		As at March 31, 2022	
	No of shares held	Amount	No of shares held	Amount
GMR Hyderabad International Airport Limited and its nominees				
45,58,48,935 fully paid equity shares of Rs. 10 each	45,58,48,935	45,584.89	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
18,735 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up	-	-	18,735	1.87

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No of shares held	% Holding in Class	No of shares held	% Holding in Class
45,58,48,935 fully paid equity shares of Rs. 10 each				
GMR Hyderabad International Airport Limited and its nominees	45,58,48,935	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%
18,735 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up				
GMR Hyderabad International Airport Limited and its nominees	-		18,735	100%

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

15 **Other equity**	As at March 31, 2023	As at March 31, 2022
(i) Equity component of related party loan		
Opening Balance	51.17	51.17
Less: Adjustment during the year	-	-
Closing Balance	**51.17**	**51.17**

(ii) Retained earnings	As at March 31, 2023	As at March 31, 2022
Opening Balance	(44,923.23)	(46,115.36)
Add: (Loss)/Profit for the year	1,022.36	1,185.45
Remeasurement (losses) on the defined benefit plans	(35.47)	6.68
Closing Balance	**(43,936.34)**	**(44,923.23)**
(iii) Amalgamation Adjustment Deficit Account		
Opening balance	(1,089.16)	(1,089.16)
Add: Adjustment duing the year	-	-
Closing balance	**(1,089.16)**	**(1,089.16)**
(iv) Security Premium		
Opening Balance	-	-
Issued during the year	1,798.20	-
Closing Balance	**1,798.20**	**-**
Total	**(43,176.13)**	**(45,961.22)**

16 Borrowings

	Long Term		Short Term	
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Loan from Cisco Systems Capital India Private Limited	-	39.40	39.40	37.60
Loan from ICICI Bank FC Term Loan A/c	-	-	-	1,492.65
ICICI Bank - WCDL			-	
Loan from NIIF IFL - Term Loan	26,454.89	28,538.15	2,100.00	900.00
Overdraft facility from bank	-	-	2,244.27	616.40
	26,454.89	**28,577.55**	**4,383.68**	**3,046.65**

The loan is secured by
(i) First pari-passu mortagage 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 GACAEL under this facility.
(iv) Debt Service Reserve of 2 quarter of Debt Service Amount.

The Company has availed the overdraft facility up to 4,500 Lakhs from ICICI Bank is repayable on demand and carries interest of MCLR-3M/6M/1Y is 8.45%/8.60%/8.65% plus spread 0.35%, as per the terms of sanction letter.

During the FY 2021-22, 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.

During the FY 2021-22, the Company has obtained working capital loan from ICICI Bank carries interest of MCLR - 1 year is 7.9% plus spread NIL.

17. Lease Liabilities

	Non-Current		Current	
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Lease liabilities (Refer Note 38)	2,897.28	2,903.38	745.47	895.84
	2,897.28	**2,903.38**	**745.47**	**895.84**

18 Provisions

	Non-Current		Current	
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Provision for employee benefits				
Provision for gratuity	151.18	63.64	-	-
Leave Encashment	-	-	491.44	382.10
Provision for Bonus			250.03	244.40
Other provisions				
Provision for replacement obligations	1,891.33	1,079.09	508.50	835.96
Total	**2,042.51**	**1,142.72**	**1,249.97**	**1,462.46**

(All amounts in Indian Rupees lakhs, except as otherwise stated)

19 Trade payables

	Current	
	As at March 31, 2023	**As at March 31, 2022**
Trade Payables (Refer Note 36)		
(i) Total Oustanding dues of micro enterprises and small enterprises	108.17	66.04
(ii) Total Oustanding dues of creditors other than micro enterprises and small enterprises	8082.73	8,695.59
	8,190.89	**8,761.63**

20 Other financial liabilities

	Non-Current		Current	
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Payables for purchase of Property, Plant and Equipment	-	-	752.39	249.82
Deposit from customers	-	-	102.87	77.33
Retention money	-	-	117.60	19.59
Interest Accrued but not due on borrowings	-	-	18.42	7.28
Security deposit received	-	-	11.00	5.00
Other liabilities	4,216.99	4,150.20	430.03	389.65
	4,216.99	**4,150.20**	**1,432.31**	**748.67**

21 Other current liabilities

	Current	
	As at March 31, 2023	**As at March 31, 2022**
Advances from customers	308.53	266.07
Others		
Stautory Liabilities	488.35	544.82
Unearned revenue	431.07	596.86
	1,227.95	**1,407.75**

(All amounts in Indian Rupees lakhs, except as otherwise stated)

