



**GMR Air Cargo And Aerospace
Engineering Limited**

**Eighteenth Annual Report
FY 2024-25**



Contents

General Information	1
18 th Annual General Meeting Notice	2-9
18 th Boards Report	10-39
Auditors Report on Financial Statements	40-55
Audited Financial Statements	56-152

GENERAL INFORMATION

GMR Air Cargo and Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Board of Directors

Mr. GBS Raju

Non-Executive Chairman

Mr. Puthalath Sukumaran Nair

Non-Executive Director

Mr. S.G.K. Kishore

Non-Executive Director

Mr. Rajesh Arora

Non-Executive Director

Mr. Pradeep Panicker

Non-Executive Director

Mrs. Bijal Tushar Ajinkya

Independent Woman Director

Mr. Sudhakar Rao

Independent Director

Dr. R. K Tyagi

Independent Director

Statutory Auditors

M/s. K S Rao & Co

Chartered Accountants

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

10/2, 2nd Floor, Khivraj Mansion

Kasturba Road

Bengaluru -560001

Secretarial Auditors

M/s. KBG Associates

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

Vidya Nagar, Hyderabad - 500044

Bankers/NBFC

ICICI Bank Limited

HSBC Bank Limited

NIIF IFC Limited

Key Managerial Personnel

Mr. Dinesh Hiralal Bohra, Manager*

(*Appointed w.e.f April 30, 2025)

G. Chandrabhusan, Manager#

(#G. Chandrabhusan resigned w.e.f. March 31, 2025)

Mr. Sreenivasulu Kandi, Chief Financial Officer

Mr. Rakhal Panigrahi, Company Secretary

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

Audit Committee

Mr. P.S. Nair - Chairman

Mr. Rajesh Kumar Arora - Member

Mr. Sudhakar Rao - Member

Dr. R.K Tyagi - Member

Mrs. Bijal Tushar Ajinkya - Member

Corporate Social Responsibility Committee

Mr. Rajesh Arora - Chairman

Mr. P.S. Nair - Member

Mrs. Bijal Tushar Ajinkya - Member

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 Ltd,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad – 500108

GMR School of Aviation

Plot No.8B, GMR Aerospace Park,
GMR Hyderabad Aviation SEZ Ltd.
Rajiv Gandhi International Airport
Shamshabad , Hyderabad-500108.

GMR Air Cargo And Aerospace Engineering Limited

(CIN: U45201TG2008PLC067141)

Regd. Office: Plot No. 1, GMR Hyderabad Aviation SEZ Limited,
Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500 108
Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010,
Website: www.gmraerotech.in

NOTICE OF THE EIGHTEENTH (18TH) ANNUAL GENERAL MEETING

Notice is hereby given that the Eighteenth (18th) Annual General Meeting of the Members of GMR Air Cargo And Aerospace Engineering Limited ("Company") will be held on Friday, September 26, 2025 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, 2025 together with the reports of the Board of Directors and Statutory Auditors thereon.
2. To appoint a Director in place of Mr. P S Nair (DIN: 00063118), who retires by rotation, being eligible & seeks re-appointment.
3. To appoint a Director in place of Mr. Rajesh Kumar Arora (DIN: 03174536), who retires by rotation, being eligible & seeks re-appointment.

SPECIAL BUSINESS

- 1) Ratification of remuneration of the Cost Auditors for the Financial Year 2025-26.

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 Rule 14 and other applicable rules of the Companies (Audit and Auditors) Rules, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs.2,50,000/- (Rupees Two Lakh Fifty Thousands Only) plus applicable taxes and reimbursement of out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors, payable to M/s. Narasimha Murthy & Co., Cost Accountants, (Firm Registration Number: 000042), Cost Auditors, to conduct the Cost Audit of cost records maintained by the Company for the financial year 2025-26, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee/ official authorized by the Board of Directors for this purpose) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient in order to give effect to the above resolution and for matters connected therewith or incidental thereto including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

GMR Air Cargo And Aerospace Engineering Limited

(CIN: U45201TG2008PLC067141)

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

Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010,

Website: www.gmraerotech.in

2) Appointment of Mr. Dinesh Hiralal Bohra as a Manager

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with rules made thereunder (including any statutory modifications/ amendments for the time being in force), Mr. Dinesh Hiralal Bohra, be and is hereby approved to act as the Manager and Key Managerial Personnel of the Company with effect from April 01, 2025 to March 31, 2028 on payment of remuneration as detailed in the appointment letter, to perform the duties under applicable Statutes and any other duties assigned to him by the Board from time to time.

RESOLVED FURTHER THAT the Board of Directors, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be considered necessary in connection with the aforesaid resolution including filing of relevant forms with the Registrar of Companies, Telangana.”

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

Sd/-
Rakhil Panigrahi
Company Secretary

Date: July 19, 2025

Place: Hyderabad

Registered Office

Plot No.1, GMR Hyderabad Aviation SEZ Limited,
Rajiv Gandhi International Airport, Shamshabad,
Rangareddi, Hyderabad, Telangana – 500108, India

GMR Air Cargo And Aerospace Engineering Limited

(CIN: U45201TG2008PLC067141)

Regd. Office: Plot No. 1, GMR Hyderabad Aviation SEZ Limited,
Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500 108
Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010,
Website:www.gmraerotech.in

Notes:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated 23rd June, 2021, General Circular No. 20/2021 dated 8th December, 2021, General Circular No. 03/2022 dated 5th May, 2022, General Circular No. 11/2022 dated 28th December, 2022 and General Circular No. 09/2023 dated 25th September, 2023 (In continuation with the Circulars issued earlier in this regard) ("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. 09/2024 dated September 19, 2024, allowed the companies whose AGMs are due to be held in year 2025, to conduct their AGMs through video conferencing (VC) or other Audio-Visual Means (OAVM), on or before September 30, 2025. Pursuant the aforesaid MCA Circulars, the 18th 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 Friday, September 26, 2025, at 12 Noon (IST) through video conferencing (VC) / OAVM. The deemed venue for 18th AGM shall be the Registered Office of the Company.
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 18th 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

GMR Air Cargo And Aerospace Engineering Limited

(CIN: U45201TG2008PLC067141)

Regd. Office: Plot No. 1, GMR Hyderabad Aviation SEZ Limited,
Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500 108
Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010,
Website: www.gmraerotech.in

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 18th 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 18th AGM along with the 18th Annual Report 2024-25 (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.

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 4 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 19th July, 2025 considered that the special business under Item Nos. 4 being considered unavoidable, be transacted at the 18th AGM of the Company.

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 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 18th 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 18th 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 22, 2025 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 authorized 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

GMR Air Cargo And Aerospace Engineering Limited

(CIN: U45201TG2008PLC067141)

Regd. Office: Plot No. 1, GMR Hyderabad Aviation SEZ Limited,
Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500 108
Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010,
Website: www.gmraerotech.in

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 18th 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 2024-25.	As per agreed scope of cost audit for the financial year 2025-26, 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.
---	---	--

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.

GMR Air Cargo And Aerospace Engineering Limited

(CIN: U45201TG2008PLC067141)

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

Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010,

Website: www.gmraerotech.in

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 Friday, September 26, 2025, subject to receipt of the requisite number of votes in favor of the Resolutions.

GMR Air Cargo And Aerospace Engineering Limited

(CIN: U45201TG2008PLC067141)

Regd. Office: Plot No. 1, GMR Hyderabad Aviation SEZ Limited,
Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500 108
Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010,
Website: www.gmraerotech.in

ANNEXURE TO NOTICE OF THE 18TH 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 19, 2025, on the recommendation of the Audit Committee, has re-appointed M/s. Narasimha Murthy & Co, Cost Auditors (Firm Registration Number: 000042), as Cost Auditors of the Company for carrying out Cost Audit of the Company, in terms of Section 148 of the Companies Act, 2013 and has fixed the remuneration a sum of Rs.2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per annum plus reimbursement of out of pocket expenses and applicable taxes, as remuneration payable to the Cost Auditors for the financial year 2025-26.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee has been considered and approved by the Board of Directors and 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.

The Board of Directors recommends the Ordinary Resolution set out at item no. 4 for your consideration and ratification.

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

Item No.5

The Board of Directors of the Company have approved the appointment of Mr. Dinesh Hiralal Bohra as the Manager of the Company at the 83rd Board Meeting of the Company for a period of three years w.e.f. April 01, 2025 at a remuneration as detailed in the appointment letter, to perform the duties under applicable Statutes and any other duties assigned to him by the Board from time to time.

The Board is of the opinion that Mr. Dinesh Hiralal Bohra fulfills the conditions specified in the Companies Act, 2013 ("the Act") and the Rules made thereunder for appointment as the Manager of the Company and also that his rich and varied management experience would immensely benefit the Company. As required under the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Act, an Ordinary resolution is being placed before the shareholders for approval. Accordingly, the Board seeks the approval of his

GMR Air Cargo And Aerospace Engineering Limited

(CIN: U45201TG2008PLC067141)

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

Tel: +91 4067251115/67251149, Fax: +91 40 6725 1010,

Website: www.gmraerotech.in

appointment by the shareholders of the Company as set out in Item No.5. Relevant documents are available for inspection in the Company during business hours till the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and their Relative except Mr. Dinesh Hiralal Bohra is interested, financially or otherwise, in the resolution as set out under Item no.5 of the accompanying Notice.

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

Sd/-
Rakhal Panigrahi
Company Secretary

Place: Hyderabad
Date: July 19, 2025

BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

Dear Members,

The Board of Directors are pleased to present the 18th Board's Report of GMR Air Cargo And Aerospace Engineering Limited ("GACAEL" or "your Company" or "the Company") together with the audited financial statements for the financial year ended March 31, 2025 ("Financial Year" or "financial year" or "FY" or "Year").

FINANCIAL PERFORMANCE ON STANDALONE BASIS:

The financial performance of your Company for the financial year ended 31st March, 2025 as compared to the previous financial year, is summarized below:

(Amount in Rs. Lakhs)

Particulars	2024-25	2023-24
Revenue		
Turnover	75,299.28	46,670.34
Other Income	2,434.59	1,704.99
Total Income (i)	77,733.87	48,375.33
Expenses		
Employee benefits expense	17,477.98	13,097.08
Other expenses	32,861.51	22,392.10
Total expenses (ii)	50,339.49	35,489.18
Earnings before interest, tax, depreciation and amortization (i) - (ii)	27,394.38	12,886.15
Depreciation and amortization expenses	3,592.40	2,956.47
Finance costs	3,337.83	3,601.32
Profit before tax	20,464.15	6,328.36
Deferred tax income	-	-
Adjustments of tax relating to earlier periods		
Current Tax	1,314.06	
Profit/(Loss) for the year (iii)	19,150.09	6,328.36
Other comprehensive income for the year		
Re-measurement on defined benefit plans	-111.37	-123.07
Other comprehensive income for the year - (iv)	-	-
Total comprehensive income for the year (iii)+(iv)	19,038.72	6,205.29
Earnings Per Share (in Rs.): - - Basic and diluted (in Rs.)	4.20	1.39

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

For the year ended 31st March, 2025, your Company has earned a total income of Rs. 77,733.87 lakhs, as against the previous year's total income of Rs. 48,375.33 lakhs, recorded growth of 61% against previous year. The operations of the company during the year under review resulted in a net profit of Rs. 19,150.09 lakhs as compared to a net profit of Rs. 6328.36 lakhs in the previous year recorded growth of 303 % against previous year.

Performance of MRO Division (T/A GMR Aero Technic, Hereinafter referred to as "GAT")

GAT was established in 2008 and is situated at the GMR Aerospace and Industrial Park, located at the Rajiv Gandhi International Airport in Hyderabad. It is India's largest third-party MRO service provider. Spanning across 25 acres, GAT features four hangars, which include a specialized wide-body hangar and an exclusive paint hangar capable of accommodating nine (9) narrow-body aircraft simultaneously. There are also plans in progress to enhance the company's capabilities by expanding its capacity through the addition of more hangars and maintenance lines.

GAT offers comprehensive maintenance services, including base maintenance for narrow-body aircraft like Boeing 737, Airbus A320, ATR 42/72 & Q400. The facility is approved by nearly 30 global regulators, including EASA, FAA, DGCA, and DGAQA. GAT also offers specialized services such as structural repairs, avionics upgrades, component repairs, and aircraft painting. Our loyal customers who come for Base Maintenance include airlines & lessors from Middle east to Far-East and also Europe, Africa and CIS countries.

GAT also provides in line maintenance services in 13 airports in India and 1 in Nepal, serving a total of 50+ customers/airlines. GAT has established shops for nacelles maintenance, De-Icer boots maintenance and Heat Exchanger maintenance. GAT has entered into an agreement with Boeing for conversion of their Passenger to Freighter aircraft, making it the first and only facility in India for conversions. In addition, also providing Engine Wash solution to our customers through its Tie-up with Lufthansa Technik. Further, it is offering as part of one stop solution GAT has developed comprehensive repair capability for engine Nacelle components through tie-up with Spirit Aero System.

The GMR School of Aviation (**GSA**), a strategic Business Unit of GAT, approved by both DGCA and EASA, offers Aircraft Maintenance Engineering licenses, Ancillary training and Aircraft Type Training programs. It is set to serve as a Centre of Excellence for the aerospace industry, producing industry-ready engineers and technicians.

GSA has received a certificate of recognition from Airbus confirming the training standard, methodology and courseware.

During the financial year 2024-25, GAT has achieved a total revenue of INR 538.98 Crore and a Year-on-Year (YoY) growth of 67% when compared to previous year. It has also achieved EBITDA of INR 177.81 Crore and a PAT of INR 112.61 Crore. This is the sixth consecutive year of GAT's profitable operations.

During this FY, GAT has enhanced the capability of A320 with all engine versions up to the maximum MPD task of 80,000 FH, 45,000 FC and 18 years. For B737 fleet equipped with CFM Leap 1B engines, GAT supports maintenance tasks up to 30,000 flight hours, 18,000 flight cycles, and 10 years. Component rating capabilities have also been broadened to include batteries, ATR leading edges, nacelles, De-Icer boots, and elevator outboard tips.

Furthermore, GAT has developed the ability to perform maintenance operations away from its main base, successfully delivering aircraft recovery services.

GAT has capability to undertake limited engine maintenance under B rating on all engine types of Airbus and Boeing along with issue of EASA Form-1 and FAA 8130-3.

Along with this, in the fiscal year, GSA received Level 3 Type Training approval from EASA for B737NG standalone and Difference Course (B737NG to MAX).

Base Maintenance business highlights:

Through consistent efforts and a commitment to delivering exceptional service quality, GAT has significantly expanded its customer base ranging from the Middle East to the Far East, delivering wide range of services to their customers - C-Checks, Entry into service (EIS), End of Lease(EOL) and complicated structural repairs—including pickle fork replacements, tail cone repairs, skin panel and windshield replacements, GAT has started expanding its global footprint by attracting customers from the African, CIS, and European countries—strengthening its global footprint. Also, the company's expertise in state-of-the-art livery painting has earned international acclaim.

During the fiscal year, GAT has established Nacelle maintenance and De-Icer boot maintenance facilities. Strategic partnerships were also forged to offer Engine Wash solutions and Heat Exchanger repairs, aiming to provide one stop comprehensive solution to its customers.

A major milestone was achieved with the signing of an agreement to undertake Passenger-to-Freighter (P2F) aircraft conversions, making GAT the first and only facility in India, and the fourth globally, to offer this service.

During the year, hangar capacity utilization remained strong. In response to growing business demand and evolving market dynamics, the company is planning to expand both its capacity and capabilities in the coming years.

Line Maintenance business highlights:

GAT has tripled its annual line maintenance revenue over the past three years, driven by growth in terms of number of stations and number of customers (50+) being served at these stations. It now offers line maintenance at 13 airports in India and one in Nepal, with recent expansions to Mumbai and Goa. The division is now strategically preparing to expand its footprint internationally.

Quality initiatives (Regulatory Approvals):

GAT continues to strengthen its commitment to the highest levels of quality, superior customer experience, best-in-class service management, robust information security and privacy practices and mature business continuity management

GAT holds approvals from over 30 global aviation authorities, including EASA, FAA, DGCA, and DGAQA, and is certified by six major OEMs, including Airbus and Boeing.

Business Strategies

As part of the GAT's strategy, GAT focuses on growth and diversification with a strong emphasis on operational excellence, customer satisfaction, and quality compliance. During the fiscal year, the company enhanced its business from international clientele while actively diversifying both its customer base and service portfolio. The division has been strengthening the Component MRO vertical. This initiative not only retains business within India but also aligns with the national vision of "Atmanirbhar Bharat", promoting self-reliance in aviation services.

Expanding into the Defence MRO segment, GAT is actively engaging with the respective stakeholders and OEMs for future opportunities.

As part of our international expansion, GAT is looking at opportunities for setting up MRO Facility in GCC Region.

Addressing the industry-wide challenge of skilled manpower shortage, GAT launched the GSA, Strategic business unit under its MRO division. Virtually inaugurated by the Minister of Civil Aviation, the school offers a comprehensive 4-year Aircraft Maintenance Engineer Training Programme, approved by both DGCA (India) and EASA (Europe). In its inaugural year, GSA welcomed its first batch of students and is now fully equipped to accommodate a significantly larger second cohort, ensuring a robust in-house talent pipeline for the future.

Further to enhance the efficiency, GAT has taken up many operational excellence initiatives for increasing throughput, optimizing TAT and providing best customer service. GAT has taken initiatives for upskilling of employees by conducting comprehensive training programs.

Health, Safety and Environment

Enhancing Health, Safety, and Environmental Practices: A Comprehensive Overview

In today's dynamic corporate landscape, organizations recognize the paramount importance of health, safety, and environmental (HSE) initiatives. These efforts not only safeguard employees and the environment but also contribute to operational efficiency and long-term sustainability. Let's delve into the update and initiative undertaken by our company during the financial Year under review:

- ❖ GAT has obtained the certification for ISO 45001:2018 (Occupational Health and Safety Management Systems) and ISO 14001:2015 (Environmental Management Systems).
- ❖ The company's commitment to safety and quality is reinforced through the digitization of related processes using the QASH (Quality and HSE Management Hub) application. This platform enables digital reporting of hazards, safety incidents, and occurrences, replacing traditional manual forms.

Information Technology

To stay at the forefront of technological innovation and move towards a paperless MRO environment, GAT has prioritized continuous improvement and operational efficiency through strategic digital initiatives.

Key advancements include the launch of an Automated Tool Control System that streamlines tool issuance and return using user authorization, ensuring real-time data updates and detailed usage analytics. In ground handling, the deployment of an automated aircraft tug, has significantly enhanced movement efficiency within hangars and on aprons.

To further boost productivity, the division has implemented Robotic Process Automation (RPA) to simplify routine tasks and reduce manual effort. The digitalization of task cards aims to improve scheduling and resource allocation by offering real-time visibility into task progress and technician availability. Additionally, the new aged application adopted is enabling seamless online billing for both line and base maintenance activities.

Additionally, digital solutions have been implemented across key departments to enhance efficiency and transparency. These include a Visitor Management System for Administration, a fully digital workflow from Employment Request Form to payroll in Human Resources, and a centralized digital attendance system that enables seamless tracking across all line stations.

These initiatives collectively reflect the GAT's dedication to leveraging technology for smarter, safer, and more efficient operations.

Performance of GMR Hyderabad Air Cargo Division (GHAC):

GHAC achieved a total Income of INR 23,941.85 during the year under review with an EBTDA of 40%. In FY25, GHAC has handled about 1,68,052 MT of cargo, 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, GHAC has undertaken the below major initiatives in the FY 25:

- Successfully implemented the tariff revision for 2024–2025, effective from April 2024, with a 20% increase in accordance with the CP3 tariff revision.
- GHAC secured number 1 in imports and number 2 in exports clearance time as per Customs TRS study FY25.
- To Cater the future demand, terminal expansion project started in FY25 and set to complete by FY27
- Obtained CTPAT and IMS certification (9001,14001 & 45001)
- Re- Certification of ISAGO, GDP and RA3 completed successfully
- Process automation of Sec 48 completed successfully and initiated several Tech initiatives and automation to increase the operational effectiveness and customer experience.

SHARE CAPITAL:

The Authorized Share Capital of the company as on 31st March, 2025 is Rs.700,00,00,000/- (Rupees Seven Hundred Crores) divided into 70,00,00,000 Equity Shares of Rs.10/- each.

During the year under review, your Company has not changed the capital structure and the paid-up equity capital as on 31st March, 2025 is INR 455,84,89,350 /- comprising of 45,58,48,935 (Forty-Five Crore Fifty-Eight Lakhs Forty-Eight Thousand Nine Hundred and Thirty-Five) equity shares of Rs.10/- each.

KFin Technologies Limited is the Registrar and Share Transfer Agent of the Company.

DIVIDEND:

During this year, your company has not declared any dividend to its shareholders.

APPROPRIATIONS TO RESERVES:

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

PARTICULARS OF EMPLOYEES:

There was no employee drawing remuneration in excess of limits prescribed under section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DEPOSITS:

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

RATING:

The Rupee Term Loan of INR 300 Crore from NIIF IFL carries an instrument rating of [ICRA]AA+ (CE) (Stable) upgraded from [ICRA]AA (CE) (Stable) and the working Capital of INR 160 Crores carries an instrument rating of [ICRA] AA+ (Stable) upgraded from [ICRA]AA (CE) (Stable) Assigned by ICRA Limited respectively as on 31st March, 2025.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

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 67% growth of revenue compared to previous year.
- Achieved highest gross revenue of INR 538.98 Crore till date with a sixth consecutive year PAT positive of INR 112.61 Crore.

Achievements of GHAC Division

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

- GHAC total Cargo Volume grew by 17% YoY. Relatively better growth compared to peer metro airports.
- This year, GHAC handled 1,68,052 MT and marks the highest tonnage since the terminal's operationalization.
- Unique opportunity of Imports Deconsolidation permission from Customs received for GHAC in September 2024.
- In this year, GHAC completed GBEM dipstick assessment with 372 score (Early Improvement).
- GHAC has been awarded the Business Excellence Maturity Assessment Program 2024 by CII Excellence Summit under silver category.

TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

There is no unpaid/unclaimed dividend amount lying with the Company, therefore the provisions of Section 125 of the Companies Act, 2013 do not apply.

EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS:

There are no material changes and commitments affecting the financial position of the Company during the period between end of the financial year and date of this Report.

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 31st March, 2025, the Company has eight Directors on its Board with an optimum combination of Executive and Non-Executive Directors including three Independent Directors and one-Woman Independent Director. The details of the Board of Directors and Key Managerial Personnel are as below:

Board of Directors:

Sl. No.	Name of the Directors	Designation
1	Mr. G B S Raju	Non-Executive Chairman
2	Mr. Gopalakrishna Kishore Surey	Non-Executive Director
3	Mr. Rajesh Kumar Arora	Non-Executive Director
4	Mr. Puthalath Sukumaran Nair	Non-Executive Director
5	Mr. Pradeep Panicker	Non-Executive Director
6	Mrs. Bijal Tushar Ajinkya	Woman Independent Director
7	Mr. Sudhakar Rao	Independent Director
8	Dr. Ravindra Kumar Tyagi	Independent Director

Key Managerial Personnel:

Sl. No.	Name	Designation
1	Mr. Kandi Sreenivasulu	Chief Financial Officer
2	Mr. G. Chandrabhusan*	Manager
3	Mr. Rakhal Panigrahi	Company Secretary

**Mr. Dinesh Hiralal Bohra has been appointed as a Manager of the Company in place of Mr. G. Chandrabhusan with effect from April 30, 2025.*

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

Mr. Sudhakar Rao (DIN: 01976832) and Dr. Ravindra Kumar Tyagi (DIN: 01509031) were appointed as Additional Directors categorized as Independent Director for a period of five (5) years with effect from November 22, 2023. Their appointment as Independent Directors has been regularized in the 17th Annual General Meeting held on September 27, 2024.

Apart from above, there is no changes in the composition of Board of Directors and Key Managerial Personnel of the Company.

Re-appointments / Change in Designation

In the Board Meeting held on July 19, 2025, the Board of Directors has approved the re-appointment of Mr. PS Nair (DIN: 00063118) and Mr. Rajesh Kumar Arora (DIN: 03174536), retires by rotation at the ensuing AGM and, being eligible, seeks reappointment at the ensuing AGM.

Committees of the Board

In accordance with the Companies Act, 2013, currently, there are two Committees of the Board;

1. Audit Committee
2. Corporate Social Responsibility Committee

The 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.

Board Meetings:

The Board of Directors of the Company met 6 (six) times during financial year under review and the details of attendance of Directors at such meetings is given as under:

S. No.	Name of the Director	Dates of the Board Meetings					
		26-04-2024	23-05-2024	17-07-2024	05-09-2024	19-10-2024	20-01-2025
1	Mr. GBS Raju	LOA	LOA	LOA	LOA	LOA	Yes
2	Mr. Gopala Krishna Kishore Surey	Yes	LOA	Yes	LOA	Yes	Yes
3.	Mr. Puthalath Sukumaran Nair	Yes	Yes	Yes	Yes	Yes	Yes
4.	Mr. Rajesh Kumar Arora	LOA	Yes	Yes	Yes	Yes	Yes
5	Mr. Pradeep Panicker	Yes	Yes	Yes	Yes	Yes	Yes
6	Mrs. Bijal Tushar Ajinkya	Yes	Yes	Yes	Yes	Yes	Yes
7	Mr. Sudhakar Rao	Yes	Yes	Yes	Yes	Yes	Yes
8	Dr. Ravindra Kumar Tyagi	Yes	Yes	Yes	Yes	Yes	Yes

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

NUMBER OF COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2024-25:

Audit Committee Meetings

The Board of Directors of GMR Air Cargo And Aerospace Engineering Limited at their meeting held on November 22, 2023 constituted the Audit Committee with the following directors as per the provisions of the Companies Act, 2013.

Composition:

- 1) Mr. P S Nair, Chairman
- 2) Mr. Sudhakar Rao, Independent Director & Member
- 3) Mrs. Bijal Tushar Ajinkya, Independent Director & Member
- 4) Dr. Ravindra Kumar Tyagi, Independent Director & Member
- 5) Mr. Rajesh Kumar Arora, Non-Executive Director & Member

The details of Audit Committee Meetings held during the financial year 2024-25 are as under:

S. No.	Name of the Committee Member	Dates of the Audit Committee Meeting			
		26-04-2024	17-07-2024	19-10-2024	20-01-2025
1	Mr. P S Nair	Yes	Yes	Yes	Yes
2	Mr. Sudhakar Rao	Yes	Yes	Yes	Yes
3	Mr. Rajesh Kumar Arora	LOA	Yes	Yes	Yes
4	Mrs. Bijal Tushar Ajinkya	Yes	Yes	Yes	Yes
5	Dr. Ravindra Kumar Tyagi	Yes	Yes	Yes	Yes

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

Corporate Social Responsibility (CSR) Committee: -

The CSR Committee comprising with following composition:

- 1) Mr. Rajesh Arora, Director, Chairman
- 2) Mrs. Bijal Tushar Ajinkya Independent Director and Member
- 3) Mr. P S Nair, Director, Non-Executive and Member

One CSR Committee Meeting was held during the financial year 2024-25 and the details of attendance of the Members at such meeting, are as under:

S. No.	Name of the Committee Member	17-07-2024
1.	Mr. Rajesh Kumar Arora	Yes
2.	Mrs. Bijal Tushar Ajinkya	Yes
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 27, 2024.

SECRETARIAL STANDARDS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors confirm the following statements in terms of Section 134(5) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the Notes to the financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit of the Company for the year ended on that date;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;
- f. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2024-25.

STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS:

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

- 1. Mr. Sudhakar Rao
- 2. Dr. Ravindra Kumar Tyagi
- 3. Mrs. Bijal Tushar Ajinkya

The Directors have further confirmed that they are not debarred from holding the office of director under any SEBI order or under the order of any such authority.

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. Outcome of the board evaluation process was discussed at the Board Meeting held on September 5, 2024.

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 (Key Managerial Personnel) during the financial year:

Name of the Manager	Remuneration (Amount in Lakh)
Mr. G Chandrabushan	38.12

- 2) Sitting fees paid to the Independent Directors during the financial year 2024-25:

Sl. No.	Name of the Independent Directors	Sitting fees paid (Amount in Rs.)
1	Mr. Sudhakar Rao	4,00,000
2	Mrs. Bijal Tushar Ajinkya	4,20,000
3	Dr. Ravindra Kumar Tyagi	4,00,000
Total		12,20,000

Other than the aforesaid payment of the sitting fees during the Financial Year 2024-25, 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 2024-25, your Company has not extended any loans/guarantees/investments under Section 186 of the Companies Act, 2013, to any company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

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

All related party transactions (RPTs) are placed before the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which were of a repetitive nature. All the transactions with the related parties are audited by the Management Assurance Group (MAG, Internal Auditors) of the Company, before being placed before the Board for their review and approval. The MAG team confirms that whether the transactions are at arms-length basis. All RPTs are mentioned in the Note No. 33 to the Notes to the Financial Statements of the Company for the financial year 2024-25.

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, 2025, the particulars regarding foreign exchange earnings and outgo are as given below:

(Rs. In Crores)		
Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Foreign Exchange Earnings		
MRO Division	522.15	320.23
GMR Hyderabad Air Cargo Division	2.54	2.80
Total	524.69	323.03
Foreign outgo (expenditure)		
MRO Division	128.51	64.05
GMR Hyderabad Air Cargo Division	0.38	0.55
Total	128.89	64.60

RISK MANAGEMENT:

The Company has established an Enterprise Risk Management (ERM) framework to identify, assess, monitor and mitigate various risks that may affect the organization. As per the ERM framework, the risks are identified considering the internal and external environment. Such risks and their mitigation measures are reviewed by the Board at their meeting once in a year. The Board does not perceive any risk that threatens the existence of the company.

INTERNAL CONTROL SYSTEM:

Your Company's internal control systems are 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 (MAG) 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, which 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 no reportable material weakness was observed in the design or operating effectiveness of the controls except few areas where there is a need to further strengthen the controls.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND STATEMENT UNDER SECTION 129(3) OF THE COMPANIES ACT, 2013:

As on 31st March, 2025, your Company has one wholly owned subsidiary, viz., GMR Aero Technic Limited.

GATL is mainly into MRO Consultancy business. The operations of the subsidiary during the year under review resulted in a net loss of Rs. 2.68 Lakhs as compared to a net loss of Rs. 3.15 Lakhs in the previous year.

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

The Company has no associate and joint venture companies as on 31st March, 2025.

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, to hold office from the conclusion of 14th AGM i.e. September 22, 2021 till the conclusion of 19th AGM. M/s. K.S. Rao & Co., have given their consent for their re-appointment as Statutory Auditors of the Company.

There are no qualifications, reservations or adverse remarks in the audit report for the financial year ended 31st March, 2025.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board had reappointed M/s. KBG Associates, a firm of Company Secretaries in Practice (Firm Registration No. P2009AP006100 and Certificate of Practice No. 6262) represented by its Partner Mr. Srikrishna Chintalapati, to conduct the Audit of the secretarial records of the Company for the financial year 2024-25. The Secretarial Audit Report dated July 19, 2025 is appended to this Report as **Annexure - 2**.

The Secretarial Auditors' Report for FY 2024-25, does not contain any qualification, reservation or adverse remark or disclaimer.

COST AUDITORS:

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required to be done by the Company and accordingly such accounts and records are made and maintained. The Board of Directors have approved the re-appointment of M/s. Narasimha Murthy & Co, as Cost Auditors of the Company for the financial year ending 31st March, 2025, under section 148 of the Companies Act, 2013. The Board also recommends to the shareholders at the ensuing Annual General Meeting of the Company, ratification of remuneration of Rs. 2,50,000 (Rupees Two Lakh Fifty Thousand Only) payable to the Cost Auditor.

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

DETAILS OF RESPECT OF FRAUDS, IF ANY, REPORTED BY THE STATUTORY AUDITORS:

During the year under review, no offence involving fraud committed against the Company by any officers or employees of the Company was reported by the Statutory Auditors to the Board pursuant to Section 143(12) of the Companies Act, 2013 including rules made thereunder.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 (3), Section 134(3)(a) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014 the Annual return of the Company i.e. form MGT-7 for FY 2024-25 has been uploaded on the website of the Company at <https://www.gmraerotech.in/investors-relations.aspx>.

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 CSR Committee on June 04, 2020 in accordance with Section 135 of the Companies Act, 2013.

Details about the CSR Policy and CSR initiatives undertaken by your Company during the financial year are given in the CSR Report 2024-25, 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>

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

There are no applications filed for corporate insolvency resolution process, by any financial or operational creditor or by the company itself under the IBC before the NCLT during the financial year.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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

During the financial year, the Company has no complaints outstanding as on last year and has not received any complaint pertaining sexual harassment during the year.

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 also applies 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 Company's Ombudsperson – Mr. HJ Dora, Director on the Board of GMR Hyderabad International Airport Limited, Holding 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.

There were no complaints outstanding as on the last year or received during the year.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:

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

OTHER DISCLOSURES:

During the financial year under review:

There was no instance wherein the Company failed to implement any corporate action within the statutory time limit;

The Company has not issued shares with differential voting rights and sweat equity shares during the year under review;

STATEMENT WITH RESPECT TO THE COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961.

We affirm that during the financial year, your organization has complied with all applicable provisions of the Maternity Benefit Act, 1961, as amended from time to time.

In accordance with the Act, we have ensured that:

- All eligible women employees were granted maternity leave as per statutory requirements.
- Maternity benefits, including leave with full pay and job protection, were provided without discrimination.
- No woman employee was dismissed or discharged on account of maternity leave.
- Facilities such as nursing breaks and crèche (where applicable) were made available in compliance with the Act.
- Awareness regarding maternity rights and entitlements was promoted among employees.

We remain committed to upholding the rights and welfare of our women workforce and fostering a supportive and inclusive work environment.

INSURANCE:

The Company's properties including buildings etc. have been adequately insured against major risks.

ACKNOWLEDGEMENT:

The Directors take this opportunity to express their gratitude to customers, suppliers, vendors, investors and other business partners for their continuous support. The Directors also thank the Government of India, the State Government of Telangana, various Government Departments / Authorities / Agencies for their cooperation.

The Directors place on record their sincere appreciation for the contributions made by employees at all levels through their hard work, dedication, solidarity and support.

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

Place: Hyderabad
Date: 19.07.2025

PS Nair
Director
DIN: 00063118

Rajesh Kumar Arora
Director
DIN: 03174536

Annexure-1 to GACAEL Board's Report FY 2024-25**Form AOC-1**

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	GMR Aero Technic Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2025
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	(8,77,000)
6.	Total assets	68,30,000
7.	Total Liabilities	68,30,000
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(2,68,000)
11.	Provision for taxation	Nil
12.	Profit after taxation	(2,68,000)
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: April 30, 2025**

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

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

**Sd/-
Kandi Sreenivasulu
Chief Financial Officer**

**Sd/-
Rakhal Panigrahi
Company Secretary**

Annexure - 2

GMR Air Cargo and Aerospace Engineering Limited

Annual Report on CSR Activities for the Financial Year 2024-25

1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

The Company has adopted CSR Policy as recommended by the CSR Committee and approved by the Board, which covers mainly (i) preamble; (ii) guiding principles for selection and implementation of projects / programs under CSR policy; (iii) expenditure incurred for certain activities shall not be treated as CSR activity by the Company; (iv) surplus from CSR activities; (v) monitoring of CSR activities; (vi) annual action plan; and (vii) amendment.

2. Composition of CSR Committee:

Sl No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the financial year 2024-25	Number of meetings of CSR Committee attended by the Committee members during the financial year 2024-25
1	Mr. Rajesh Kumar Arora	Chairman of the CSR Committee (Non-Executive Director)	One (1)	One (1)
2	Mrs. Bijal Tushar Ajinkya	Member of the CSR Committee (Independent Director)	One (1)	One (1)
3	Mr. P S Nair	Member of the CSR Committee (Non-Executive Director)	One (1)	One (1)

3. Provide the web-link where the composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://www.gmraerotech.in/corporate-governance.aspx>

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: **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:

Sr. 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)
1	2021-22	-	-
2	2022-23	-	-
3	2023-24	-	-
	Total	-	-

6. Average net profit of the Company as per Section 135(5):

Financial Year	Net Profits (Amount in Rupees)
2021-22	4,03,96,868
2022-23	7,06,82,557
2023-24	55,54,62,152
Total Net Profit / (Loss) for 3 years	66,65,41,578
Average Net Profit / (Loss) per year	22,21,80,526

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 44,43,611/-**
(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. 44,43,611/-**

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
44,43,611/-	NIL	--	-	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(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 (Rs.)	Amount spent in the current financial Year (Rs.)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
		-- NIL --										

(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 Companies Act, 2013	Local area (Yes/ No)	Location of the project		Amount spent for the project (Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Regn. No.
1.	Community Health programs in RGIA surrounding villages and benefitted 2000 community members	Health, Hygiene and Sanitation	No	Hyderabad, Telngana		12,92,000.00	No	GMR Varalakshmi Foundation	CSR00000851
2.	Provided coaching for competitive exams and supported to run library for the benefit of unemployed youth. 150 unemployed youth benefited.	Education	Yes	Shamshabad, Telangana		9,00,000.00	No	GMR Varalakshmi Foundation	CSR00000851
3.	Partly support provided for running a vocational training centre in airport premises, provided short duration skill training programs for about 1000 unemployed youth.	Education	No	Shamshabad, Telangana		20,30,000.00	No	GMR Varalakshmi Foundation	CSR00000851
	Total					42,22,000.00			

(d) Amount spent in Administrative Overheads: **2,21,611.00**

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. **44,43,611.00**

(g) Excess amount for set off, if any:

S No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	Rs. 44,43,611.00
(ii)	Total amount spent for the Financial Year	Rs. 44,43,611.00
(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	NIL
(v)	Amount available for set-off from preceding financial years (in Rs)	-
(iv)	Amount available for set off in succeeding financial years [(iii)-(iv)+(v)]	-

9. (a) Details of unspent CSR amount for the preceding three financial years: **NIL**

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(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
		NIL						
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**
- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Sd/-
PS Nair
(Director).