22.Revenue from operations	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Income from MRO operations		
Revenue from MRO Services	27,420.71	25,608.55
Income from cargo operations		
Cargo operations	8,691.72	8,403.48
Improvements to concession asset	1,740.40	542.54
Other operating revenue		
Document handling charges	62.29	50.01
Container handling charges	154.49	132.36
Rent	133.48	133.62
Parking income	36.85	34.57
	38,239.95	**34,905.13**
India	37,857.74	34,505.79
Outside India	382.21	399.34
Total revenue from contracts with customers	**38,239.95**	**34,905.13**

23. Other income	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Interest Income on		
- Bank Deposits	14.98	27.58
-Inter Corporate Deposit and Loan	198.36	200.00
-Tax refund	60.10	27.74
Finance income on financial assets held at amortised cost	9.55	8.41
Fair value gain on financial instruments at fair value through profit or loss	172.19	35.67
Profit on sale of Mutual Funds	1.93	5.54
Duty credit Scrips	101.10	-
Gain on account of foreign exchange fluctuation (net)	236.72	195.23
Liabilities no longer required, written back	-	3.28
Other non operating income	19.89	66.02
Profit On Sale Of Depreciable Assets	5.80	-
Miscellaneous income	150.85	149.66
Total	**971.46**	**719.14**

(All amounts in Indian Rupees lakhs, except as otherwise stated)

24. Cost of stores and spare consumed	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Inventory at the beginning of the year	6,708.85	6,484.29
Add: Purchases	7,100.91	8,633.75
Less: Inventory written off	(166.14)	(112.22)
Less: Inventory at the end of the year	(6,024.39)	(6,708.85)
Total	**7,619.22**	**8,296.97**

25. Employee benefit expenses	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Salaries, wages and bonus	10,228.60	8,537.08
Contribution to provident and other funds (Refer Note 31 (c))	554.31	458.49
Gratuity expenses (Refer Note 31)	136.12	120.43
Staff welfare expenses	685.45	719.51
Total	**11,604.48**	**9,835.51**

26. Finance costs	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Interest on		
Cash Credit facility and overdraft facility from bank	96.23	112.00
Loan from Cisco Systems Capital India Private Limited	2.77	3.76
Redeemable Non Convertible Debentures	-	1,221.20
NIIF IFL Term Loan	2,441.25	1,272.32
Interest expense-ICICI FCNR Term Loan	56.74	3.27
Lease Liability	351.49	358.22
Financial liabilities & Replacement obligations	586.78	546.10
Bank and finance charges	37.54	58.63
Total	**3,572.80**	**3,575.50**

27. Depreciation and amortisation expenses	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Depreciation of property, plant and equipment (Refer note 3)	1,639.11	1,695.42
Amortisation of intangible assets (Refer note 4)	676.95	552.36
Depreciation on Right-of-use Assets (Refer note 5)	239.04	251.90
Total	**2,555.09**	**2,499.68**

(All amounts in Indian Rupees lakhs, except as otherwise stated)

28. Other expenses	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Rates and taxes	548.01	356.72
Concession fee	1,706.66	1,540.50
Technical fee	762.32	730.89
Provision for planned maintenance under SCA	598.58	869.81
Cargo handling charges	741.02	592.66
Lease expenses	56.32	49.65
Concessionaire rent	7.41	5.77
Electricity and water charges (net of recoveries)	774.71	654.84
Customs staff cost recovery	130.90	
Equipment hire charges	37.15	72.46
Insurance	624.52	535.23
Repairs and Maintenance		
- Plant and machinery	223.55	208.13
- Buildings	50.90	52.19
- IT Systems	76.56	77.37
- Others	663.21	713.16
Sub-contracting expenses	377.98	600.95
Advertising and sales promotion	70.50	39.48
Travelling and conveyance	981.66	434.50
Communication expenses	64.61	57.72
Printing and stationery	65.00	69.66
Security expenses	180.63	168.71
House Keeping Charges	79.15	76.56
Business development expenses	273.80	221.00
Membership and Subscriptions	80.76	87.50
Corporate social responsibility expense	23.00	16.50
Legal and professional fees	591.74	451.52
Manpower Charges	872.34	772.18
Recruitment Charges	1.46	52.40
Board meeting expenses	0.15	1.50
Payment to auditors	21.72	19.21
Provision for doubtful receivable	49.56	-
Property, plant and equipment written off	23.75	-
Charity and Donations (Refer Note below)	-	401.00
Inventory written off	166.14	112.22
Misc. Exp-Insurance Claim Settled	19.98	-
Miscellaneous expenses	151.29	197.20
Total	**11,097.06**	**10,239.19**

Payment to auditors	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
As auditor:		
Statutory audit fee	13.50	12.00
Tax Audit fee	3.50	3.50
In other capacity:		
Other services	1.91	1.91
Reimbursement of expenses	2.81	1.80
Total	**21.72**	**19.21**