Sd/-
Rajesh Arora
(Chairman CSR Committee).

Annexure - 3

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, 2025, 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, 2025 according to the provisions of:

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

Sl	Particulars
3.	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
4.	We have also examined compliance with the applicable clauses of the following: Secretarial Standards issued by the Institute of Company Secretaries of India.
1.	Under the Companies Act, 2013
A.	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 :
	a. Maintenance of various statutory registers and documents and making necessary entries therein;
	b. Forms, returns, documents and resolutions required to be filed with the Register of Companies and the Central Government;
	c. Service of documents by the company on its members and Registrar of Companies.
	d. Notices, Agenda and Minutes of proceedings of General Meetings and of the Board and its Committee meetings including Circular Resolution;
	e. The meetings of: i. Board of Directors held on 26th April, 2024; 23rd May, 2024; 17th July, 2024, 5th September, 2024; 19th October, 2024 and 20th January, 2025. ii. CSR Committee held on 17th July, 2024 iii. Audit Committee Meeting held on 26th April, 2024, 17th July, 2024, 19th October, 2024 and 20th January, 2025.

SI	Particulars
f.	The Annual General Meeting held on 27 th September, 2024 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; M/s. K S Rao and Co., Chartered Accountants, Bengaluru, were appointed as the Statutory Auditors of the company to hold office from the conclusion of 14 th Annual General Meeting till the conclusion of the 19 th AGM of the company to be held in the year 2026.
k.	There were no allotment, transfer, transmission of shares took place during the year and there are no occasions which required issue of duplicate share certificates.
l.	Declaration and distribution of dividends (the Company has not declared any dividend during the FY-2024-25);
m.	Transfer of Unpaid and Unclaimed dividend to the Investor Education and Protection Fund – Not Applicable
n.	Borrowings and registration, modification and satisfaction of charges wherever applicable;
o.	Investment of the Company's funds including investments and loans to Wholly Owned Subsidiary;
p.	Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
q.	Directors' Report;
r.	Contracts, common seal, registered office and publication of name of the Company.

Sl	Particulars
B.	Under the Companies Act, 2013, we further report that
i.	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 : Mr. GBS Raju and Mr. SGK Kishore, Directors were re-appointed as Directors in the Annual General Meeting of the Company held on 27th September, 2024.
ii.	Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
iii.	All decisions at Board Meetings and Committee Meetings are carried out on requisite majority and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
iv.	There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, Depositories Act, Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
v.	We further report that as permitted under Sec 181 & Sec 182 of the Act, the Board in its meeting held on 23 rd May, 2024 accorded its approval to contribute an amount of 2.13 cr to Electoral Companies.
vi.	We further report that as permitted under Sec 179 (3) of the Act, the Board in its meeting held on 23 rd h May, 2024 accorded its approval to borrow and avail the Working Capital Limits up to the tune of Rs. 160.00 cr.
2.	Under the Depositories Act, 1996, we report that
	The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
3.	Under FEMA, 1999, we report that
	As per the declarations issued by the Quarterly Compliance Certificate issued by CEO of the Company (and submitted to the Board of Directors at the Board Meetings held during the financial year 2024-2025 (for all 4 quarters), we are of opinion that the Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

Sl	Particulars
4.	Under the SEBI Act, we report that
a.	We have been given to understand that 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.
b.	The Company has complied with the provisions of the Securities and Exchange Board of India (Debenture Trustee) (Amendment) Regulations 2017.
5.	Under other Applicable laws, we report that
	Based on the Quarterly Compliance Certificate issued by CEO of the Company (and submitted to the Board of Directors at the Board Meetings held during the financial year 2024-2025 (for all 4 quarters), we are of opinion there has been due compliance of all the Laws to the extent applicable.
6.	We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **KBG Associates**
Company Secretaries
FRN: P2009AP006100
PRC: P2009AP6100/1103/2021

Sd/-
(Srikrishna Chintalapati)
Partner
CP # 6262

Place: Hyderabad
Date : 9th July, 2025

Note: This report is to be read with our letter of even date which is annexed as “ANNEXURE-A” and Forms an integral part of this report.

‘ANNEXURE-A’

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

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

Sl	Particulars
1.	Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2.	We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3.	We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4.	Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5.	The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6.	The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
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
FRN: P2009AP006100
PRC: P2009AP6100/1103/2021

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

Place: Hyderabad
Date : 9th July, 2025

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, 2025, 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 material 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, 2025 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, 2025, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
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, 2025, Revenue from such services amounts to Rs. 53,104.74 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.	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.

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. 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. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration except sitting fees to its directors during the year.

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 extent 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, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

- c) The Standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone 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, 2025 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2025 from being appointed as directors in terms of section 164(2) of the Act.
- f) With reference to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in point 17(b) above on reporting under section 143(3)(b) of the Companies Act, 2013 and point 17(h)(vi) below on reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 (as amended);
- g) 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.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer Note 36 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, 2025.
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, 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, 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, 2025.
- vi. Based on our Examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled at the data base level for the Ramco, Kale Galaxy and SUN Infor to log any direct data changes, used for maintenance of all accounting records by the company. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such features is enabled, and logs maintained.

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

Sd/-
Hitesh Kumar P
Partner
Membership No. 233734
UDIN No: 25233734BMOHNG6539

Place: Hyderabad
Date: April 30, 2025

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, 2025, 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 regular program of physical verification of its PPE and ROU Assets for every three years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program, physical verification has been conducted during the year by engaging an outside expert, and no material discrepancies were noted on such verification.
 - (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, 2025 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) As per the information and explanations provided to us, the company has not provided any guarantees, loans or advances in the nature of loans and the terms and conditions of all the investments made by the company are not prejudicial to the company's interest.
- (c) According to the information and explanations provided to us, the Company has not granted any loans and advances in the nature of loans during the year and accordingly reporting under this clause is not applicable.
- (d) According to the information and explanations provided to us, the Company has not granted any loans and advances in the nature of loans during the year and accordingly reporting under this clause is not applicable.
- (e) According to the information and explanations provided to us, the Company has not granted any loans and advances in the nature of loans during the year and accordingly reporting under this clause is not applicable.
- (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, 2025 for a period of more than six months from date they become payable.

(b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute except for the below:

Name of the Statute	Nature of Dues	Amount Involved (In lakhs)	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)	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
Income Tax Act, 1961	Income Tax (Including Interest)	1,713.18	AY 2009-10 to AY 2014-15	High Court
Finance Act, 1994	Service tax	102.92	NA	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
Finance Act, 1994	Goods and Service tax	7.46	FY 2020-21	Director General of GST Intelligence, Hyderabad Zonal Unit

**Refer note 36 in financial statements with regards to contingent liabilities.*

(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 provided to us, the Company has not defaulted in repayment of dues to the financial institution, banks or any lender.
- (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 (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 financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the period.

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

- (c) According to the information and explanations provided to us, the Company has not received any whistle blower complaints during the year (and up to the date of this report).

(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` CICs 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 towards Corporate Social Responsibility 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.: 25233734BMOHNG6539

Place: Hyderabad
Date: April 30, 2025

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, 2025 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to 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 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements.

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements.

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, 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 ICAI.

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

Sd/-
Hitesh Kumar P
Partner
Membership No: 233734
UDIN No.: 25233734BMOHNG6539

Place: Hyderabad
Date: April 30, 2025

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3	19,806.52	19,433.73
Capital Work in Progress	3A	24.44	630.76
Right-of-use assets	4	2,746.42	3,002.10
Other intangible assets	5	9,205.94	9,012.62
Intangible assets under development	6	640.39	193.55
Financial assets			
i) Investments	7(a)	1,382.66	883.88
ii) Other financial Assets	7(b)	273.44	211.85
Non-current tax assets (Net)	8	2,461.91	3,421.07
Other non-current assets	9	132.98	471.20
		36,674.70	37,260.76
Current assets			
Inventories	10	8,023.68	6,040.78
Financial assets			
i) Investments	7(a)	15,816.27	8,429.63
ii) Trade receivables	11	10,947.59	7,911.71
iii) Cash and cash equivalents	12(a)	3,657.49	892.97
iv) Bank balances other than (iii) above	12(b)	315.76	314.27
v) Other financial assets	7(b)	4,191.96	1,808.49
Other current assets	9	1,108.67	1,286.08
		44,061.42	26,683.93
Total assets		80,736.12	63,944.69
Equity and liabilities			
Equity			
Equity share capital	13	45,584.89	45,584.89
Other equity	14	(17,932.12)	(36,970.84)
Total Equity		27,652.77	8,614.05
Non-current liabilities			
Financial Liabilities			
Long term Borrowings	15	21,088.22	23,771.87
Lease Liabilities	16	3,650.89	3,754.17
Other financial liabilities	17	5,058.51	4,335.88
Provisions	19	2,115.76	2,173.13
Other Non Current liabilities	18	30.07	-
		31,943.45	34,035.05
Current liabilities			
Financial Liabilities			
Short-term Borrowings	15	2,700.00	4,789.20
Lease Liabilities	16	458.57	490.84
Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises; and		50.44	30.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		8,413.26	7,916.87
Other financial liabilities	17	1,495.84	2,081.64
Other liabilities	18	6,009.77	3,909.45
Provisions	19	2,012.02	2,077.19
		21,139.90	21,295.59
Total equity and liabilities		80,736.12	63,944.69

Corporate information and Material accounting policies

1 & 2

The accompanying notes are an integral part of the Standalone Audited 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

P.S. Nair

Director

DIN: 00063118

Place : Bengaluru

Date: April 30, 2025

Rajesh Kumar Arora

Director

DIN : 03174536

Place : New Delhi

Date: April 30, 2025

Kandi Sreenivasulu

Chief Financial Officer

Place : Hyderabad

Date: April 30, 2025

Rakhal Panigrahi

Company Secretary

M.No. ACS 39622

Place : Hyderabad

Date: April 30, 2025

	Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
I. Revenue				
	Revenue from operations	21	75,299.28	46,670.34
	Other income	22	2,434.59	1,704.99
	Total Income		77,733.87	48,375.33
II. Expenses				
	Operations and maintenance expenses		814.64	227.15
	Cost of stores and spares consumed	23	12,276.65	6,400.18
	Employee benefits expense	24	17,477.98	13,097.08
	Other expenses	25	19,770.22	15,764.77
	Total Expenses		50,339.49	35,489.18
III. Earnings before Interest , Tax, Depreciation and Amortization (EBITDA) (I-II)			27,394.38	12,886.15
	Finance costs	26	3,337.83	3,601.32
	Depreciation and amortization expenses	27	3,592.40	2,956.47
IV. Profit/(Loss) before Tax			20,464.15	6,328.36
V. Tax expenses				
	Current tax	29	1,314.06	-
	Deferred tax		-	-
			1,314.06	-
VI. Profit for the period (IV-V)			19,150.09	6,328.36
VII. Other comprehensive income				
	<i>Items that will not be reclassified to Profit and Loss</i>			
	Re-measurement Gain/(losses) on defined benefit plan	28	(111.37)	(123.07)
	Deferred tax impact on Re-measurement gains/(losses) on defined benefit plan		-	-
	Total other comprehensive Income		(111.37)	(123.07)
VIII. Total comprehensive income for the period (VI + VII)			19,038.72	6,205.29
	Basic and Diluted EPS (Rs. Per share)	30	4.20	1.39
Corporate information and Material accounting policies		1 & 2		

The accompanying notes are an integral part of the Standalone Audited 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

P.S. Nair

Director

DIN: 00063118

Rajesh Kumar Arora

Director

DIN : 03174536

Place : Bengaluru

Date: April 30, 2025

Place : New Delhi

Date: April 30, 2025

Kandi Sreenivasulu
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS 39622

Place : Hyderabad

Date: April 30, 2025

Place : Hyderabad

Date: April 30, 2025

Place : Hyderabad

Date: April 30, 2025

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/(Loss) before Tax	20,464.15	6,328.36
Cash flow from operating activities		
Adjustments for		
Depreciation and amortization expense	3,592.40	2,956.47
Liabilities no longer required, written back	(87.91)	(243.11)
Unrealized foreign exchange gain	(174.31)	(25.21)
Interest income	(86.29)	(19.82)
Dividend Income	(52.19)	-
Inventory write off	828.98	215.97
Provision for Inventory Writeoff	15.27	206.94
Income from mutual funds	(208.14)	(207.09)
Provision for doubtful debts	233.34	41.38
Fair value gain on financial instruments at FVTPL	(1,073.90)	(736.10)
Notional Interest on Security Deposit	(16.49)	-
Gain on sale of Property, plant and equipment (net)	-	(66.13)
Provision for Replacement Obligation under SCA	483.10	-
Property, plant and equipment (net) write off	104.96	78.05
Loss on sale of Fixed assets	2.22	-
Other notional revenue (Reversal of lease)	(0.91)	1.24
Finance costs	3,337.83	3,601.32
Operating Profit before working capital changes	27,362.12	12,132.27
<i>Changes in working capital</i>		
(Decrease) / Increase in trade payables	777.03	424.28
(Decrease) / Increase in other financial liabilities and other liabilities	1,490.07	2,284.28
(Decrease) / Increase in provisions	10.22	691.16
(Increase) / Decrease in trade receivables	(3,269.22)	(3,176.93)
(Increase) / Decrease in inventories	(2,827.15)	(587.16)
(Increase) / Decrease in other financial assets and other assets	(1,945.19)	1,240.46
Cash flow from operations	21,597.88	13,008.36
Direct taxes paid (net)	(354.89)	382.75
Net cash flow from operating activities (A)	21,242.99	13,391.11
Cash flows from investing activities		
Investment in Loan	-	(400.00)
Purchase of Property, plant and equipment including CWIP and capital advances	(4,310.34)	(4,838.16)
Investment in Commercial Paper	(2,444.54)	-
Maturity of Commercial Paper	2,444.54	-
Purchase of Current Investments	(10,699.59)	(5,149.81)
Proceeds from Sale of Property, Plant and Equipment	-	84.97
Redemption of Current Investments	4,096.10	2,700.00
Interest received	63.90	26.87
Dividend Received	52.19	-
Investments in bank deposits (having original maturity of more than three months)	(1.49)	194.94
Redemption/maturity of bank deposits (having original maturity of more than three months)	-	(306.09)
Net cash flow from investing activities (B)	(10,799.23)	(7,687.27)
Cash flows from financing activities		
Proceeds from Borrowings	-	(155.07)
Repayment of short Term Borrowings	(2,089.20)	-
Proceeds from loan taken from NIIF IFL Loan	-	-
Repayment of Long Term Borrowings	(2,700.00)	(2,139.40)
Payment of Lease liability and leasehold rights	(673.00)	(974.37)
Proceeds / (Payments) of short term borrowings	-	-
Interest paid	(2,217.04)	(2,554.60)
Net cash flow from financing activities (C)	(7,679.24)	(5,823.44)

Net Increase/(decrease) in cash and cash equivalents (A + B + C)	2,764.52	(119.60)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	15.68

Cash and cash equivalents at the beginning of the period	892.97	996.89
Cash and cash equivalents at the end of the period	3,657.49	892.97

Components of cash and cash equivalents

Cash in hand	1.99	6.04
With banks - on current accounts	390.91	160.15
With banks - on escrow accounts	1.39	1.39
Exchange earners foreign currency account	3,263.20	725.39
Deposits with maturity for less than 3 months		
Total cash and cash equivalents	3,657.49	892.97

Reconciliation of liabilities from financing activities for the year ended March 31, 2025:

Particulars	As at March 31, 2024	Proceeds	Repayment	Fair value change/other adjustments##	As at March 31, 2025
Borrowings	28,561.07	-	(4,789.20)	16.35	23,788.22
Lease liabilities	4,245.01	121.62	(673.00)	415.83	4,109.46
Total	32,806.08	121.62	(5,462.20)	432.18	27,897.68

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

Reconciliation of liabilities from financing activities for the year ended March 31, 2024:

Particulars	As at March 31, 2023	Proceeds	Repayment	Fair value change/other adjustments	As at March 31, 2024
Borrowings	30,838.57	(155.07)	(2,139.40)	16.97	28,561.07
Lease liabilities	3,642.75	751.22	(542.70)	393.74	4,245.01
Total	34,481.32	596.15	(2,682.10)	410.71	32,806.08

Corporate information and Material accounting policies

1 & 2

The accompanying notes are an integral part of the Standalone Audited 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

P.S. Nair

Director

DIN: 00063118

Rajesh Kumar Arora

Director

DIN : 03174536

Place : Bengaluru

Date: April 30, 2025

Place : New Delhi

Date: April 30, 2025

Kandi Sreenivasulu

Chief Financial Officer

Rakhil Panigrahi

Company Secretary

M.No. ACS 39622

Place : Hyderabad

Date: April 30, 2025

Place : Hyderabad

Date: April 30, 2025

Place : Hyderabad

Date: April 30, 2025

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Standalone Statement of Changes in Equity for the year ended March 31, 2025
(All amounts in Indian Rupees lakhs, except as otherwise stated)

A. Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

As at April 01, 2023

Issue of shares during the year

As at March 31, 2024

Issue of shares during the year

As at March 31, 2025

No. of shares	Rs. in lakhs
45,58,48,935	45,584.89
-	-
45,58,48,935	45,584.89
-	-
45,58,48,935	45,584.89

Total Share Capital as at March 31, 2024

Total Share Capital as at March 31, 2025

45,584.89
45,584.89

B. Other Equity

(i) Equity component of related party loan

Opening Balance

Less: Adjustments during the year

Closing Balance

As at March 31, 2025	As at March 31, 2024
51.17	51.17
-	-
51.17	51.17

(ii) Retained earnings

Opening Balance

Add: Profit/(Loss) for the year

Remeasurement (losses) on the defined benefit plans

Closing Balance

(37,731.05)	(43,936.34)
19,150.09	6,328.36
(111.37)	(123.07)
(18,692.33)	(37,731.05)

(iii) Amalgamation Adjustment Deficit Account

Opening balance

Less: Adjustment during the year

Closing balance

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

(iv) Security Premium

Opening Balance

Issued during the year

Closing Balance

1,798.20	1,798.20
-	-
1,798.20	1,798.20

Total Other Equity

(17,932.12)	(36,970.84)
-------------	-------------

The accompanying notes are an integral part of the Standalone Audited 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

P.S. Nair

Director

DIN: 00063118

Rajesh Kumar Arora

Director

DIN : 03174536

Place : Bengaluru

Date: April 30, 2025

Place : New Delhi

Date: April 30, 2025

Kandi Sreenivasulu

Chief Financial Officer

Rakhal Panigrahi

Company Secretary

M.No. ACS 39622

Place : Hyderabad

Date: April 30, 2025

Place : Hyderabad

Date: April 30, 2025

Place : Hyderabad

Date: April 30, 2025

A. Share Capital

	No. of shares	Rs. in lakhs
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 01, 2023	45,58,48,935	45,584.89
Issue of shares during the year	-	-
As at March 31, 2024	45,58,48,935	45,584.89
Issue of shares during the year	-	-
As at March 31, 2025	45,58,48,935	45,584.89
Total Share Capital as at March 31, 2024		45,584.89
Total Share Capital as at March 31, 2025		45,584.89

B. Other Equity

	As at March 31, 2025	As at March 31, 2024
(i) Equity component of related party loan		
Opening Balance	51.17	51.17
Less: Adjustments during the year	-	-
Closing Balance	51.17	51.17
(ii) Retained earnings		
Opening Balance	(37,731.05)	(43,936.34)
Add: Profit/ (Loss) for the year	19,150.09	6,328.36
Remeasurement (losses) on the defined benefit plans	(111.37)	(123.07)
Closing Balance	(18,692.33)	(37,731.05)
(iii) Amalgamation Adjustment Deficit Account		
Opening balance	(1,089.16)	(1,089.16)
Less: Adjustment during the year	-	-
Closing balance	(1,089.16)	(1,089.16)
(iv) Security Premium		
Opening Balance	1,798.20	1,798.20
Issued during the year	-	-
Closing Balance	1,798.20	1,798.20
Total Other Equity	(17,932.12)	(36,970.84)

The accompanying notes are an integral part of the Standalone Audited 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

P.S. Nair
Director
DIN: 00063118

Rajesh Kumar Arora
Director
DIN : 03174536

Place : Bengaluru
Date: April 30, 2025

Place : New Delhi
Date: April 30, 2025

Kandi Sreenivasulu
Chief Financial Officer

Rakhal Panigrahi
Company Secretary

Place : Hyderabad
Date: April 30, 2025

Place : Hyderabad
Date: April 30, 2025

Place : Hyderabad
Date: April 30, 2025

1. Corporate information

GMR Air Cargo and 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.

The Standalone financial statements for the year ended March 31, 2025 are approved by the Company's Board of Directors in their Meeting held on April 30, 2025.

2. Material Accounting Policies

2.1 Basis of preparation and presentation:

The Standalone financial statements are comprise of standalone Balance Sheet as at March 31, 2025; standalone statement of Profit and Loss (including Other Comprehensive Income), standalone statement of changes in Equity, standalone Cash flow statement for the year ended and a summary of Material accounting policies for the year ended and other explanatory information (Collectively referred to as "standalone 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. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(a) Statement of Compliance:

The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), notified under the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of 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 Standalone 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 Material Accounting Policies

a) Use of estimates

The preparation of Standalone 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 Standalone 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 it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- 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:

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

The Company classifies all other liabilities 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 Standalone 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 recognized 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 Standalone 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 Standalone 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 recognized 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 recognize 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 recognized based on percentage of completion method (POC method). Unearned revenue is recognized when there are billings in excess of revenues.

Cargo Business Services:

Revenue is recognized 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 recognize 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 recognized.

Income from services:

In case of cargo handling revenue, revenue from outbound cargo is recognised at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognised 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. Demurrage on delayed receipts from customers is recognised on delivery of cargo.

The Company collects Goods and Services Tax 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 expenditure is 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 amortized 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 amortized 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 into 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 recognized 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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.

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 recognized 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 asset is derecognized 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	5 - 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 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. 30 years. For certain categories of buildings, accelerated depreciation has been provided over the life of 10-30 years.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

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 recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets.

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

i) Intangible assets

Service concession arrangements:

The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix D to Ind AS 115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the Company has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

GMR Hyderabad International Airport Limited (GHIAL) had entered into a Concession Agreement with Government of India, which gives GHIAL an exclusive right to design, finance, build, operate and maintain a world class, state of the art international airport at Shamshabad, Hyderabad, Telangana, India. The concession arrangement is a service concession arrangement under appendix D to Ind AS 115. Through the concession agreement, GHIAL has granted further concession to the Company along with sub-leasing of the part of cargo infrastructure facility to the Company and since the Company has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

The intangible asset is amortized 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 derecognized 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Leases

Effective April 01, 2019, the Company has adopted Ind AS 116 “Leases”. In respect of the transition to Ind AS 116 (please refer Note 34).

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

Where the Company is lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right- of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the 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 groups 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 in to 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 recognized in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized 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 recognized 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 recognized. 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 recognized for the asset in prior periods/ years. Such reversal is recognized in the statement of profit or loss.

n) Provisions, contingent liabilities and commitments

Provisions are recognized 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 recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Standalone 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 recognized 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 Standalone 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 Standalone statement of profit and loss of the period 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 recognized in other comprehensive income in the period in which they occur and is not reclassified to profit or loss. Past service cost is recognized 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 categorized 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 recognized 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 instruments.

Financial assets

Initial recognition and measurement:

All financial assets are recognized 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 recognized 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 amortized 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 amortized cost:

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized 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 recognized 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 recognised by an acquirer in a business combination to which Ind AS 103 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 recognised in the statement of profit and loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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 recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes 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 amortized 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 recognizing 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 Standalone statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Standalone statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized 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 recognized 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 recognized 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/losses 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 recognized 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 derecognized as well as through the EIR amortization 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 amortization is included as finance costs in the Standalone 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 amortization.

Derecognition

A financial liability is derecognized 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 Standalone 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 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.

GMR Air Cargo And Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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

3 Property, Plant & Equipment

	Books and periodicals	Buildings on leasehold land (#)	Plant and equipment	Office equipment	Computer equipment and IT systems	Furniture and fixtures	Vehicles	Total
Deemed cost								
As at April 01, 2023	-	12,047.05	12,364.01	442.83	585.88	398.31	68.18	25,906.24
Additions	13.27	2,263.59	4,666.18	86.24	232.39	168.83	10.19	7,440.68
Disposals	-	-	(219.83)	(14.80)	(6.86)	(2.25)	(4.08)	(247.82)
As at March 31, 2024	13.27	14,310.64	16,810.36	514.28	811.40	564.89	74.29	33,099.10
Additions	-	311.36	1,717.44	107.67	435.69	28.64	142.36	2,743.16
Disposals	-	-	(186.85)	(9.62)	(45.99)	(19.87)	-	(262.33)
As at March 31, 2025	13.27	14,622.00	18,340.95	612.33	1,201.10	573.66	216.65	35,579.93
Accumulated Depreciation								
As at April 01, 2023	-	5,142.96	5,827.82	336.43	338.96	269.27	28.97	11,944.44
Charge for the year	8.64	546.01	1,095.10	54.70	124.59	34.31	8.10	1,871.44
Disposals	-	-	(124.64)	(10.94)	(3.96)	(6.17)	(1.28)	(146.99)
Other Adjustments	-	5.95	(4.36)	-	(3.92)	(3.39)	2.20	(3.52)
As at March 31, 2024	8.64	5,694.92	6,793.92	380.19	455.66	294.02	37.98	13,665.37
Charge for the year	1.57	617.41	1,347.89	70.09	210.60	44.58	14.09	2,306.23
Disposals	-	-	(124.71)	(9.55)	(44.95)	(18.99)	-	(198.19)
Other Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2025	10.21	6,312.33	8,017.10	440.74	621.31	319.61	52.07	15,773.41
Net Block								
As at March 31, 2024	4.63	8,615.72	10,016.44	134.09	355.74	270.87	36.31	19,433.73
As at March 31, 2025	3.06	8,309.67	10,323.85	171.59	579.79	254.05	164.58	19,806.52

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.

The leasehold rights for the land and any immovable properties are vested in the Company as the Lessee

The Company has not revalued Property, Plant and Equipment during the year.

The Company does not have any benami property and no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

3A Capital Work in Progress (Refer Note 46)

	As at March 31, 2025	As at March 31, 2024
Capital expenditure incurred on Property Plant and Equipment	24.44	630.76
	24.44	630.76

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Notes to the Standalone Financial Statements for the year ended March 31, 2025
(All amounts in Indian Rupees lakhs, except as otherwise stated)

4 Right of use Assets

As at April 01, 2023
Additions
Adjustments
As at March 31, 2024
Additions
Adjustments
As at March 31, 2025

Accumulated Depreciation

As at April 01, 2023
Charge for the year
Adjustments
As at March 31, 2024
Charge for the year
Adjustments
As at March 31, 2025

Net Block

As at March 31, 2024
As at March 31, 2025

Right-of-use assets		Total
Land	Buildings	
3,497.49	-	3,497.49
770.73	-	770.73
-	-	-
4,268.22	-	4,268.22
121.62	-	121.62
-	-	-
4,389.84	-	4,389.84
972.46	-	972.46
293.66	-	293.66
-	-	-
1,266.12	-	1,266.12
377.30	-	377.30
-	-	-
1,643.42	-	1,643.42
3,002.10	-	3,002.10
2,746.42	-	2,746.42

5 Other Intangible Assets

Deemed cost

As at April 01, 2023
Additions
Disposals
As at March 31, 2024
Additions
Disposals
As at March 31, 2025

Accumulated Amortization

As at April 01, 2023
Charge for the year
Disposals
As at March 31, 2024
Charge for the year
Disposals
As at March 31, 2025

Net Block

As at March 31, 2024
As at March 31, 2025

Right to Operate - Cargo facility	Computer Software	Technical Know-how	Total
12,448.28	468.08	898.29	13,814.65
227.15	280.15	-	507.30
(7.14)	-	-	(7.14)
12,668.29	748.23	898.29	14,314.81
1,060.58	95.74	-	1,156.33
(185.09)	(59.46)	-	(244.55)
13,543.78	784.51	898.29	15,226.59
3,225.44	391.88	898.29	4,515.61
746.13	45.24	-	791.37
(4.79)	-	-	(4.79)
3,966.78	437.12	898.29	5,302.19
826.62	82.25	-	908.87
(130.95)	(59.46)	-	(190.41)
4,662.45	459.91	898.29	6,020.65
8,701.51	311.11	-	9,012.62
8,881.33	324.60	-	9,205.94

6 Intangible Assets under development (Refer Note 47)

Capital expenditure incurred on other Intangible assets

As at March 31, 2025	As at March 31, 2024
640.39	193.55
640.39	193.55

GMR Air Cargo And Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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

7(a) Investments

Investment in equity instruments (fully paid-up)

Unquoted investment in subsidiaries (at Cost)

100,000 (March 31, 2024: 100,000) Equity shares of Rs. 10 each fully paid up in GMR Aero Technic Limited

Investment in mutual funds (Quoted) (held at fair value through profit and loss)

38,496 units (March 31, 2024: 30,060) of face value of Rs.1000 each HDFC Liquid Fund - Regular plan - Growth

72,870 units (March 31, 2024: 79,910 units) of Rs.1000 each of Aditya Birla Sun Life Liquid Fund - Growth Regular Plan

86,931 units (March 31, 2024: 86,931 units) of face value of Rs.1000 each ICICI Prudential Overnight Fund Direct Plan Growth(#)

48,975 units (March 31, 2024: 76,796) of face value of Rs.1000 each Axis Overnight Fund Direct Growth

66,191 units (March 31, 2024: 76,937 units) of face value of Rs.10 each Sundaram Overnight Fund Direct Plan Growth

79,319 units (March 31, 2024: 79,319 units) of face value of Rs.1000 each Kotak Overnight Fund Direct Plan Growth

94,561 units (March 31, 2024: 68,089) of face value of Rs.1000 each Tata Overnight Fund Direct Plan Growth

10,393 units (March 31, 2024: 1,265 units) of face value of Rs.1000 each UTI Overnight Fund-Direct Growth Plan

54,289 units (March 31, 2024: 70,665) of face value of Rs.1000 each HSBC Overnight Fund Direct Growth

88,797 units (March 31, 2024: 8,427) of face value of Rs.1000 each HSBC Liquid Fund Direct Growth

1,33,751 units (March 31, 2024: 19,652) of face value of Rs.1000 each Bandhan Mutual Fund Direct Growth

Investment in others (Unquoted) (held at fair value through profit and loss)

4,00,000 units (March 31, 2024: 4,00,000) of face value of Rs.100 each Innovex capital fund

Total

Note :

Aggregate value of Un Quoted investments

Aggregate value of Quoted investments

	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	10.00	10.00	-	-
	-	-	1,457.81	1,068.08
	-	-	305.13	1,034.88
	-	-	1,196.11	1,121.87
	-	-	1,412.24	972.67
	-	-	1,517.10	978.83
	-	-	1,080.44	1,013.11
	-	-	1,274.20	859.79
	-	-	363.25	41.44
	-	-	725.39	885.25
	-	-	2,294.82	202.76
	-	-	4,189.78	250.95
	1,372.66	873.88	-	-
Total	1,382.66	883.88	15,816.27	8,429.63
	1,382.66	883.88	-	-
	-	-	15,816.27	8,429.63

The company had pledged mutual funds amounting to ₹976.82 lakhs (86,931 units) as lien against the loan obtained from NIIF Infrastructure Limited.

7(b) Other Financial Assets

Security deposits

Unsecured,considered good, to related parties

Unsecured,considered good, to others

Interest accrued on fixed deposits

Total (A)

Others

Unbilled revenue

Other receivables

Total (B)

Total (A+B)

	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	97.86	84.36	5.04	-
	175.58	127.48	-	-
	-	-	40.49	18.11
Total (A)	273.44	211.85	45.53	18.11
	-	-	4,084.52	1,757.62
	-	-	61.91	32.77
Total (B)	-	-	4,146.43	1,790.38
Total (A+B)	273.44	211.85	4,191.96	1,808.49

8 Tax Assets (Net)

Advance tax/ TDS receivables (net) *

*The above balances are subject to reconciliation.

Non Current		Current	
As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
2,461.91	3,421.07	-	-
2,461.91	3,421.07	-	-

9 Other Assets

Unsecured, considered good

Capital advances

Advances recoverable in cash or kind

Total (A)

Non Current		Current	
As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
11.24	65.88	-	-
-	272.55	243.51	404.28
11.24	338.43	243.51	404.28

Prepaid expenses

Balances with statutory/ government authorities

Total (B)

9.26	20.28	558.68	372.21
112.48	112.47	303.74	509.59
121.74	132.75	862.42	881.81

Others

Other Receivable

Total (C)

-	-	2.74	-
-	-	2.74	-

Total (A+B+C)

132.98	471.20	1,108.67	1,286.08
---------------	---------------	-----------------	-----------------

10 Inventories

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

*Includes material in transit of Nil (March 31, 2024 Rs. 7.00 lakhs)

As at March 31, 2025	As at March 31, 2024
8,023.68	6,040.78
8,023.68	6,040.78

11 Trade Receivables (Refer Note 48)

Unsecured, considered good

- Considered good- Secured

- Considered good-Un Secured

- Credit impaired

Less: Provisions for Expected Credit Loss - credit impaired

Total

* Includes trade receivables from related parties (Refer Note 33)

As at March 31, 2025	As at March 31, 2024
-	-
10,947.59	7,911.71
242.26	64.31
(242.26)	(64.31)
10,947.59	7,911.71

12(a) Cash and cash equivalents

Cash on hand

Cheques on hand

Balance with banks

- on current accounts

- exchange earner's foreign currency account

- on escrow accounts

- Balances in cash credit account

Total

As at March 31, 2025	As at March 31, 2024
1.99	6.04
-	-
390.91	160.15
2,862.75	725.39
1.39	1.39
400.45	-
3,657.49	892.97

12(b) Other Bank balances

-Margin money Deposits with original maturity of more than 3 months and less than 12 months

- Fixed deposits with original maturity of more than 3 months and less than 12 months

As at March 31, 2025	As at March 31, 2024
314.59	313.16
1.17	1.11
315.76	314.27

13 Equity Share Capital

Authorised share capital:

As at April 01, 2023

68,15,00,000 equity shares of Rs. 10/- each

18,450 Complusory Convertible Cumulative preference share Series A of 10,000 /- each

50,000 Complusory Convertible Cumulative preference share Series B of 10 /- each

As at March 31, 2024

Increase during the Year

As at March 31, 2025

In numbers	Amount
68,15,00,000	68,150.00
18,450	1,845.00
50,000	5.00
68,15,68,450	70,000.00
-	-
68,15,68,450	70,000.00

Issued, subscribed and fully paid share capital

45,58,48,935 (March 31, 2024: 45,58,48,935) fully paid equity shares of Rs. 10 each

As at March 31, 2025	As at March 31, 2024
45,584.89	45,584.89
45,584.89	45,584.89

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

Equity Shares

As at April 01, 2023

Issue of the shares during the year

As at March 31, 2024

Issue of the shares during the year

As at March 31, 2025

In numbers	Amount
45,58,48,935	45,584.89
-	-
45,58,48,935	45,584.89
-	-
45,58,48,935	45,584.89

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. 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, 2025		As at March 31, 2024	
	No of shares held	Amount	No of shares held	Amount
45,58,48,935 fully paid equity shares of Rs. 10 each				
GMR Hyderabad International Airport Limited and its nominees	45,58,48,935	45,584.89	45,58,48,935	45,584.89

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	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%	45,58,48,935	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.

e. The Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date.

f. There are no shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment.

14 Other equity**(i) Equity component of related party loan**

Opening Balance

Less: Adjustment during the year

Closing Balance

As at March 31, 2025	As at March 31, 2024
51.17	51.17
-	-
51.17	51.17

(ii) Retained earnings

Opening Balance

Add: Profit/ (Loss) for the year

Remeasurement (losses) on the defined benefit plans

Closing Balance

(37,731.05)	(43,936.34)
19,150.09	6,328.36
(111.37)	(123.07)
(18,692.33)	(37,731.05)

(iii) Amalgamation Adjustment Deficit Account

Opening balance

Add: Adjustment during the year

Closing balance

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

(iv) Security Premium

Opening Balance

Issued during the year

Closing Balance

1,798.20	1,798.20
-	-
1,798.20	1,798.20

Total

(17,932.12)	(36,970.84)
--------------------	--------------------

15 Borrowings

Loan from NIIF IFL - Term Loan

Overdraft facility from bank

Non current		Current	
As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
21,088.22	23,771.87	2,700.00	2,700.00
-	-	-	2,089.20
21,088.22	23,771.87	2,700.00	4,789.20

The NIIF IFL Loan is secured by

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

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

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

(c) Land lease agreement with GHASL for the area admeasuring 46,483 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 16,000 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.