29. Other comprehensive income (OCI)

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

	For the year ended March 31, 2023	**For the year ended March 31, 2022**
Re-measurement gains / (losses) on defined benefit plan	(35.47)	6.68
Deferred tax impact on above	-	-
Total	**(35.47)**	**6.68**

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

30. 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, 2023	For the year ended March 31, 2022
Profit/(loss) for the year	1,022.36	1,185.45
Less: Preference dividend and tax thereon	(210.36)	(215.68)
Profit/ (Loss) attributable to equity shareholders	**812.00**	**969.77**
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted)	45,58,13,106	45,58,12,200
Earnings Per Share (Basic and diluted) (face value of Rs. 10 each)	0.18	0.21

31. Corporate Social Responsibility (CSR)

Particulars	March 31, 2023	March 31, 2022
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,	22.95	16.50
(ii) amount of expenditure incurred,	23.00	16.50
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	-	-
(vi) nature of CSR activities,		
(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.	-	-

32. Employee benefits plan

The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service.

Statement of profit and loss

Net employee benefit expense (recognized in the employee cost)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost (including past service cost)	132.50	120.60
Interest cost on benefit obligation	3.62	(0.17)
Net benefit expense	**136.12**	**120.43**

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

Balance sheet

Details of provision for gratuity

	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	(924.58)	(765.68)
Fair value of plan assets	773.40	702.04
Plan liability	**(151.18)**	**(63.64)**

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:

(i) Net employee benefit expense (recognized in the employee benefits expenses):

	March 31, 2023	March 31, 2022
Current service cost (including past service cost)	92.03	80.95
Interest cost on benefit obligation	8.44	4.96
Net benefit expense	**100.47**	**85.91**

(ii) Net liability to be recognized in the balance sheet:

	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	(660.70)	(507.67)
Fair value of plan assets	413.61	372.95
Plan liability	**(247.09)**	**(134.72)**

(iii) Changes in the present value of the defined benefit obligation:

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	507.67	408.56
Interest cost	35.08	27.45
Current service cost (including past service cost)	92.03	79.67
Benefits paid	(27.25)	(9.74)
Actuarial loss on obligation	53.17	1.73
Closing defined benefit obligation	**660.70**	**507.67**

(iv) Changes in the fair value of plan assets:

	March 31, 2023	March 31, 2022
Opening fair value of plan assets	372.95	307.13
Acquisition adjustment	(8.78)	-
Expected return	26.64	22.49
Contributions by employer	40.43	57.02
Actuarial gain/(loss)	9.61	(3.95)
Benefits paid	(27.24)	(9.74)
Closing fair value of plan assets	**413.61**	**372.95**

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

	March 31, 2023	March 31, 2022
Investments with insurer	100%	100%

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

	March 31, 2023	March 31, 2022
Discount rate	7.30%	7.10%
Salary escalation Rate	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%

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

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, 2023
March 31, 2024	40.79
March 31, 2025	56.29
March 31, 2026	72.81
March 31, 2027	64.25
March 31, 2028	69.62
March 31, 2029 to March 31, 2033	600.45

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.

Particulars	March 31, 2023	March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% Increase	(59.72)	(49.01)
- 1% Decrease	70.01	57.83
(b) Effect of 1% change in assumed Salary Escalation rate		
- 1% Increase	48.24	41.42
- 1% Decrease	(45.40)	(38.75)
(c) Effect of 1% change in assumed Attrition rate		
- 1% Increase	2.91	1.30
- 1% Decrease	(3.97)	(0.86)

Note:

i) The estimate 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.

i. Net employee benefit expense (recognized in the employee cost):

	March 31, 2023	March 31, 2022
Current service cost (including past service cost)	40.47	39.65
Interest cost on benefit obligation	(4.82)	(5.13)
Net benefit expense	**35.65**	**34.52**

ii. Net asset to be recognized in the balance sheet:

	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	(263.88)	(258.01)
Fair value of plan assets	359.79	329.09
Plan asset	**95.91**	**71.08**

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

iii. Changes in the present value of the defined benefit obligation:

	March 31, 2023	March 31, 2022
Opening value of defined benefit obligation at the beginning of the year	258.01	231.21
Current service cost	40.47	39.65
Past service cost - plan amendments	-	-
Interest cost	14.64	12.80
Actuarial loss/(gain) on obligation	(13.35)	(12.57)
Benefits paid	(35.89)	(13.08)
Present value of defined benefit obligation at the end of the year	**263.88**	**258.01**

iv. Changes in the fair value of plan assets:

	March 31, 2023	March 31, 2022
Fair Value of Plan Assets at beginning of year	329.09	317.93
Expected Return on Plan Assets	3.52	(0.21)
Employer Contributions	42.79	6.52
Actuarial gain/(loss) on plan assets	20.29	17.93
Benefits paid	(35.89)	(13.08)
Fair Value of Plan Assets at end of year	**359.79**	**329.09**

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

	March 31, 2023	March 31, 2022
Discount rate	7.10%	6.10%
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, 2023
Within 1 year	61.57
1 - 2 year	61.50
2 - 3 year	60.34
3 - 4 year	57.61
4 - 5 year	55.42
5 - 10 years	214.24

Particulars	March 31, 2023	March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% Increase	(9.09)	(9.14)
- 1% Decrease	9.81	9.88
(b) Effect of 1% change in assumed Salary Escalation rate		
- 1% Increase	4.84	3.69
- 1% Decrease	(4.52)	(3.43)
(c) Effect of 1% change in assumed Attrition rate		
- 1% Increase	0.86	0.74
- 1% Decrease	(0.94)	(0.81)

c. **Defined contribution plan**

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

	March 31, 2023	March 31, 2022
Contribution to Provident Fund	501.82	397.99
Contribution to Superannuation Fund	35.99	30.07
Contribution to ESI	16.50	30.41

d. Leave benefit liabilities provided based on actuarial valuation amounts to Rs. 491.44 lakhs as at March 31, 2023 (March 31, 2022: Rs. 382.10 lakhs)

The actuarial assumptions (demographic & financial) employed for the calculations for MRO business as at March 31, 2023 and March 31, 2022 are as follows.

	March 31, 2023	March 31, 2022
Discount rate	7.30%	7.10%
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, 2023 and March 31, 2022 are as follows.

	March 31, 2023	March 31, 2022
Discount rate	7.10%	6.10%
Salary escalation rate	7.50%	7.50%
Withdrawal rate	20.00%	20.00%

(All amounts in Indian Rupees lakhs, except as otherwise stated)

33A Ageing schedule of capital work-in-progress

As at 31 March 2023	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	2,143.06	258.90	2.16	-	**2,404.12**

As at 31 March 2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	258.90	2.16	-	-	**261.06**

33B For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of:

	To be completed in				
As at 31 March 2023	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
GMR 147 School	2,323.39	-	-	-	**2,323.39**

	To be completed in				
As at 31 March 2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
GMR 147 School	261.06	-	-	-	**261.06**

(All amounts in Indian Rupees lakhs, except as otherwise stated)

34A Ageing schedule of intangible assets under development

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	82.71	13.71	-	69.37	**165.79**
Projects temporarily suspended	-	-	-	-	**-**

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	755.26	499.80	-	-	**1255.06**
Projects temporarily suspended	-	13.21	69.37	-	**82.58**

34B For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of:

	To be completed in				
As at 31 March 2023	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Cargo terminal	-	-	82.58		**82.58**

	To be completed in				
As at 31 March 2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Cargo terminal	-	82.58	-	-	**82.58**

35 Ageing schedule of trade receivables

As at 31 March 2023	Outstanding from the due date of payment						Total
	Not due*	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,555.42	2,606.29	517.75	78.87	6.44	1.87	**4,766.64**
Undisputed trade receivables – credit impaired	50.00	-	-	-	0.25	41.44	**91.69**
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-		**-**
Less: Allowance for credit loss							**-91.69**
Total trade receivables							**4,766.64**

The Company has Unbilled revenue amounting to Rs. 2627.59 lakhs grouped under other financial assets having an ageing of less than 1 year

As at 31 March 2022	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	2,338.68	1,672.77	365.62	293.56	4.07	-	4,674.70
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	8.89	58.92	67.81
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	8.93	-	8.93
Less: Allowance for credit loss							- 76.74
Total trade receivables							**4,674.70**

The Company has Unbilled revenue amounting to Rs. 2,275.93 lakhs grouped under other financial assets having an ageing of less than 1 year.

36 Ageing schedule of trade payables

As at 31 March 2023	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	108.17	-	-	-	108.17
Others	3,689.29	11.00	33.68	4,348.77	8,082.73
Total trade payables					**8,190.90**

(₹ in lakhs)

As at 31 March 2022	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	66.04	-	-	-	66.04
Others	4,168.01	33.22	163.82	4,330.54	8,695.58
Total trade payables					**8,761.63**