Drawals for upto 3 Months tenure : I-MCLR - 3M + spread 0.35%

Drawals for greater than 3 months and upto 6 months tenure : I-MCLR- 6M + spread 0.35%

Drawals for greater than 6 months tenure : I-MCLR- 1Y + spread 0.35%

16 Lease Liabilities

Lease liabilities (Refer Note 34)

Non-Current		Current	
As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
3,650.89	3,754.17	458.57	490.84
3,650.89	3,754.17	458.57	490.84

17 Other financial liabilities

Capital Creditors

Deposit from customers

Retention money

Interest Accrued but not due on borrowings

Security deposit received

Payable for lease hold land rights

Non-Current		Current	
As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
-	-	913.94	1,258.57
-	-	10.51	10.51
-	-	160.70	170.43
-	-	5.41	15.56
118.20	-	330.12	243.68
4,940.31	4,335.88	75.16	382.89
5,058.51	4,335.88	1,495.84	2,081.64

18 Other liabilities

Advances from customers
Payable to Employees
Deferred Income
Others
Statutory Liabilities
Unearned revenue

Non- Current		Current	
As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
-	-	748.78	445.95
-	-	669.90	395.05
30.07	-	12.92	
-	-	961.72	852.98
-	-	3,616.45	2,215.47
30.07	-	6,009.77	3,909.45

19 Provisions

Provision for employee benefits
Provision for gratuity
Leave Encashment
Provision for Bonus
Other provisions
Provision for replacement obligations
Total

Non-Current		Current	
As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
355.61	411.15	-	-
-	-	889.59	619.36
-	-	327.03	420.14
1,760.15	1,761.98	795.40	1,037.69
2,115.76	2,173.13	2,012.02	2,077.19

20 Trade payables

Trade Payables (Refer Note 49)
(i) Total Outstanding dues of micro enterprises and small enterprises
(ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises

Current	
As at March 31, 2025	As at March 31, 2024
50.44	30.40
8413.26	7,916.87
8,463.70	7,947.28

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Standalone Balance sheet as at March 31, 2025
(All amounts in Indian Rupees lakhs, except as otherwise stated)

21	Revenue from operations	For the year ended	For the year ended
		March 31, 2025	March 31, 2024
	Income from MRO operations		
	Revenue from MRO Services	51,786.48	31,321.13
	Income from cargo operations		
	Cargo operations	20,270.95	14,189.10
	Improvements to concession asset	814.64	227.15
	Other operating revenue		
	Training Revenue	1,318.26	325.56
	Document handling charges	647.75	182.69
	Container handling charges	259.75	214.81
	Rent	156.83	143.80
	Parking income	44.62	38.68
	Sale of Inventory	-	27.41
		75,299.28	46,670.34
	India	74,999.28	46,537.10
	Outside India	300.00	133.24
	Total revenue from contracts with customers	75,299.28	46,670.34
22	Other income	For the year ended	For the year ended
		March 31, 2025	March 31, 2024
	Interest Income on		
	- Bank Deposits	30.83	19.82
	- Innovation fund	-	5.13
	-Commercial Paper	55.46	-
	-Tax refund	284.53	32.62
	Finance income on financial assets held at amortised cost	22.89	12.30
	Fair value gain on Innovex Interest Income	498.78	473.88
	Fair value gain on financial instruments at fair value through profit or loss	575.12	255.93
	Profit on sale of Mutual Funds	208.14	207.09
	Dividend Income	52.19	-
	Gain on account of foreign exchange fluctuation (net)	215.93	123.02
	Liabilities no longer required, written back	87.91	243.11
	Other non operating income	117.13	96.37
	Profit On Sale Of Depreciable Assets	8.80	66.13
	Miscellaneous income	276.88	169.59
		2,434.59	1,704.99
23	Cost of stores and spare consumed	For the year ended	For the year ended
		March 31, 2025	March 31, 2024
	Inventory at the beginning of the year	6,040.78	5,876.52
	Add: Purchases	15,088.53	6,780.40
	Less: Inventory written off	(828.98)	(215.97)
	Less: Inventory at the end of the year	(8,023.68)	(6,040.78)
		12,276.65	6,400.18

GMR Air Cargo And Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Standalone Balance sheet as at March 31, 2025

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

24 Employee benefit expenses

Salaries, wages and bonus

Contribution to provident and other funds (Refer Note 32 (c))

Gratuity expenses (Refer Note 32)

Staff welfare expenses

Total

For the year ended March 31, 2025	For the year ended March 31, 2024
14,939.38	11,470.70
811.42	647.36
210.80	166.21
1,516.38	812.82
17,477.98	13,097.08

25 Other expenses

Rates and taxes

Concession fee

Technical fee

Provision for planned maintenance under SCA

Cargo handling charges

Lease expenses

Amortisation of Prepaid expenses

Concessionaire rent

Electricity and water charges (net of recoveries)

Customs staff cost recovery

Equipment hire charges

Insurance

Repairs and Maintenance

- Plant and machinery

- Buildings

- IT Systems

- Others

Sub-contracting expenses

Advertising and sales promotion

Travelling and conveyance

Communication expenses

Printing and stationery

Security expenses

House Keeping Charges

Business development expenses

Membership and Subscriptions

Corporate social responsibility expense (Refer Note 31)

Legal and professional fees

Manpower Charges

Board meeting expenses

Payment to auditors

Provision for doubtful receivable

Property, plant and equipment written off

Charity and Donations (Refer note below)

Loss on sale of fixed assets (net)

Inventory written off

Loss on Sale of inventory

Provision for Inventory Writeoff

Miscellaneous expenses

For the year ended March 31, 2025	For the year ended March 31, 2024
1,567.69	718.83
3,926.67	2,726.16
1,745.35	1,211.41
483.10	569.33
884.35	840.16
81.27	88.41
6.40	-
8.20	7.88
968.40	866.13
125.06	144.28
150.63	23.85
737.85	782.68
377.96	252.44
69.13	88.47
588.23	361.68
955.63	617.98
91.28	377.63
44.81	72.51
1,516.57	1,274.61
83.48	79.13
62.14	69.15
233.07	199.46
204.00	132.55
565.97	377.96
50.50	91.50
44.44	13.36
1,794.93	1,181.00
759.04	720.81
12.20	3.65
21.89	28.63
233.34	41.38
104.96	78.05
253.00	1,153.93
2.22	-
242.36	215.97
586.62	-
15.27	206.94
172.21	146.85
19,770.22	15,764.77

GMR Air Cargo And Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Standalone Balance sheet as at March 31, 2025
(All amounts in Indian Rupees lakhs, except as otherwise stated)

Note: The Company has made a Donation to Prudent Electoral Trust for political purpose amounting to Rs. 213.00 Lakhs (March 31, 2024 - Rs. 1,000 Lakhs).

		For the year ended March 31, 2025	For the year ended March 31, 2024
Payment to auditors			
As auditor:			
Statutory audit fee		15.00	15.00
Tax Audit fee		3.00	3.00
In other capacity:			
Other services		0.20	8.07
Reimbursement of expenses		3.69	2.56
		21.89	28.63
		For the year ended March 31, 2025	For the year ended March 31, 2024
26 Finance costs			
Interest on			
Cash Credit and overdraft facility from bank		15.22	181.86
Loan from Cisco Systems Capital India Private Limited		-	0.97
NIIF IFL Term Loan		2,131.15	2,333.88
Lease Liability		415.83	393.74
Caution Deposit		7.33	-
Financial liabilities & Replacement obligations		687.48	636.00
Bank and finance charges		80.82	54.87
		3,337.83	3,601.32
		For the year ended March 31, 2025	For the year ended March 31, 2024
27 Depreciation and amortisation expenses			
Depreciation of property, plant and equipment (Refer note 3)		2,306.23	1,871.44
Depreciation on Right-of-use Assets (Refer note 4)		377.30	293.66
Amortisation of intangible assets (Refer note 5)		908.87	791.37
		3,592.40	2,956.47
		For the year ended March 31, 2025	For the year ended March 31, 2024
28 Other comprehensive income (OCI)			
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
Re-measurement gains / (losses) on defined benefit plan		(111.37)	(123.07)
Deferred tax impact on above		-	-
		(111.37)	(123.07)
		For the year ended March 31, 2025	For the year ended March 31, 2024
29 Tax expenses			
(a) Income tax expense:			
The major components of income tax expenses For the year ended March 31, 2025 and year ended March 31, 2024 are:			
(i) Profit or loss			
Current tax		1,314.06	-
Deferred tax		-	-
Total income tax expense recognised in statement of Profit & Loss		1,314.06	-

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

30.Earnings per Share (EPS)

The following reflects the income and share data used in the computation of basic and diluted EPS:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit for the year	19,150.09	6,328.36
Profit attributable to equity shareholders	19,150.09	6,328.36
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted) (in numbers)	455,848,935	455,848,935
Earnings Per Share (Basic and diluted) (face value of Rs.10 each)	4.20	1.39

31.Corporate Social Responsibility (CSR)

Particulars	March 31, 2025	March 31, 2024
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,	44.44	13.36
(ii) amount of expenditure incurred,	44.44	13.36
(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, 2025	For the year ended March 31, 2024
Current service cost (including past service cost)	190.88	147.02
Interest cost on benefit obligation	19.92	11.96
Other Adjustment	-	7.23
Net benefit expense	210.80	166.21

Balance sheet**Details of provision for gratuity**

	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	(1,458.39)	(1,163.75)
Fair value of plan assets	1,102.78	752.56
Plan liability	(355.61)	(411.19)

a. Defined benefits plan: (MRO Division)

The following tables summarize 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, 2025	March 31, 2024
Current service cost (including past service cost)	147.66	106.62
Interest cost on benefit obligation	23.91	19.19
Net benefit expense	171.57	125.81

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

	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	(1093.89)	(864.62)
Fair value of plan assets	685.78	383.61
Plan liability	(408.11)	(481.01)

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

	March 31, 2025	March 31, 2024
Opening defined benefit obligation	864.62	660.70
Interest cost	58.07	46.15
Current service cost (including past service cost)	147.66	106.62
Benefits paid	(70.01)	(56.96)
Actuarial loss on obligation	93.55	108.11
Closing defined benefit obligation	1,093.89	864.62

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

	March 31, 2025	March 31, 2024
Opening fair value of plan assets	383.61	413.61
Acquisition adjustment	-	-
Expected return	34.16	26.96
Contributions by employer	338.02	-
Actuarial gain/(loss)	-	-
Benefits paid	(70.01)	(56.96)
Closing fair value of plan assets	685.79	383.61

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

	March 31, 2025	March 31, 2024
Investments with insurer	100%	100%

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

	March 31, 2025	March 31, 2024
Discount rate	6.60%	7.00%
Salary escalation Rate	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%

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

Expected Benefits payments for the year ending

Year ending	March 31, 2025
March 31, 2026	101.89
March 31, 2027	67.39
March 31, 2028	56.55
March 31, 2029	71.11
March 31, 2030	92.57
March 31, 2031 to March 31, 2035	443.58

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 year, while holding all other assumptions constant.

Particulars	March 31, 2025	March 31, 2024
(a) Effect of 1% change in assumed discount rate		
- 1% Increase	(95.34)	(74.75)
- 1% Decrease	111.50	87.21
(b) Effect of 1% change in assumed Salary Escalation rate		
- 1% Increase	71.14	55.54
- 1% Decrease	(66.21)	(53.61)
(c) Effect of 1% change in assumed Withdrawal Rate		
- 1% Increase	3.40	5.32
- 1% Decrease	(4.43)	(6.60)

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 summarize 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, 2025	March 31, 2024
Current service cost (including past service cost)	43.22	40.40
Interest cost on benefit obligation	(3.99)	(7.23)
Other Adjustment	-	1.00
Net benefit expense	39.23	34.17

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

	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	(364.50)	(299.09)
Fair value of plan assets	416.99	368.95
Plan asset	52.49	69.86

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

	March 31, 2025	March 31, 2024
Opening value of defined benefit obligation at the beginning of the year	299.08	263.88
Current service cost	43.22	40.40
Past service cost - plan amendments	-	-
Interest cost	20.38	18.05
Actuarial loss/(gain) on obligation	17.83	(3.98)
Benefits paid	(16.01)	(19.26)
Present value of defined benefit obligation at the end of the year	364.50	299.09

iv. Changes in the fair value of plan assets:

	March 31, 2025	March 31, 2024
Fair Value of Plan Assets at beginning of year	368.95	359.79
Expected Return on Plan Assets	24.37	6.35
Employer Contributions	39.68	22.08
Actuarial gain/(loss) on plan assets	-	-
Benefits paid	(16.01)	(19.27)
Fair Value of Plan Assets at end of year	416.99	368.95

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

	March 31, 2025	March 31, 2024
Discount rate	6.40%	7.00%
Salary escalation Rate	7.50%	7.50%
Withdrawal Rate	20.00%	5.00%

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, 2025
March 31, 2026	79.00
March 31, 2027	68.78
March 31, 2028	58.79
March 31, 2029	47.27
March 31, 2030	40.13
March 31, 2031 to March 31, 2035	120.26

Particulars	March 31, 2025	March 31, 2024
(a) Effect of 1% change in assumed discount rate		
- 1% Increase	(12.95)	(10.31)
- 1% Decrease	14.03	11.14
(b) Effect of 1% change in assumed Salary Escalation rate		
- 1% Increase	9.43	6.41
- 1% Decrease	(8.81)	(6.00)
(c) Effect of 1% change in assumed Withdrawal Rate		
- 1% Increase	(0.04)	0.71
- 1% Decrease	0.02	(0.78)

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)****c. Defined contribution plan**

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

	March 31, 2025	March 31, 2024
Contribution to Provident Fund	745.99	589.49
Contribution to Superannuation Fund	44.91	41.99
Contribution to ESI	20.52	15.88

- d. Leave benefit liabilities provided based on actuarial valuation amounts to Rs. 889.59 lakhs as at March 31, 2025 (March 31, 2024: Rs. 619.36 lakhs)

The actuarial assumptions (demographic & financial) employed for the calculations for MRO business as at March 31, 2025 and March 31, 2024 are as follows.

	March 31, 2025	March 31, 2024
Discount rate	6.60%	7.00%
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, 2025 and March 31, 2024 are as follows.

	March 31, 2025	March 31, 2024
Discount rate	6.40%	7.00%
Salary escalation rate	7.50%	7.50%
Withdrawal rate	20.00%	20.00%

33. Related Party transactions:

The following table provides the details of transactions that have been entered into with related parties for the relevant financial year and balances outstanding as on period end date.

A. Names of related parties and description of relationship:

Sl. No.	Relationship	Related party Name
(i)	Holding Company	GMR Hyderabad International Airport Limited (GHIAL)
(ii)	GHIAL's holding Company	GMR Airports Limited (GAL) (formerly known as "GMR Airports Infrastructure Limited")
(iii)	Ultimate holding Company	GMR Enterprises Private Limited
(iv)	Subsidiary Company	GMR Aero Technic Limited (GATL)
(v)	Fellow Subsidiaries (Where transactions have taken place during the year)	GMR Hyderabad Aviation SEZ Limited
		GMR Hyderabad Aerotropolis Limited
		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

GMR Air Cargo and Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

Sl. No.	Relationship	Related party Name
(vii)	Post-employment benefit plan	GACAEL Employees Gratuity Fund Trust.
		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 - Director
		Mr. Rajesh Kumar Arora -Director
		Mr. P. S. Nair -Director
		Mr. Pradeep Panicker – Director
		Mr. SGK Kishore- Director
		Mr. Bijal Tushar Ajinkya – Director
		Mr. Kandi Sreenivasulu – Chief Financial Officer
		Mr. Ravinder Kumar Tyagi – Director
		Mr. Sudhakar Rao -Director
		Mr. Rakhal Panigrahi – Company Secretary
		Mr. G. Chandrabushan- Manager

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

Details of Key Managerial Personnel	Remuneration*		Sitting fees	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Mrs. Kavitha Gudapati	-	-	-	0.15
Mr. Bijal Ajinkya	-	-	4.20	1.10
Mr. Ravinder Kumar Tyagi	-	-	4.00	1.20
Mr. Sudhakar Rao	-	-	4.00	1.20
Mr. Kandi Sreenivasulu	61.41	47.16	-	-
Mr. Rakhal Panigrahi	20.77	16.40	-	-
G. Chandra Bushan	38.12	33.93	-	-
Total	120.30	97.49	12.20	3.65

*excluding other Long term employee benefits.

C. Transactions with related parties for the year ended:

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	GMR Hyderabad International Airport Limited		
	Concessionaire fee	3,926.67	2,726.16
	Reimbursement of salary cost	61.41	57.40
	Repairs & Maintenance – Buildings	1.43	1.43
	Repairs and Maintenance - Plant and machinery	1.30	1.30
	Training charges	-	0.32
	Reimbursement of Other Expenses	4.06	4.30
	Royalty charges	133.65	118.03
	Power and water charges	433.10	368.21
	Bank Guarantee commission	16.48	18.59
	Interest on security deposit - Unwinding of discount	0.49	0.45
	Communication – Telephone	1.79	0.74
	Depreciation on ROU Assets	20.79	20.79
	Follow me Vehicle Charges	1.87	2.06

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

	Interest on Lease Liability	516.04	503.79
	Amortization of intangible asset	229.65	229.65
(b)	GMR Hyderabad Aviation SEZ Limited		
	Interest on Lease Liability	341.95	342.86
	Depreciation on ROU Asset	165.56	165.56
	Interest on security deposit - Unwinding of discount	3.00	2.70
	Electricity and Water Charges	525.87	511.23
	Repairs and maintenance - Others	50.32	38.17
	Lease Admin Fee & Annual Audit Fee	0.59	-
(c)	GMR Airport Developers Limited		
	Repairs and maintenance -IT	-	260.00
	Repairs and maintenance -Others	299.32	60.50
	Reimbursement of software maintenance	-	11.01
	Capital work-in-progress	210.00	2.10
(d)	GMR Hospitality and Retail Limited		
	Lodging and food expenses (Travelling and conveyance)	381.64	138.86
	Miscellaneous expenses	1.30	6.35
	Income from Cargo operations	15.26	18.73
(e)	Raxa Security Services Limited		
	Security services	230.78	204.35
(f)	Delhi International Airport Limited		
	Royalty charges	362.60	112.90
	Electricity charges	2.59	1.19
	Interest on security deposit - Unwinding of discount	4.42	3.69
	Interest on Lease Liability	25.77	28.82
	Depreciation on ROU Asset	69.75	65.49
	Lease rentals and other related expenses	10.63	9.57
	Security deposit given	5.05	26.49
(g)	GMR Airports Limited		
	Technical fees	1,745.35	1,257.41
	Training charges	23.95	72.00
	Operation and maintenance charges	65.75	-
(h)	GMR Hyderabad Aerotropolis Limited		
	Power and water charges	4.49	4.36
	Repairs and Maintenance-Buildings	8.20	7.88
	Interest on land lease liabilities	22.01	3.95
	Interest on Security deposit given	1.41	1.12
	Amortization of intangible asset (Land & CSB)	81.37	66.61
(i)	GMR Aero Technic Limited		
	Reimbursement of expenses	29.14	3.63
(j)	GMR Goa International Airport Limited		
	Business Development Expenditure	-	2.00
(l)	GMR Varalakshmi Foundation		
	Charities and donations	44.44	13.36

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

(m)	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	39.69	23.08

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

D. Balances Outstanding:

	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	GMR Hyderabad International Airport Limited		
	Equity Share Capital	45,584.89	45,584.89
	Trade Payable	397.80	323.10
	Lease liability	-	34.34
	Payable for leasehold land rights	4,850.54	4,720.55
	Right-of-use Assets	-	20.79
	Right to operate Cargo facility- Land & CSB	2,985.40	3,215.05
	Security Deposit	5.04	4.55
	Corporate guarantee given	23,850.00	28,639.20
(b)	GMR Hyderabad Aviation SEZ Limited		
	Security Deposit	29.64	26.64
	Right of use Asset	2,152.31	2,317.88
	Lease Liability	3,442.71	3,506.43
	Trade Payables	2,006.10	2,460.92
(c)	GMR Airport Developers Ltd		
	Trade Payable	24.56	213.35
	Payable for purchase of Intangibles	-	2.27
(d)	GMR Hospitality and Retail Limited		
	Trade Payable	41.98	37.65
	Advances received from Customers	3.46	3.55
(e)	Raxa Security services Limited		
	Trade Payable	103.42	30.86
(f)	GMR Airports Limited		
	Trade Payable	163.38	158.01
	Other Current Assets	4.90	-
(g)	GMR Hyderabad Aerotropolis Limited		
	Right to Operate Cargo Facility - Land & CSB	154.63	-
	Payable to leasehold land rights	164.93	0.24
	Trade Payable	5.35	-
	Security Deposit given	17.67	11.37
(h)	Delhi International Airport Ltd		
	Security Deposit	49.87	41.80
	Advance to Suppliers	-	-
	Right of use Asset	218.40	261.94
	Lease Liability	242.64	268.53

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

	Trade Payable	13.60	52.50
(i)	GMR Hyderabad Air Cargo and Logistics Private Limited Employees' Group Gratuity Trust (Formerly known as Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust)		
	Trade Payables	0.87	0.87
(j)	GMR Airports Infrastructure Limited (GIL)		
	Other Current Assets	-	4.72
(k)	GMR Aero Technic Limited		
	Investment in equity shares	10.00	10.00
	Other receivables	61.91	32.77

34. Leases**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, 2023	2,525.03
Additions	770.73
Depreciation/amortization till 31st March 2024	(293.66)
As at 31 March 2024	3,002.10
As at April 01, 2024	3,002.10
Additions	121.62
Depreciation/amortization for the year	(377.30)
As at March 31, 2025	2,746.42

Lease Liability

Particulars	Amount
As at April 01, 2023	3,642.75
Additions	751.22
Interest For the year	393.74
Repayment made during the year	(542.70)
As at 31 March 2024	4,245.01
As at April 01, 2024	4,245.01
Additions	121.62
Interest For the year	415.83
Repayment made during the year	(673.00)
As at March 31, 2025	4,109.46

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)****Disclosed as:**

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current	3,650.89	3,754.17
Current	458.57	490.84

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 31 March 2025	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	925.35	2,342.39	4,250.70	7,518.44

Year ended 31 March 2024	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	889.67	2,239.71	4,684.25	7,813.63

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of right to use asset	377.30	293.66
Interest on lease liability	415.83	393.74
Expenses pertaining short term lease and low value lease	81.27	88.41
Total amount recognized in statement of profit and loss account	874.40	775.81

35. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for during the year (net of capital advances) of Rs. 15,651.51 Lakhs (March 31, 2024 Rs. 1,339.11 lakhs)

36. Contingent Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Matter relating to indirect tax under dispute (refer footnotes below (a))	449.00	528.88
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))	15.93	1,487.86
Bank guarantees issued	4,529.80	124.80
Total	9,611.42	6,758.23

(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 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 as per pre deposit.

CESTAT on April 29, 2025 has passed the judgment in favour of the company. Company is in a process of filing refund application of pre-deposit made shortly.

- (iii) The Company has received a SCN No. 31/2019-20 dated July 23, 2019 along with corrigendum to SCN dated July 25, 2019 from DGGI (Directorate General of GST Intelligence) on following points:
 - (a) Non reversal of CENVAT Credit against sale of goods for Rs. 2.58 lakhs.
 - (b) Proposing disallowance of Export of Services on the ground that 'Place of supply' for MRO Services of Aircraft going out of India after being put to use India can't be said to be outside India. Hence it does not qualify 'Export of Service' and hence subject to Service Tax for Rs. 207.99 lakhs along with applicable interest and penalty.

The Company has filed a writ petition on August 21, 2019 and received interim relief on August 22, 2019 staying the proceedings. Department has filed its reply and requested for stay vacation. The company is in the process of filing rejoinder. Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

- (iv) During the FY 21-22, the Company has received a show cause notice u/s 73 from the GST Office of Deputy Commissioner for the FY 18-19 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 1.42 Lakhs.

Personal hearing happened on March 28, 2024. The Department has dropped the proposal to disallow the Input Tax Credit.

- (v) In previous years, 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. The central board of Indirect Taxes dropped all the proceedings against the company during the period.

During FY 2024-25, the assessing officer reviewed the clarifications and documents submitted by the company and accepted them, thereby concluding the disputes and dropping any further proceedings.

- (vi) In Previous years, 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 Standalone 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. Also paid amounts paid for AY 2009-10 and AY 2010-11 as per applications accepted by the department.

During FY 2022-23 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. Department has withdrawn the cases filed in high court 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 amount, the Company 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 financial year 2021-22, 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. Department has withdrawn the cases filed in high court the company is waiting for the tax refund.

- (iii) The Company has received an order during the previous years for the assessment year 2015-16 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, the Company filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 417.17 Lakhs for AY 2015-16. During the previous year FY 2018-19, the department has issued a refund order advice stating that refund for AY 2017-18 has been adjusted against the demand for AY 2015-16 to the extent of Rs. 377.05 Lakhs. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad During the previous year case has transferred from CIT (A) to National Faceless Appeal Centre (NFAC). NFAC has upheld the decision taken by ITO, without considering Hon'ble Income Tax Appellate Tribunal (ITAT) order in Appellant own case for earlier years.

The company has filed an appeal before Income Tax Appellate Tribunal ITAT(Appeals) on April 16, 2025. ITAT Hyderabad has passed order on the appeal filed for AY 2015-16 in ITA No.662/Hyd/2025 against the ex-parte order dated April 12, 2024 passed by the Commissioner of Income Tax, NFAC, Delhi under Old PAN without providing any opportunity to the assessee. Vide the aforesaid order the ITAT has remanded back the matter to Commissioner of Income Tax (Appeals). Company has filed application for Direct Tax Vivad se Vishwas Scheme, 2024 for settlement of dispute.

- (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. During the previous year case transferred from CIT (A) to National Faceless Appeal Centre (NFAC). NFAC has upheld the decision taken by ITO, without considering Hon'ble Income Tax Appellate Tribunal (ITAT) order in Appellant own case for earlier years.

The company has filed appeal before Income Tax Appellate Tribunal ITAT(Appeals) on Apr 16, 2025. ITAT Hyderabad has passed order on in the appeal filed for AY 2016-17 in ITA No.663/Hyd/2025 against the ex-parte order dated April 12, 2024 passed by the Commissioner of Income Tax, NFAC, Delhi under Old PAN without providing any opportunity to the assessee. Vide the aforesaid order the ITAT has remanded back the matter to the Commissioner of Income Tax (Appeals). Company has filed application for Direct Tax Vivad se Vishwas Scheme, 2024 for settlement of dispute.

- (v) 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. The company has applied under Vivad se vishwas scheme (VSVS) for settlement of disputed taxes for AY 2018-19 on February 07, 2025 and awaiting department's confirmation.
- (vi) During the FY 21-22, the Company has received an order for the assessment year 2017-18 denying the deduction u/s 80-IA of the Income Tax Act, 1961, taxing of receipts of difference in gross receipts between 26AS and books of accounts and 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 filled a Writ petition before High Court. And the High Court has issued an Interim Order directing IT authority to keep the proceedings wrt Tax demand till the writ petition is disposed off. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(c) Claims against the company not acknowledged as dues

(i) Custom officers Salaries

The Company accrued Customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the Customs Department on GMR Hyderabad International Airport Limited (GHIAL) as the ultimate cost has to be borne by the custodian i.e. the Company. GHIAL filed a writ petition under Article 226 of the Constitution of India in the Honorable High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised in previous years. GHIAL received an order from the Honorable High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by Customs Department were wholly unsustainable and accordingly the Company had reversed the accrued customs cost amounting to Rs. 1,402.09 Lakhs for the period from March 23, 2008 to March 31, 2012. Subsequent to the above order, the Customs Department preferred an appeal against the same and on November 02, 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 Appeal filed by the Customs Department is dismissed. The order passed by Single Judge bench was upheld by the Hon'ble High Court on March 27, 2024.

During the financial year 2024-25, the Company has received an amount of Rs. 272.55 Lakh against the amount the Company has paid to the customs department for the period from 23.03.2008 to 31.03.2009 towards establishing charges of the Customs Staff posted at Air Cargo Complex. The Customs department has filed a SLP before Supreme Court and the same is pending for hearing. However, the Judgement of Division bench of Telangana HC is not stayed.

GMR Air Cargo and Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

(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 received an order from District Consumer Forum (RR Dist.), regarding the compensation for short delivery of cargo to M/s. Excell Media Pvt. Ltd amounts to Rs. 0.92 Lakhs along with applicable interest. The Company has filed an appeal vide. FA. No.821/2020 before the Telangana State District Consumer Redressal Commission challenging the final order passed by the Ranga Reddy District Consumer Redressal Forum. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(iv) Registration of Cargo Terminal Building

During the previous year, the Company has received an order from Sub Registrar, Shamshabad regarding the payment of fine of Rs.69.07 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 27th September, 2021. High court has passed its final judgment on 06th July 2024, to waive off the penalty insisted for delay in submission of documents in Covid period.

Further, SRO has termed the Conveyance deed as conveyance on Sale and issued notice demanding the payment of 1.5% of the consideration amount as Transfer Duty and 0.1% as mutation charges citing applicable legal provisions and accordingly SRO have issued the Notice for Payment of Rs 0.42 Cr the company has paid the said demand and completed the registration process on 18th December 2024.

(v) Clearance of aircraft

During FY 2021-22, Customs has issued a penalty of Rs. 0.75 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.

37.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.

GMR Air Cargo and Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

	Segment Revenue		Segment Profit	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
MRO	53,104.74	31,674.10	14,327.53	5,847.58
Air Cargo	22,300.54	15,024.24	7,039.86	2,376.61
	75,405.28	46,698.34	21,367.39	8,224.19
Less: Inter segment	(106.00)	(28.00)	-	-
Total	75,299.28	46,670.34	21,367.39	8,224.69
Other income			2,434.59	1,704.99
Finance costs			(3,337.83)	(3,601.32)
Tax expense			(1,314.06)	-
Profit after tax			19,150.09	6,328.36

	As at March 31, 2025	As at March 31, 2024
Segment assets		
MRO	49,432.28	40,114.47
Air Cargo	14,444.25	13,896.85
Unallocable assets	19,660.85	12,734.59
Inter - segment	(2,801.26)	(2,801.25)
Total assets	80,736.12	63,944.69
Segment liabilities		
MRO	20,044.40	18,368.76
Air Cargo	12,051.99	11,202.07
Unallocable liabilities	23,788.22	28,561.07
Inter - segment	(2,801.26)	(2,801.26)
Total liabilities	53,083.35	55,330.64

Other segment information

	Depreciation and amortization		Additions to non - current assets	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
MRO	2,765.78	2,210.34	2,232.59	5,796.49
Air Cargo	826.62	746.13	1,507.42	534.10

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.

38. Taxation

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

- 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 the Financial Statements, particularly on the amount of tax expense and that of provision for taxation.
- As at March 31, 2025, Considering the taxable profits after set off of the accumulated business losses and unabsorbed depreciation. The company has recognised Tax expense in books of accounts.

39. The 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.

40. As at March 31, 2025, the Company has accumulated losses (including amalgamation adjustment deficit account) of Rs. 19,781.49 lakhs (as at March 31, 2024 is Rs. 38,820.21 lakhs). The Management has undertaken several initiatives to improve its income from operations and establish profitable operations including the composite scheme of arrangement. 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 Term loan against NIIF IFL has been confirmed by ICRA Limited with letter dated April 28, 2025 as [ICRA]AA+ (CE) (stable). 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.

41. 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 five 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, 2025.

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, 2025.

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, 2025.

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

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, 2025	March 31, 2024
Term Loan from NIIF IFL	23,850.00	26,550.00
Total	23,850.00	26,550.00

Interest rate sensitivity

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

	Increase/decrease in Interest rate	Effect on profit before tax
As at March 31, 2025		
Term Loans	+0.50%	(114.20)
	- 0.50%	114.20
Overdraft facility from bank	+0.50%	-
	- 0.50%	-

	Increase/decrease in Interest rate	Effect on profit before tax
As at March 31, 2024		
Term Loans	+0.50%	(127.70)
	- 0.50%	127.70
Overdraft facility from bank	+0.50%	(9.88)
	- 0.50%	9.88

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 year expressed in Indian Rupees are as follows:

Particulars	Currencies Exposure	As at March 31, 2025	
		Amount in Foreign currency	Rs in Lakhs
Trade payables	USD	24,09,297.22	2,059.23
	EURO	3,58,556.37	333.63
	SGD	22.35	0.01
	CHF	105.47	0.10
	GBP	3,023.79	3.35
Capital Creditors- Goods	USD	39,880.01	34.09
	EURO	3,748.00	3.45
Trade receivables	USD	1,19,68,336.12	10,239.41
Cash and cash equivalents	USD	33,49,414.30	2,862.74
	AED	13.50	-*
	SGD	1.00	-*
Unbilled revenue	USD	37,38,143.71	3,193.62

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Currencies Exposure	As at March 31, 2024	
		Amount in Foreign currency	Rs in Lakhs
Trade payables	USD	7,74,471.79	645.95
	EURO	72,866.69	65.49
	SGD	22,938.79	14.16
	CHF	105.47	0.10
	GBP	14,550.25	15.28
Sundry Creditors Capital Goods	USD	20,831.38	17.37
Trade receivables	USD	86,54,415.03	7,218.21
Cash and cash equivalents	USD	8,69,706.90	725.38
Unbilled revenue	USD	12,47,609.54	1,040.57

* Less than thousand's

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, 2025, A positive number below indicates an increase in profit when the functional currency weakening against the USD and when functional currency weakening for other foreign currencies. For a 5 % strengthening of functional currency against USD and other foreign currencies, there would be a comparable opposite impact on the profit.

Particulars*	March 31, 2025	March 31, 2024
	Impact on profit before tax	Impact on profit before tax
USD Sensitivity		
INR/USD- Increase by 5%	710.12	427.41
INR/USD- Decrease by 5%	(710.12)	(427.41)
EURO Sensitivity		
INR/EURO-Increase by 5%	(16.85)	(3.27)
INR/EURO- Decrease by 5%	16.85	3.27
GBP sensitivity		
INR/GBP-Increase by 5%	(0.17)	(0.76)
INR/GBP- Decrease by 5%	0.17	0.76
SGD sensitivity		
INR/SGD-Increase by 5%	(0.00)	(0.71)
INR/SGD- Decrease by 5%	0.00	0.71
CHF sensitivity		
INR/CHF-Increase by 5%	(0.01)	(0.005)
INR/CHF- Decrease by 5%	0.01	0.005

*Major Currencies are disclosed

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.

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

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

Year ended March 31, 2025	Up to 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Term Loan – NIIF IFL	2,700.00	11,100.00	10,050.00	23,850.00
Trade payables	8,463.70	-	-	8,463.70
Leases- At undiscounted	925.35	2,342.39	4,250.70	7,518.44
Payable for Lease-Hold Land Rights and CSB Lease- At undiscounted	511.64	2,254.06	7,761.68	10,527.38
Other financial liabilities	1,538.87	-	-	1,538.87

Year ended March 31, 2024	Up to 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Term Loan – NIIF IFL	2,700.00	13,800.00	10,050.00	26,550.00
Trade payables	7,947.27	-	-	7,947.27
Leases – At undiscounted	889.67	2239.71	4,684.25	7,813.63
Payable for Lease-Hold Land Rights and CSB Lease- At undiscounted	384.61	1,963.45	8,381.09	10,729.15
Other financial liabilities	1,698.75	-	-	1,698.75

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.

42. 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.

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

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

The following table summarises the capital of the Company:

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings	23,788.22	28,561.07
Cash and cash Equivalents & Other Bank Balances	(3,973.26)	(1,207.24)
Net debt (A)	19,814.96	27,353.83
Equity (B)	27,652.77	8,614.05
Net debt to Equity ratio (A/B)	0.72	3.18

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 for the year ended March 31, 2025.

43. Fair values:

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the Financial Information is reasonable approximation of fair values.

Particulars	Carrying value		Fair Value	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Financial assets				
Valued at cost				
Investments	10.00	10.00	10.00	10.00
Valued at fair value through profit and loss				
Investments	17,188.91	9,303.52	17,188.91	9,303.52
Valued at amortized cost				
Investments	-	-	-	-
Trade receivable	10,947.59	7,911.71	10,947.59	7,911.71
Other financial assets	4,465.41	2,020.34	4,465.41	2,020.34
Cash and cash equivalent and other bank balances	3,973.26	1,207.24	3,973.26	1,207.24
Total Financial Assets	36,585.17	20,452.81	36,585.17	20,452.81
Financial liabilities				
Valued at amortized cost				
Borrowings	23,788.22	28,561.07	23,788.22	28,561.07
Lease Liabilities	4,109.46	4,245.01	4,109.46	4,245.01
Trade payables	8,463.70	7,947.27	8,437.10	7,947.27
Other financial liabilities	6,554.35	6,417.52	6,554.35	6,417.52
Total Financial Liabilities	42,915.73	47,170.87	42,915.73	47,170.87

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.

44. 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 and liabilities as at March 31, 2025:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)#	(Level 2)	(Level 3)
Financial assets					
Investments held at fair value through profit and loss	March 31, 2025	17,188.91	15,816.25	1,372.66	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31 2024:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)#	(Level 2)	(Level 3)
Financial assets					
Investments held at fair value through profit and loss	March 31, 2024	9,303.52	8,429.64	873.88	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year ending March 31, 2025 and year ending March 31, 2024.

The mutual funds are valued using closing NAV.

45. 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 recognized in the Standalone Financial Statements:

Service Concession Arrangements -

Management has assessed applicability of Appendix D to Ind AS 115 – “Service Concession Arrangements (SCA)” to operations and maintenance agreements entered into by the Company for provisioning of cargo services at Rajiv Gandhi International Airport (‘RGIA’), Hyderabad. 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 Standalone 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.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

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 in to 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 financial information and the reported amount of revenues and expenses for the reporting period.