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

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 Airport 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)	Private company having common director (Section 8 Company)	GMR Varalakshmi Foundation
(vii)	Post-employment benefit plan	GMR Hyderabad Air Cargo and Logistics Private Limited Employees' Group Gratuity Trust (Formerly known as Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust)
(viii)	Key Managerial personnel (KMP)	Mr. GBS Raju - Chairman & Director
		Mr. Rajesh Kumar Arora –Director
		Mr. P. S. Nair –Director
		Mr. SGK Kishore - Director
		Mrs. Kavitha Gudapati- Woman Director
		Mr. Pradeep Panicker - Director
		Mr. Bijal Tushar Ajinka – Additional Director
		Mr. G. Chandrabushan – Manager
		Mr. Rakhal Panigrahi
		Mr. Srikanth Vetcha – Chief Financial Officer (Resigned w.e.f. March 15, 2023)

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

Details of Key Managerial Personnel	Remuneration		Sitting fees	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Mrs. Kavitha Gudapati		-	0.15	0.50
Mr. N. C. Sarabeswaran	-	-	-	1.00
Mr. Srikanth Vetcha	55.59	45.41	-	-
Mr. Rakhal Panigrahi	14.32	10.75	-	-
G. Chandra Bushan	30.41	25.74	-	-
Total	**100.32**	**81.90**	**0.15**	**1.50**

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

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

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023
(a)	**GMR Hyderabad International Airport Limited**		
	Corporate guarantee given in relation to Working capital facility	0.00	2500.00
	Concessionaire rent	7.41	9.13
	Concessionaire fee	1,706.66	1540.50
	Reimbursement of salary cost	95.40	186.24
	Repairs & Maintenance – Buildings	0.59	0.42
	Repairs and Maintenance - Plant and machinery	1.31	2.53
	Repairs & Maintenance – Others	0.00	1.28
	Training charges	2.52	5.68
	Reimbursement of Other Expenses	4.15	12.76
	Royalty charges	69.83	28.60
	Power and water charges	348.89	290.50
	Bank Guarantee commission	19.84	18.09
	Interest on security deposit - Unwinding of discount	1.40	0.36
	Travel and conveyance	0.00	0.00
	Rental Expenses	0.00	0.00
	Communication – Telephone	0.43	0.83
	Depreciation on ROU Assets	20.79	20.79
	Depreciation on intangible asset (Land)	0.00	284.16
	Follow me Vehicle Charges	1.75	2.39
	Interest on Lease Liability	500.84	487.80
	Amortization of intangible asset (Land & CSB)	297.50	0.00
	Gain on termination of lease	0.00	0.00
	Parking Charges	0.00	0.00
	Miscellaneous expenses	0.69	0.00
(b)	**GMR Hyderabad Aviation SEZ Limited**		
	Interest on Lease Liability	341.98	340.21
	Depreciation on ROU Asset	165.56	165.56
	Interest on security deposit - Unwinding of discount	2.42	2.06
	Electricity and Water Charges	431.35	370.52
	Repairs and maintenance – Others	35.70	34.08
	Lease Admin Fee & Annual Audit Fee	0.00	0.00
(c)	**GMR Airport Developers Limited**		
	Repairs and maintenance -IT	250.00	0.00
	Repairs and maintenance -Others	77.25	242.33
	Reimbursement of Software maintenance	0.00	37.94
	Reimbursement of manpower deputation	0.00	8.56
	Capital work-in-progress	14.27	78.95

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

(d)	**GMR Hospitality and Retail Limited**		
	Lodging and food expenses (Travelling and conveyance)	54.45	50.65
	Miscellaneous expenses		0.83
	Income from Cargo operations	7.27	1.91
(e)	**Raxa Security Services Limited**		
	Security services	180.56	168.71
(f)	**Delhi International Airport Limited**		
	Royalty charges	51.54	41.68
	Electricity charges	2.20	0.42
	Interest on security deposit - Unwinding of discount	2.69	2.20
	Interest on Lease Liability	3.03	8.99
	Depreciation on ROU Asset	52.68	52.68
	Lease rental and other related expenses	8.53	0.00
	Security Deposit Given	8.00	0.00
	Amortisation of Deferred Expenditure	0.29	0.00
(g)	**GMR Airports Limited**		
	Technical fees	762.88	772.89
	Reimbursement of Audit fees and others		0.00
(h)	**GMR Aero Technic Limited**		
	Deputation Charges	0.63	0.00
	Training - Consultancy charges	0.00	41.58
	SGA-Consultancy Charges - Financial	0.63	0.00
(i)	**GMR Infra Developers Limited**		
	Loans given		
	Interest income on loans		
(j)	**GMR Goa International Airport Limited**		
	Repayment of Loan given (Inter-Corporate Loan)	2000.00	0.00
	Interest income on Loan given	198.36	200.00
(k)	**GMR Infrastructure Limited**		
	Reimbursement of Audit fees and others	0.00	0.00
(l)	**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	43.53	6.82
(m)	**GMR Varalakshmi Foundation** Corporate Social Responsibility Expense	23.00	16.50

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

GMR Air Cargo and Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Notes to the Standalone Financial Statements for the year ended March 31, 2023
(All amounts are in Rs. lakhs, unless otherwise stated)

B. **Outstanding balances at the end of the Year:**

	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	**GMR Hyderabad International Airport Limited**		
	Equity Share Capital	45,584.89	47,383.09
	Trade Payable	285.8	340.52
	Lease liability	59.85	81.77
	Payable for leasehold land rights	4,648.75	4,541.58
	Right-of-use Assets	41.59	62.38
	Right to operate Cargo Facility – Land & CSB	3,513.66	3,803.42
	Security Deposit given	14.36	12.95
	Corporate guarantee given	30,894.27	31,666.00
	Concession fee paid in advance	0	807.95
	Prepaid expenses		10.31
	Advances given	0.13	0
(b)	**GMR Hyderabad Aviation SEZ Limited**		
	Security Deposit given	23.94	21.51
	Right of use Asset	2,483.44	2,649.00
	Lease Liability	3,577.69	3,652.24
	Trade Payables	3009.65	2,856.07
(c)	**GMR Airport Developers Ltd**		
	Trade Payable	45.39	83.14
	Payable for purchase of Intangibles		28.74
(d)	**GMR Hospitality and Retail Limited**		
	Trade Payable	11.71	5.51
	Advances received from Customers	1.24	0.34
(e)	**Raxa Security services Limited**		
	Trade Payable	37.13	35.04
(f)	**GMR Airports Limited**		
	Trade Payable	64.28	7,121.57
(g)	**Delhi International Airport Ltd**		
	Security Deposit	31.13	22.53
	Advance to Suppliers	0.50	
	Right of use Asset	0	52.68
	Lease Liability	5.29	65.33
	Trade Payable	23.06	4.52
	Deferred Rentals	1.80	0
(h)	**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

(i)	**GMR Airport Infrastructure Limited**		
	Other Current Assets	4.72	9.44
(j)	**GMR Goa International Airport Limited**		
	Financial Assets - Loans	0	2,000.00
(k)	**GMR Aero Technic Limited**		
	Investment in equity shares	10	10
	Other receivables	29.13	88.62

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, 2021	**2164.87**
Additions	851.10
Depreciation during the year	(251.90)
As at 31 March 2022	**2,764.07**
As at April 01, 2022	**2,764.07**
Additions	-
Depreciation during the year	(239.04)
As at March 31, 2023	**2,525.03**

Lease Liability

Particulars	Amount
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**
As at April 01, 2022	**3,799.22**
Additions	-
Interest For the year	351.49
Repayment made during the year	(507.96)
As at March 31, 2023	**3642.75**

Disclosed as:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Non-Current	2,897.28	2,903.38
Current	745.47	895.84

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, 2023	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	745.54	1,554.98	5,105.34	7,405.86

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

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation/amortization on right to use asset	239.04	251.90
Interest on lease liability	351.49	358.22
Variable lease payments (included under other expenses)	-	-
Total amount recognized in statement of profit and loss account	**590.53**	**610.12**

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. 4,275.94 lakhs (March 31, 2022 Rs. 3,529.19 lakhs)

b) **Contingent Liabilities**

Particulars	As at March 31, 2023	As at March 31,2022
Matter relating to indirect tax under dispute (refer footnotes below (a))	1,151.47	1,151.47
Matters relating to income tax under dispute (refer footnotes below (b))	4,616.69	4,616.69
Claims against the company not acknowledged as dues (refer footnotes below (c))	1,487.86	1,487.86
	7,256.02	**7,256.02**

(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 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 FY 2021-22, 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 FY 2021-22, 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 FY 2021-22, 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 FY 2021-22, 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 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.
During the year the company has received an order for full and final settlement of Tax Arrear under section 5(2) read with section 6 of the direct tax Vivad Se Viswas Act, 2020. However, the company is waiting for the final order.

(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 FY 2018-19, 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 FY 2021-22, 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 demonetization 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 High court. 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 FY 2021-22, 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 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 officer's 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

During FY 2018-19, 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.

(iii) Consumer Grievance

During the FY 2016-17, the Company has received an order from District Consumer Forum (Ranga Reddy District), regarding the compensation for short delivery of cargo to M/s. Excell Media Pvt. Ltd amounts to Rs. 0.92 Lakhs along with applicable interest. The Company 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.

iv) Registration of Cargo Terminal Building

During the FY 2021-22, 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.

v) Clearance of aircraft

During the FY 2021-22, 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.