46

A Ageing schedule of capital work-in-progress

As at 31 March 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	24.44	-	-	-	24.44

As at 31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	221.09	309.89	99.78	-	630.76

B 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 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Process	24.44				24.44
Total	24.44	-	-	-	24.44

To be completed in					
As at 31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
GMR 147 School	630.76	-	-	-	630.76
Total	630.76	-	-	-	630.76

47

A Ageing schedule of intangible assets under development

As at 31 March 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	527.72	30.09	-	82.58	640.39
Projects temporarily suspended	-	-	-	-	-
Total	527.72	30.09	-	82.58	640.39

As at 31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	110.97	-	82.58	-	193.55
Projects temporarily suspended	-	-	-	-	-
Total	110.97	-	82.58	-	193.55

B For intangible assets under development, 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 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CCTV Cameras	38.60	-	-	-	38.60
Cargo Terminal	-		561.55	-	561.55
Network Switches	34.74				34.74
Miscellaneous Project	5.51	-	-	-	5.51
Total	78.84	-	561.55	-	640.39

To be completed in					
As at 31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Canteen & Toilet Building work	68.21	-	-	-	68.21
Cargo Terminal	-	109.98	-	-	109.98
Miscellaneous Project	15.36	-	-	-	15.36
Total	83.57	109.98	-	-	193.55

48 Ageing schedule of trade receivables

As at 31 March 2025	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	3,713.81	5,166.33	1,394.35	427.60	231.43	14.07	10,947.59
Undisputed trade receivables – credit impaired	-	74.85	156.90	-	-	10.51	242.26
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for credit loss							-242.26
Total trade receivables							10,947.59

As at 31 March 2024	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	4,310.93	1,807.08	1,388.33	371.04	29.30	5.03	7,911.71
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	22.62	0.25	41.44	64.31
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for credit loss							- 64.31
Total trade receivables							7,911.71

49 Ageing schedule of trade payables

As at 31 March 2025	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	50.44	-	-	-	50.44
Others	6,114.28	128.21	21.95	2,148.82	8,413.26
Total trade payables					8,463.70

As at 31 March 2024	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	30.40	-	-	-	30.40
Others	5,077.38	69.36	125.39	2,644.74	7,916.87
Total trade payables					7,947.27

GMR Air Cargo and Aerospace Engineering Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2025

50. Financial Ratios

S.No	Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	2.08	1.25	66.34%	Due to increase in profits and business during the year
2	Debt-equity ratio	Total Debt	Shareholders's equity	0.86	3.32	-74.05%	Debt equity ratio has improved mainly due to significant increase in profit in current financial year
3	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service = Interest & Lease Payments + Principal Repayments	4.51	2.10	115.14%	Debt service coverage ratio has improved mainly due to significant increase in profit in current financial year
4	Return on Equity (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	105.61%	114.82%	-8.03%	
5	Inventory Turnover Ratio	Cost of goods sold OR sales	Average Inventory	1.75	1.07	62.53%	Due to increase in profits during the year
6	Trade receivables turnover ratio	Net Credit Sales = Gross credit sales - Sales returns	Average Accounts Receivable	7.99	7.36	8.46%	
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	1.84	0.86	114.55%	Due to increase in profits during the year
8	Net capital turnover ratio	Net Sales = Total Sales - Sales returns	Working Capital	328.51%	866.14%	-62.07%	Net Capital Turnover ratio has decrease mainly due to significant increase in working capital in current financial year
9	Net profit ratio	Net Profit	Net Sales = Total Sales - Sales returns	25.43%	13.56%	87.56%	Net Profit Ratio has improved mainly due to significant increase in profit in current financial year
10	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred tax liability	43.92%	23.30%	88.49%	Return on Capital Employed has improved mainly due to significant increase in profit in current financial year
11	Return on investment (ROI)	Income generated from investments	Time weighted average investments	10.24%	20.23%	-49.39%	Due to Increase investmemnts at the end March 31,2025

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.

52. The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same was enabled at the application level. During the year ended March 31, 2025, the Company has enabled the feature of recording audit trail (edit log) at the database level from May 25, 2024 onwards to log any direct data changes. The audit trail has been preserved by the Company as per the statutory requirements for record retention.

53. “The Company has presented profit/ (loss) before finance costs, taxes, depreciation, amortization expense and exceptional items as EBIDTA”.

54. The Board of directors of GMR Airports Limited in its meeting held on March 19, 2023 had approved, a detailed Scheme of Merger of GMR Airports Limited (GAL) with GMR Infra Developers Limited (GIDL) followed by merger of Merged GIDL with the GMR Airports Infrastructure Limited (GIL), referred hereinafter as Merger Scheme. Subsequent to year ended March 31, 2024, the Merger Scheme has been approved by the Hon’ble National Company Law Tribunal, Chandigarh bench (“the Tribunal”) vide its order dated June 11, 2024 (Certified Copy of the order received on July 02, 2024). The said Tribunal order was filed with the Registrar of Companies by GAL, GIDL and GIL on July 25, 2024 thereby the Scheme becoming effective on that date. Accordingly, GMR Airports Infrastructure Limited became the ultimate Holding Company of the Company. Later, GMR Airports Infrastructure Limited changed its name to GMR Airports Limited with effect from September 11, 2024.

GMR Air Cargo and Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

55. 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

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

P.S. Nair

Director

DIN: 00063118

Rajesh Kumar Arora

Director

DIN: 03174536

Place: Bengaluru

Date: April 30, 2025

Place: New Delhi

Date: April 30, 2025

Kandi Sreenivasulu
Chief Financial Officer

Rakhal Panigrahi
Company Secretary
M.No. ACS 39622

Place : Hyderabad

Date : April 30, 2025

Place : Hyderabad

Date : April 30, 2025

Place : Hyderabad

Date : April 30, 2025

1. Corporate information

GMR Air Cargo and 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.

The Standalone financial statements for the year ended March 31, 2025 are approved by the Company's Board of Directors in their Meeting held on April 30, 2025.

2. Material Accounting Policies

2.1 Basis of preparation and presentation:

The Standalone financial statements are comprise of standalone Balance Sheet as at March 31, 2025; standalone statement of Profit and Loss (including Other Comprehensive Income), standalone statement of changes in Equity, standalone Cash flow statement for the year ended and a summary of Material accounting policies for the year ended and other explanatory information (Collectively referred to as "standalone 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. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(a) Statement of Compliance:

The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), notified under the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of 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 Standalone 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 Material Accounting Policies

a) Use of estimates

The preparation of Standalone 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 Standalone 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 it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- 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:

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

The Company classifies all other liabilities 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 Standalone 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 recognized 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 Standalone 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 Standalone 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 recognized 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 recognize 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 recognized based on percentage of completion method (POC method). Unearned revenue is recognized when there are billings in excess of revenues.

Cargo Business Services:

Revenue is recognized 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 recognize 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 recognized.

Income from services:

In case of cargo handling revenue, revenue from outbound cargo is recognised at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognised 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. Demurrage on delayed receipts from customers is recognised on delivery of cargo.

The Company collects Goods and Services Tax 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 expenditure is 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 amortized 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 amortized 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 into 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 recognized 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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.

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 recognized 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 asset is derecognized 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	5 - 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 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. 30 years. For certain categories of buildings, accelerated depreciation has been provided over the life of 10-30 years.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

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 recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets.

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

i) Intangible assets

Service concession arrangements:

The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of

time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix D to Ind AS 115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the Company has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e. construction, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

GMR Hyderabad International Airport Limited (GHIAL) had entered into a Concession Agreement with Government of India, which gives GHIAL an exclusive right to design, finance, build, operate and maintain a world class, state of the art international airport at Shamshabad, Hyderabad, Telangana, India. The concession arrangement is a service concession arrangement under appendix D to Ind AS 115. Through the concession agreement, GHIAL has granted further concession to the Company along with sub-leasing of the part of cargo infrastructure facility to the Company and since the Company has a right to charge the users for the services and therefore, the same has been classified under Intangible assets model.

The intangible asset is amortized 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 derecognized 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Leases

Effective April 01, 2019, the Company has adopted Ind AS 116 “Leases”. In respect of the transition to Ind AS 116 (please refer Note 34).

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

Where the Company is lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the 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 groups 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 in to 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 recognized in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognized 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 recognized 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 recognized. 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 recognized for the asset in prior periods/ years. Such reversal is recognized in the statement of profit or loss.

n) Provisions, contingent liabilities and commitments

Provisions are recognized 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 recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Standalone 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 recognized 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 Standalone 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 Standalone statement of profit and loss of the period 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 recognized in other comprehensive income in the period in which they occur and is not reclassified to profit or loss. Past service cost is recognized 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 categorized 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 recognized 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 instruments.

Financial assets

Initial recognition and measurement:

All financial assets are recognized 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 recognized 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 amortized 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 amortized cost:

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized 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 recognized 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 recognised by an acquirer in a business combination to which Ind AS 103 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 recognised in the statement of profit and loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de recognized (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 recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes 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 amortized 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 recognizing 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 Standalone statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Standalone statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized 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 recognized 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 recognized 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/losses 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 recognized 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 derecognized as well as through the EIR amortization 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 amortization is included as finance costs in the Standalone 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 amortization.

Derecognition

A financial liability is derecognized 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 Standalone 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 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.

30.Earnings per Share (EPS)

The following reflects the income and share data used in the computation of basic and diluted EPS:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit for the year	19,150.09	6,328.36
Profit attributable to equity shareholders	19,150.09	6,328.36
Weighted Average number of equity shares used for computing Earning Per Share (Basic and diluted) (in numbers)	455,848,935	455,848,935
Earnings Per Share (Basic and diluted) (face value of Rs.10 each)	4.20	1.39

31. Corporate Social Responsibility (CSR)

Particulars	March 31, 2025	March 31, 2024
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,	44.44	13.36
(ii) amount of expenditure incurred,	44.44	13.36
(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, 2025	For the year ended March 31, 2024
Current service cost (including past service cost)	190.88	147.02
Interest cost on benefit obligation	19.92	11.96
Other Adjustment	-	7.23
Net benefit expense	210.80	166.21

Balance sheet**Details of provision for gratuity**

	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	(1,458.39)	(1,163.75)
Fair value of plan assets	1,102.78	752.56
Plan liability	(355.61)	(411.19)

a. Defined benefits plan: (MRO Division)

The following tables summarize 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, 2025	March 31, 2024
Current service cost (including past service cost)	147.66	106.62
Interest cost on benefit obligation	23.91	19.19
Net benefit expense	171.57	125.81

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

	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	(1093.89)	(864.62)
Fair value of plan assets	685.78	383.61
Plan liability	(408.11)	(481.01)

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

	March 31, 2025	March 31, 2024
Opening defined benefit obligation	864.62	660.70
Interest cost	58.07	46.15
Current service cost (including past service cost)	147.66	106.62
Benefits paid	(70.01)	(56.96)
Actuarial loss on obligation	93.55	108.11
Closing defined benefit obligation	1,093.89	864.62

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

	March 31, 2025	March 31, 2024
Opening fair value of plan assets	383.61	413.61
Acquisition adjustment	-	-
Expected return	34.16	26.96
Contributions by employer	338.02	-
Actuarial gain/(loss)	-	-
Benefits paid	(70.01)	(56.96)
Closing fair value of plan assets	685.79	383.61

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

	March 31, 2025	March 31, 2024
Investments with insurer	100%	100%

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

	March 31, 2025	March 31, 2024
Discount rate	6.60%	7.00%
Salary escalation Rate	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%

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

Expected Benefits payments for the year ending

Year ending	March 31, 2025
March 31, 2026	101.89
March 31, 2027	67.39
March 31, 2028	56.55
March 31, 2029	71.11
March 31, 2030	92.57
March 31, 2031 to March 31, 2035	443.58

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 year, while holding all other assumptions constant.

Particulars	March 31, 2025	March 31, 2024
(a) Effect of 1% change in assumed discount rate		
- 1% Increase	(95.34)	(74.75)
- 1% Decrease	111.50	87.21
(b) Effect of 1% change in assumed Salary Escalation rate		
- 1% Increase	71.14	55.54
- 1% Decrease	(66.21)	(53.61)
(c) Effect of 1% change in assumed Withdrawal Rate		
- 1% Increase	3.40	5.32

- 1% Decrease	(4.43)	(6.60)
---------------	--------	--------

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 summarize 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, 2025	March 31, 2024
Current service cost (including past service cost)	43.22	40.40
Interest cost on benefit obligation	(3.99)	(7.23)
Other Adjustment	-	1.00
Net benefit expense	39.23	34.17

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

	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	(364.50)	(299.09)
Fair value of plan assets	416.99	368.95
Plan asset	52.49	69.86

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

	March 31, 2025	March 31, 2024
Opening value of defined benefit obligation at the beginning of the year	299.08	263.88
Current service cost	43.22	40.40
Past service cost - plan amendments	-	-
Interest cost	20.38	18.05
Actuarial loss/(gain) on obligation	17.83	(3.98)
Benefits paid	(16.01)	(19.26)
Present value of defined benefit obligation at the end of the year	364.50	299.09

iv. Changes in the fair value of plan assets:

	March 31, 2025	March 31, 2024
Fair Value of Plan Assets at beginning of year	368.95	359.79
Expected Return on Plan Assets	24.37	6.35
Employer Contributions	39.68	22.08
Actuarial gain/(loss) on plan assets	-	-
Benefits paid	(16.01)	(19.27)
Fair Value of Plan Assets at end of year	416.99	368.95

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

	March 31, 2025	March 31, 2024
Discount rate	6.40%	7.00%
Salary escalation Rate	7.50%	7.50%
Withdrawal Rate	20.00%	5.00%

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, 2025
March 31, 2026	79.00
March 31, 2027	68.78
March 31, 2028	58.79
March 31, 2029	47.27
March 31, 2030	40.13
March 31, 2031 to March 31, 2035	120.26

Particulars	March 31, 2025	March 31, 2024
(a) Effect of 1% change in assumed discount rate		
- 1% Increase	(12.95)	(10.31)
- 1% Decrease	14.03	11.14
(b) Effect of 1% change in assumed Salary Escalation rate		
- 1% Increase	9.43	6.41
- 1% Decrease	(8.81)	(6.00)
(c) Effect of 1% change in assumed Withdrawal Rate		
- 1% Increase	(0.04)	0.71
- 1% Decrease	0.02	(0.78)

c. Defined contribution plan

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

	March 31, 2025	March 31, 2024
Contribution to Provident Fund	745.99	589.49
Contribution to Superannuation Fund	44.91	41.99
Contribution to ESI	20.52	15.88

d. Leave benefit liabilities provided based on actuarial valuation amounts to Rs. 889.59 lakhs as at March 31, 2025 (March 31, 2024: Rs. 619.36 lakhs)

The actuarial assumptions (demographic & financial) employed for the calculations for MRO business as at March 31, 2025 and March 31, 2024 are as follows.

	March 31, 2025	March 31, 2024
Discount rate	6.60%	7.00%
Salary escalation rate	8.00%	8.00%
Withdrawal rate	5.00%	5.00%

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

The actuarial assumptions (demographic & financial) employed for the calculations for Cargo business as at March 31, 2025 and March 31, 2024 are as follows.

	March 31, 2025	March 31, 2024
Discount rate	6.40%	7.00%
Salary escalation rate	7.50%	7.50%
Withdrawal rate	20.00%	20.00%

33. Related Party transactions:

The following table provides the details of transactions that have been entered into with related parties for the relevant financial year and balances outstanding as on period end date.

A. Names of related parties and description of relationship:

Sl. No.	Relationship	Related party Name
(i)	Holding Company	GMR Hyderabad International Airport Limited (GHIAL)
(ii)	GHIAL's holding Company	GMR Airports Limited (GAL) (formerly known as "GMR Airports Infrastructure Limited")
(iii)	Ultimate holding Company	GMR Enterprises Private Limited
(iv)	Subsidiary Company	GMR Aero Technic Limited (GATL)
(v)	Fellow Subsidiaries (Where transactions have taken place during the year)	GMR Hyderabad Aviation SEZ Limited
		GMR Hyderabad Aerotropolis Limited
		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	GACAEL Employees Gratuity Fund Trust.
		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 - Director
		Mr. Rajesh Kumar Arora -Director
		Mr. P. S. Nair -Director
		Mr. Pradeep Panicker - Director
		Mr. SGK Kishore- Director
		Mr. Bijal Tushar Ajinkya - Director
		Mr. Kandi Sreenivasulu - Chief Financial Officer
		Mr. Ravinder Kumar Tyagi - Director
		Mr. Sudhakar Rao -Director
		Mr. Rakhal Panigrahi - Company Secretary
		Mr. G. Chandrabushan- Manager

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

GMR Air Cargo and Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Notes to the Standalone Financial Statements for the year ended March 31, 2025
(All amounts are in ₹ lakhs, unless otherwise stated)

Details of Key Managerial Personnel	Remuneration*		Sitting fees	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Mrs. Kavitha Gudapati	-	-	-	0.15
Mr. Bijal Ajinkya	-	-	4.20	1.10
Mr. Ravinder Kumar Tyagi	-	-	4.00	1.20
Mr. Sudhakar Rao	-	-	4.00	1.20
Mr. Kandi Sreenivasulu	61.41	47.16	-	-
Mr. Rakhal Panigrahi	20.77	16.40	-	-
G. Chandra Bushan	38.12	33.93	-	-
Total	120.30	97.49	12.20	3.65

*excluding other Long term employee benefits.

C. Transactions with related parties for the year ended:

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	GMR Hyderabad International Airport Limited		
	Concessionaire fee	3,926.67	2,726.16
	Reimbursement of salary cost	61.41	57.40
	Repairs & Maintenance – Buildings	1.43	1.43
	Repairs and Maintenance - Plant and machinery	1.30	1.30
	Training charges	-	0.32
	Reimbursement of Other Expenses	4.06	4.30
	Royalty charges	133.65	118.03
	Power and water charges	433.10	368.21
	Bank Guarantee commission	16.48	18.59
	Interest on security deposit - Unwinding of discount	0.49	0.45
	Communication – Telephone	1.79	0.74
	Depreciation on ROU Assets	20.79	20.79
	Follow me Vehicle Charges	1.87	2.06
	Interest on Lease Liability	516.04	503.79
	Amortization of intangible asset	229.65	229.65
(b)	GMR Hyderabad Aviation SEZ Limited		
	Interest on Lease Liability	341.95	342.86
	Depreciation on ROU Asset	165.56	165.56
	Interest on security deposit - Unwinding of discount	3.00	2.70
	Electricity and Water Charges	525.87	511.23
	Repairs and maintenance – Others	50.32	38.17
	Lease Admin Fee & Annual Audit Fee	0.59	-
(c)	GMR Airport Developers Limited		
	Repairs and maintenance -IT	-	260.00
	Repairs and maintenance -Others	299.32	60.50
	Reimbursement of software maintenance	-	11.01
	Capital work-in-progress	210.00	2.10
(d)	GMR Hospitality and Retail Limited		
	Lodging and food expenses (Travelling and conveyance)	381.64	138.86

GMR Air Cargo and Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Notes to the Standalone Financial Statements for the year ended March 31, 2025
(All amounts are in ₹ lakhs, unless otherwise stated)

	Miscellaneous expenses	1.30	6.35
	Income from Cargo operations	15.26	18.73
(e)	Raxa Security Services Limited		
	Security services	230.78	204.35
(f)	Delhi International Airport Limited		
	Royalty charges	362.60	112.90
	Electricity charges	2.59	1.19
	Interest on security deposit - Unwinding of discount	4.42	3.69
	Interest on Lease Liability	25.77	28.82
	Depreciation on ROU Asset	69.75	65.49
	Lease rentals and other related expenses	10.63	9.57
	Security deposit given	5.05	26.49
(g)	GMR Airports Limited		
	Technical fees	1,745.35	1,257.41
	Training charges	23.95	72.00
	Operation and maintenance charges	65.75	-
(h)	GMR Hyderabad Aerotropolis Limited		
	Power and water charges	4.49	4.36
	Repairs and Maintenance-Buildings	8.20	7.88
	Interest on land lease liabilities	22.01	3.95
	Interest on Security deposit given	1.41	1.12
	Amortization of intangible asset (Land & CSB)	81.37	66.61
(i)	GMR Aero Technic Limited		
	Reimbursement of expenses	29.14	3.63
(j)	GMR Goa International Airport Limited		
	Business Development Expenditure	-	2.00
(l)	GMR Varalakshmi Foundation		
	Charities and donations	44.44	13.36
(m)	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	39.69	23.08