(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 ("CCCP") which is amounting to Rs. 808.80 lakhs for the period relating to Quarter 2, Quarter 3 and Quarter 4 of FY 2019-20, for full year FY 2020-21, FY 2021-22 and FY 2022-23. (March 31, 2022: Rs. 593.12 Lakhs)

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:

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

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

	Segment Revenue		**Segment Profit**	
	For the year ended March 31, 2023	**For the year ended March 31, 2022**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
MRO	27,420.71	25,608.55	4,055.09	3,720.74
Air Cargo	10,825.24	9,296.58	(431.39)	(229.52)
	38,245.95	**34,905.13**	**3,623.70**	**3,491.22**
Less: Inter segment	6.00	-	-	-
Total	**38,239.95**	**34,905.13**	**3,623.70**	**3,491.22**
Other income	-	-	971.46	719.14
Finance costs	-	-	(3,572.80)	(3,575.50)
Tax expenses	-	-	-	550.59
Profit after tax	-	-	**1,022.36**	**1,185.45**

Segment assets and liabilities:

	As at March 31, 2023	**As at March 31, 2022**
Segment assets		
MRO	34,951.67	30,961.09
Air Cargo	13,769.61	16,929.05
Unallocable assets	9,330.68	9,429.83
Inter - segment	(2,801.25)	(2,801.25)
Total assets	**55,250.71**	**54,518.72**
Segment liabilities		
MRO	14,550.11	11,757.32
Air Cargo	10,254.50	9,715.32
Unallocable liabilities	30,838.57	33,425.46
Inter – segment	(2,801.25)	(2,801.26)
Total liabilities	**52,841.93**	**52,096.84**

Other segment information

	Depreciation and amortization		Additions to Capital Expenditure	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
MRO	1,906.60	1,974.34	3090.16	1,508.75
Air Cargo	648.49	525.34	570.41	1,974.3

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 31,2023, Considering the huge accumulated losses Rs. 45,025.50 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. 45,025.50 lakhs (as at March 31, 2022 is Rs 46,012.39 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, 2023.

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, 2023.
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, 2023.

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

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

Particulars	March 31, 2023	March 31, 2022
Term Loan from NIIF IFL	28,650.00	29,550.00
Foreign Currency Term Loan from ICICI	-	1,492.65
Cisco Systems Capital India Private Limited	39.40	77.00
Total	**28,689.40**	**31,119.65**

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, 2023		
Overdraft facility from bank	+0.50%	(1757.22)
Overdraft facility from bank	- 0.50%	1757.22

	Increase/decrease in Interest rate	Effect on profit before tax
As at March 31, 2022		
Overdraft facility from bank	+0.50%	(1,835.81)
Overdraft facility from bank	- 0.50%	1,835.81

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, 2023	
		Amount in Foreign currency	Rs in Lakhs
Trade payables	USD	4,36,170.74	358.55
	EURO	1,70,926.30	153.15
	SGD	1,182.40	0.73
	GBP	27,904.85	28.42
Trade receivables	USD	55,72,655.37	4,581.10
Cash and cash equivalents	USD	10,26,309.55	843.68
Advances to Vendors	USD	5,44,352.28	447.48
Advance from customers	USD	39,171.48	32.20
Capital Creditors	USD	15,619.82	12.84
Unbilled revenue	USD	34,06,504.52	2,800.31

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

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, 2023, A positive number below indicates an increase in profit when the functional currency weakening against the USD and when functional currency weakening for other foreign currencies. For a 5 % strengthening of functional currency against USD and other foreign currencies, there would be a comparable opposite impact on the profit.

	March 31, 2023	March 31, 2022
Particulars	**Impact on profit after tax**	**Impact on profit after tax**
USD Sensitivity		
INR/USD- Increase by 5%	413.45	493.58
INR/USD- Decrease by 5%	(413.45)	(493.58)
EURO Sensitivity		
INR/EURO-Increase by 5%	(7.66)	0.78
INR/EURO- Decrease by 5%	7.66	(0.78)
GBP sensitivity		
INR/GBP-Increase by 5%	(1.42)	0.05
INR/GBP- Decrease by 5%	1.42	(0.05)
SGD sensitivity		
INR/SGD-Increase by 5%	(0.04)	0.01
INR/SGD- Decrease by 5%	0.04	(0.01)

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

Liquidity risk

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

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

Year ended March 31, 2023	Up to 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Term Loan – NIIF IFL	2,100.00	12,300.00	14,250.00	28,650.00
Trade payables	8,190.90	-	-	8,190.90
Leases	745.54	1,554.98	5,105.34	7405.85
Payable for Lease-Hold Land Rights and CSB Lease	431.75	1,784.96	8,944.19	11,156.96
Other financial liabilities	5,649.30	-	-	5,649.30

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

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.

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

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.

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, 2023	As at March 31, 2022
Borrowings	30,838.57	31,624.20
Cash and cash equivalents (including other bank balance)	(1200.01)	(1,661.56)
Net debt	**29,638.56**	**29,962.64**
Equity	2,426.34	1,421.87
Net debt to Equity ratio	12.22	21.07

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, 2023.

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

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.

Particulars	Fair Value	Carrying value	Fair Value	Carrying value
	March 31, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2022**
Financial assets				
Valued at cost				
Investments	10.00	10.00	10.00	10.00
Valued at fair value through profit and loss				
Investments	5,516.86	5,516.86	2,342.90	2,342.90
Valued at amortized cost				
Investments	-	-	-	-
Trade receivable	4,766.64	4,766.64	4,674.70	4,674.70
Other financial assets	3,323.13	3,323.13	2,857.61	2,857.61
Cash and cash equivalent and other bank balances	1,200.01	1,200.01	1,661.56	1,661.56
Financial assets – Loans	-	-	2,000.00	2,000.00
Total Financial Assets	**14,816.64**	**14,816.64**	**13,536.77**	**13,536.77**
Financial liabilities				
Valued at amortized cost				
Borrowings	30,838.57	30,838.57	31,624.20	31,624.20
Trade payables	8,190.90	8,190.90	9,006.03	9,006.03
Leases	3,642.75	3,642.75	3,799.22	3,799.22
Other financial liabilities	5,649.30	5,649.30	4,898.99	4,898.99
Total Financial Liabilities	**48,321.52**	**48,321.52**	**49,328.44**	**49,328.44**

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. Financial ratios

Ratio	Numerator	Denominator	As at 31 March 2023 Ratio	As at 31 March 2022 Ratio	% Change	Reason for variance
Current ratio	Current assets	Current liabilities	1.25	1.35	-6.93%	
Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total equity	12.80	22.24	-42.44%	Increased networth due to current year profit addition
Debt service coverage ratio	Earnings before depreciation and amortisation and interest [Earnings = Profit after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	1.20	0.21	483.78%	Repayment of loans
Return on equity ratio	Profit after tax	Average of total equity	53.38%	143.55%	-90.17%	Increased networth due to current year profit addition
Inventory turnover ratio	Costs of materials consumed	Average inventories	1.21	1.26	-3.73%	
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	8.10	6.29	28.83%	increase in revenue compared to last year
Trade payables turnover ratio	Purchases	Average trade payables	0.84	0.95	-11.51%	
Net capital turnover ratio	Revenue from operations	Working capital [Current assets - Current liabilities	8.76	6.17	42.01%	increase in revenue compared to last year
Net profit ratio	Profit after tax	Revenue from operations	2.67%	3.40%	-0.72%	
Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	16.03%	15.40%	0.63%	
Return on investment	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	2.24%	2.60%	-0.36%	

48. Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023

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, 2023	5,516.86	5,516.86	-	-

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	-	-

There have been no transfers between Level 1 and Level 2 during the year ending March 31, 2023 & March 31, 2022.
#The mutual funds are valued using the closing NAV.

49. During the financial year, the Management has identified the involvement of two employees favoring certain vendors with respect to the procurement of goods or services and thereby causing financial loss to the Company to the tune Rs.50 lakhs (approximately) based on internal estimates. Management has initiated an investigation and legal proceedings against the employees. Also, the Internal controls will be further strengthened with respect to the procurement process considering the above-mentioned incident.

50. Use of estimates and judgement

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

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

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

(A) Judgements

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

Service Concession Arrangements -

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

(B) Estimates and Assumptions

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

Impairment of Cash Generating Unit (CGU):

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

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.

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.

51. The following are the additional disclosures as per schedule III

a. No Loan or advances given to the Directors, Promoters, KMPs and related parties which are repayable on demand or without any terms of repayment.

b. The Company does not have any such transaction which is not recorded in books of account that has been surrendered or disclosed as income during the year in the tax assessments (such as, search or survey or any other relevant provisions) under Income Tax Act, 1961.

c. The Company does not have any relationship with Struck off Companies.

d. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

f. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall **:**
   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
   ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

g. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understating (whether recorded in writing or otherwise) that the Group shall:
   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

52. Previous year/period figures have been regrouped and reclassified wherever necessary to confirm to those of the current year

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**	
	Rajesh Arora Director DIN: 03174536	**P.S. Nair** Director DIN:00063118
Hitesh Kumar P Partner Membership No.233734		
	Kandi Sreenivasulu Chief Financial Officer	**Rakhal Panigrahi** Company Secretary M. No. ACS39622
Place: Bengaluru Date: April 29, 2023	Place: Hyderabad Date: April 29, 2023	