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

D. Balances Outstanding:

	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	GMR Hyderabad International Airport Limited		
	Equity Share Capital	45,584.89	45,584.89
	Trade Payable	397.80	323.10
	Lease liability	-	34.34
	Payable for leasehold land rights	4,850.54	4,720.55

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

	Right-of-use Assets	-	20.79
	Right to operate Cargo facility- Land & CSB	2,985.40	3,215.05
	Security Deposit	5.04	4.55
	Corporate guarantee given	23,850.00	28,639.20
(b)	GMR Hyderabad Aviation SEZ Limited		
	Security Deposit	29.64	26.64
	Right of use Asset	2,152.31	2,317.88
	Lease Liability	3,442.71	3,506.43
	Trade Payables	2,006.10	2,460.92
(c)	GMR Airport Developers Ltd		
	Trade Payable	24.56	213.35
	Payable for purchase of Intangibles	-	2.27
(d)	GMR Hospitality and Retail Limited		
	Trade Payable	41.98	37.65
	Advances received from Customers	3.46	3.55
(e)	Raxa Security services Limited		
	Trade Payable	103.42	30.86
(f)	GMR Airports Limited		
	Trade Payable	163.38	158.01
	Other Current Assets	4.90	-
(g)	GMR Hyderabad Aerotropolis Limited		
	Right to Operate Cargo Facility - Land & CSB	154.63	-
	Payable to leasehold land rights	164.93	0.24
	Trade Payable	5.35	-
	Security Deposit given	17.67	11.37
(h)	Delhi International Airport Ltd		
	Security Deposit	49.87	41.80
	Advance to Suppliers	-	-
	Right of use Asset	218.40	261.94
	Lease Liability	242.64	268.53
	Trade Payable	13.60	52.50
(i)	GMR Hyderabad Air Cargo and Logistics Private Limited Employees' Group Gratuity Trust (Formerly known as Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust)		
	Trade Payables	0.87	0.87
(j)	GMR Airports Infrastructure Limited (GIL)		
	Other Current Assets	-	4.72
(k)	GMR Aero Technic Limited		
	Investment in equity shares	10.00	10.00
	Other receivables	61.91	32.77

34. Leases**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

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

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, 2023	2,525.03
Additions	770.73
Depreciation/amortization till 31st March 2024	(293.66)
As at 31 March 2024	3,002.10
As at April 01, 2024	3,002.10
Additions	121.62
Depreciation/amortization for the year	(377.30)
As at March 31, 2025	2,746.42

Lease Liability

Particulars	Amount
As at April 01, 2023	3,642.75
Additions	751.22
Interest For the year	393.74
Repayment made during the year	(542.70)
As at 31 March 2024	4,245.01
As at April 01, 2024	4,245.01
Additions	121.62
Interest For the year	415.83
Repayment made during the year	(673.00)
As at March 31, 2025	4,109.46

Disclosed as:

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current	3,650.89	3,754.17
Current	458.57	490.84

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 31 March 2025	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	925.35	2,342.39	4,250.70	7,518.44

Year ended 31 March 2024	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	889.67	2,239.71	4,684.25	7,813.63

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of right to use asset	377.30	293.66
Interest on lease liability	415.83	393.74
Expenses pertaining short term lease and low value lease	81.27	88.41
Total amount recognized in statement of profit and loss account	874.40	775.81

35. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for during the year (net of capital advances) of Rs. 15,651.51 Lakhs (March 31, 2024 Rs. 1,339.11 lakhs)

36. Contingent Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Matter relating to indirect tax under dispute (refer footnotes below (a))	449.00	528.88
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))	15.93	1,487.86
Bank guarantees issued	4,529.80	124.80
Total	9,611.42	6,758.23

(a) Matter relating to indirect tax under dispute

- 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.
- 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 as per pre deposit.

CESTAT on April 29, 2025 has passed the judgment in favour of the company. Company is in a process of filing refund application of pre-deposit made shortly.

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

- (a) Non reversal of CENVAT Credit against sale of goods for Rs. 2.58 lakhs.
- (b) Proposing disallowance of Export of Services on the ground that 'Place of supply' for MRO Services of Aircraft going out of India after being put to use India can't be said to be outside India. Hence it does not qualify 'Export of Service' and hence subject to Service Tax for Rs. 207.99 lakhs along with applicable interest and penalty.

The Company has filed a writ petition on August 21, 2019 and received interim relief on August 22, 2019 staying the proceedings. Department has filed its reply and requested for stay vacation. The company is in the process of filing rejoinder. Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

- (iv) During the FY 21-22, the Company has received a show cause notice u/s 73 from the GST Office of Deputy Commissioner for the FY 18-19 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 1.42 Lakhs.

Personal hearing happened on March 28, 2024. The Department has dropped the proposal to disallow the Input Tax Credit.

- (v) In previous years, 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. The central board of Indirect Taxes dropped all the proceedings against the company during the period.

During FY 2024-25, the assessing officer reviewed the clarifications and documents submitted by the company and accepted them, thereby concluding the disputes and dropping any further proceedings.

- (vi) In Previous years, 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 Standalone 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. Also paid amounts paid for AY 2009-10 and AY 2010-11 as per applications accepted by the department.

During FY 2022-23 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. Department has withdrawn the cases filed in high court 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 amount, the Company 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 financial year 2021-22, 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. Department has withdrawn the cases filed in high court the company is waiting for the tax refund.

- (iii) The Company has received an order during the previous years for the assessment year 2015-16 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, the Company filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 417.17 Lakhs for AY 2015-16. During the previous year FY 2018-19, the department has issued a refund order advice stating that refund for AY 2017-18 has been adjusted against the demand for AY 2015-16 to the extent of Rs. 377.05 Lakhs. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad During the previous year case has transferred from CIT (A) to National Faceless Appeal Centre (NFAC). NFAC has upheld the decision taken by ITO, without considering Hon'ble Income Tax Appellate Tribunal (ITAT) order in Appellant own case for earlier years.

The company has filed an appeal before Income Tax Appellate Tribunal ITAT(Appeals) on April 16, 2025. ITAT Hyderabad has passed order on the appeal filed for AY 2015-16 in ITA No.662/Hyd/2025 against the ex-parte order dated April 12, 2024 passed by the Commissioner of Income Tax, NFAC, Delhi under Old PAN without providing any opportunity to the assessee. Vide the aforesaid order the ITAT has remanded back the matter to Commissioner of Income Tax (Appeals). Company has filed application for Direct Tax Vivad se Vishwas Scheme, 2024 for settlement of dispute.

- (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 During the previous year case transferred from CIT (A) to National Faceless Appeal Centre (NFAC). NFAC has upheld the decision taken by ITO, without considering Hon'ble Income Tax Appellate Tribunal (ITAT) order in Appellant own case for earlier years.

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

The company has filed appeal before Income Tax Appellate Tribunal ITAT(Appeals) on Apr 16, 2025. ITAT Hyderabad has passed order on in the appeal filed for AY 2016-17 in ITA No.663/Hyd/2025 against the ex-parte order dated April 12, 2024 passed by the Commissioner of Income Tax, NFAC, Delhi under Old PAN without providing any opportunity to the assessee. Vide the aforesaid order the ITAT has remanded back the matter to the Commissioner of Income Tax (Appeals). Company has filed application for Direct Tax Vivad se Vishwas Scheme, 2024 for settlement of dispute.

- (v) 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. The company has applied under Vivad se vishwas scheme (VSVS) for settlement of disputed taxes for AY 2018-19 on February 07, 2025 and awaiting department's confirmation.
- (vi) During the FY 21-22, the Company has received an order for the assessment year 2017-18 denying the deduction u/s 80-IA of the Income Tax Act, 1961, taxing of receipts of difference in gross receipts between 26AS and books of accounts and 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 filled a Writ petition before High Court. And the High Court has issued an Interim Order directing IT authority to keep the proceedings wrt Tax demand till the writ petition is disposed off. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(c) Claims against the company not acknowledged as dues**(i) Custom officers Salaries**

The Company accrued Customs officers' salaries stationed at Air Cargo Terminal based on debit notes raised by the Customs Department on GMR Hyderabad International Airport Limited (GHIAL) as the ultimate cost has to be borne by the custodian i.e. the Company. GHIAL filed a writ petition under Article 226 of the Constitution of India in the Honorable High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised in previous years. GHIAL received an order from the Honorable High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by Customs Department were wholly unsustainable and accordingly the Company had reversed the accrued customs cost amounting to Rs. 1,402.09 Lakhs for the period from March 23, 2008 to March 31, 2012. Subsequent to the above order, the Customs Department preferred an appeal against the same and on November 02, 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 Appeal filed by the Customs Department is dismissed. The order passed by Single Judge bench was upheld by the Hon'ble High Court on March 27, 2024.

During the financial year 2024-25, the Company has received an amount of Rs. 272.55 Lakh against the amount the Company has paid to the customs department for the period from 23.03.2008 to 31.03.2009 towards establishing charges of the Customs Staff posted at Air Cargo Complex. The Customs department has filed a SLP before Supreme Court and the same is pending for hearing. However, the Judgement of Division bench of Telangana HC is not stayed.

(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

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

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 received an order from District Consumer Forum (RR Dist.), regarding the compensation for short delivery of cargo to M/s. Excell Media Pvt. Ltd amounts to Rs. 0.92 Lakhs along with applicable interest. The Company has filed an appeal vide. FA. No.821/2020 before the Telangana State District Consumer Redressal Commission challenging the final order passed by the Ranga Reddy District Consumer Redressal Forum. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

(iv) Registration of Cargo Terminal Building

During the previous year, the Company has received an order from Sub Registrar, Shamshabad regarding the payment of fine of Rs.69.07 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 27th September, 2021. High court has passed its final judgment on 06th July 2024, to waive off the penalty insisted for delay in submission of documents in Covid period.

Further, SRO has termed the Conveyance deed as conveyance on Sale and issued notice demanding the payment of 1.5% of the consideration amount as Transfer Duty and 0.1% as mutation charges citing applicable legal provisions and accordingly SRO have issued the Notice for Payment of Rs 0.42 Cr the company has paid the said demand and completed the registration process on 18th December 2024.

(v) Clearance of aircraft

During FY 2021-22, Customs has issued a penalty of Rs. 0.75 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.

37.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, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

MRO	53,104.74	31,674.10	14,327.53	5,847.58
Air Cargo	22,300.54	15,024.24	7,039.86	2,376.61
	75,405.28	46,698.34	21,367.39	8,224.19
Less: Inter segment	(106.00)	(28.00)	-	-
Total	75,299.28	46,670.34	21,367.39	8,224.69
Other income			2,434.59	1,704.99
Finance costs			(3,337.83)	(3,601.32)
Tax expense			(1,314.06)	-
Profit after tax			19,150.09	6,328.36

	As at March 31, 2025	As at March 31, 2024
Segment assets		
MRO	49,432.28	40,114.47
Air Cargo	14,444.25	13,896.85
Unallocable assets	19,660.85	12,734.59
Inter - segment	(2,801.26)	(2,801.25)
Total assets	80,736.12	63,944.69
Segment liabilities		
MRO	20,044.40	18,368.76
Air Cargo	12,051.99	11,202.07
Unallocable liabilities	23,788.22	28,561.07
Inter - segment	(2,801.26)	(2,801.26)
Total liabilities	53,083.35	55,330.64

Other segment information

	Depreciation and amortization		Additions to non - current assets	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
MRO	2,765.78	2,210.34	2,232.59	5,796.49
Air Cargo	826.62	746.13	1,507.42	534.10

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.

38.Taxation

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

- 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 the Financial Statements, particularly on the amount of tax expense and that of provision for taxation.
- As at March 31, 2025, Considering the taxable profits after set off of the accumulated business losses and unabsorbed depreciation. The company has recognised Tax expense in books of accounts.

GMR Air Cargo and Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

39. The 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.

40. As at March 31, 2025, the Company has accumulated losses (including amalgamation adjustment deficit account) of Rs. 19,781.49 lakhs (as at March 31, 2024 is Rs. 38,820.21 lakhs). The Management has undertaken several initiatives to improve its income from operations and establish profitable operations including the composite scheme of arrangement. 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 Term loan against NIIF IFL has been confirmed by ICRA Limited with letter dated April 28, 2025 as [ICRA]AA+ (CE) (stable). 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.

41. 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 five 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, 2025.

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, 2025.

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, 2025.

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)****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, 2025	March 31, 2024
Term Loan from NIIF IFL	23,850.00	26,550.00
Total	23,850.00	26,550.00

Interest rate sensitivity

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

	Increase/decrease in Interest rate	Effect on profit before tax
As at March 31, 2025		
Term Loans	+0.50%	(114.20)
	- 0.50%	114.20
Overdraft facility from bank	+0.50%	-
	- 0.50%	-

	Increase/decrease in Interest rate	Effect on profit before tax
As at March 31, 2024		
Term Loans	+0.50%	(127.70)
	- 0.50%	127.70
Overdraft facility from bank	+0.50%	(9.88)
	- 0.50%	9.88

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 year expressed in Indian Rupees are as follows:

Particulars	Currencies Exposure	As at March 31, 2025	
		Amount in Foreign currency	Rs in Lakhs
Trade payables	USD	24,09,297.22	2,059.23
	EURO	3,58,556.37	333.63
	SGD	22.35	0.01
	CHF	105.47	0.10
	GBP	3,023.79	3.35
Capital Creditors- Goods	USD	39,880.01	34.09
	EURO	3,748.00	3.45
Trade receivables	USD	1,19,68,336.12	10,239.41
Cash and cash equivalents	USD	33,49,414.30	2,862.74
	AED	13.50	_*
	SGD	1.00	_*
Unbilled revenue	USD	37,38,143.71	3,193.62

Particulars	Currencies Exposure	As at March 31, 2024	
		Amount in Foreign currency	Rs in Lakhs
Trade payables	USD	7,74,471.79	645.95
	EURO	72,866.69	65.49
	SGD	22,938.79	14.16
	CHF	105.47	0.10
	GBP	14,550.25	15.28
Sundry Creditors Capital Goods	USD	20,831.38	17.37
Trade receivables	USD	86,54,415.03	7,218.21
Cash and cash equivalents	USD	8,69,706.90	725.38
Unbilled revenue	USD	12,47,609.54	1,040.57

* Less than thousand's

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, 2025, A positive number below indicates an increase in profit when the functional currency weakening against the USD and when functional currency weakening for other foreign currencies. For a 5 % strengthening of functional currency against USD and other foreign currencies, there would be a comparable opposite impact on the profit.

Particulars*	March 31, 2025 Impact on profit before tax	March 31, 2024 Impact on profit before tax
USD Sensitivity		
INR/USD- Increase by 5%	710.12	427.41
INR/USD- Decrease by 5%	(710.12)	(427.41)
EURO Sensitivity		
INR/EURO-Increase by 5%	(16.85)	(3.27)
INR/EURO- Decrease by 5%	16.85	3.27
GBP sensitivity		
INR/GBP-Increase by 5%	(0.17)	(0.76)
INR/GBP- Decrease by 5%	0.17	0.76
SGD sensitivity		
INR/SGD-Increase by 5%	(0.00)	(0.71)
INR/SGD- Decrease by 5%	0.00	0.71
CHF sensitivity		
INR/CHF-Increase by 5%	(0.01)	(0.005)
INR/CHF- Decrease by 5%	0.01	0.005

*Major Currencies are disclosed

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

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

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, 2025	Up to 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Term Loan – NIIF IFL	2,700.00	11,100.00	10,050.00	23,850.00
Trade payables	8,463.70	-	-	8,463.70
Leases- At undiscounted	925.35	2,342.39	4,250.70	7,518.44
Payable for Lease-Hold Land Rights and CSB Lease- At undiscounted	511.64	2,254.06	7,761.68	10,527.38
Other financial liabilities	1,538.87	-	-	1,538.87

Year ended March 31, 2024	Up to 1 year	1 - 5 year	More than 5 year	Total Contracted cash flows
Term Loan – NIIF IFL	2,700.00	13,800.00	10,050.00	26,550.00
Trade payables	7,947.27	-	-	7,947.27
Leases – At undiscounted	889.67	2239.71	4,684.25	7,813.63
Payable for Lease-Hold Land Rights and CSB Lease- At undiscounted	384.61	1,963.45	8,381.09	10,729.15
Other financial liabilities	1,698.75	-	-	1,698.75

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.

42. 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.

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

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 and other bank balances.

The following table summarises the capital of the Company:

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings	23,788.22	28,561.07
Cash and cash Equivalents & Other Bank Balances	(3,973.26)	(1,207.24)
Net debt (A)	19,814.96	27,353.83
Equity (B)	27,652.77	8,614.05
Net debt to Equity ratio (A/B)	0.72	3.18

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 for the year ended March 31, 2025.

43. Fair values:

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the Financial Information is reasonable approximation of fair values.

Particulars	Carrying value		Fair Value	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Financial assets				
Valued at cost				
Investments	10.00	10.00	10.00	10.00
Valued at fair value through profit and loss				
Investments	17,188.91	9,303.52	17,188.91	9,303.52
Valued at amortized cost				
Investments	-	-	-	-
Trade receivable	10,947.59	7,911.71	10,947.59	7,911.71
Other financial assets	4,465.41	2,020.34	4,465.41	2,020.34
Cash and cash equivalent and other bank balances	3,973.26	1,207.24	3,973.26	1,207.24
Total Financial Assets	36,585.17	20,452.81	36,585.17	20,452.81
Financial liabilities				
Valued at amortized cost				
Borrowings	23,788.22	28,561.07	23,788.22	28,561.07
Lease Liabilities	4,109.46	4,245.01	4,109.46	4,245.01
Trade payables	8,463.70	7,947.27	8,437.10	7,947.27
Other financial liabilities	6,554.35	6,417.52	6,554.35	6,417.52

GMR Air Cargo and Aerospace Engineering Limited**CIN: U45201TG2008PLC067141****Notes to the Standalone Financial Statements for the year ended March 31, 2025****(All amounts are in ₹ lakhs, unless otherwise stated)**

Total Financial Liabilities	42,915.73	47,170.87	42,915.73	47,170.87
------------------------------------	------------------	------------------	------------------	------------------

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.

44. 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 and liabilities as at March 31, 2025:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)#	(Level 2)	(Level 3)
Financial assets					
Investments held at fair value through profit and loss	March 31, 2025	17,188.91	15,816.25	1,372.66	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31 2024:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)#	(Level 2)	(Level 3)
Financial assets					
Investments held at fair value through profit and loss	March 31, 2024	9,303.52	8,429.64	873.88	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year ending March 31, 2025 and year ending March 31, 2024.

The mutual funds are valued using closing NAV.

45. 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 recognized in the Standalone Financial Statements:

Service Concession Arrangements -

Management has assessed applicability of Appendix D to Ind AS 115 - "Service Concession Arrangements (SCA)" to operations and maintenance agreements entered into by the Company for provisioning of cargo services at Rajiv Gandhi International Airport ('RGIA'), Hyderabad. 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 Standalone 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.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

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 in to 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 financial information 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.

52. The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except as specified below (a). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such features is enabled, and logs maintained. Furthermore, the audit trail feature has been preserved by the Company as per the statutory requirements for record retention from the date the audit trail was enabled for the accounting software.

- a. The audit trail feature was not enabled at the database level for two accounting software's – SUN Infor, Kale

GMR Air Cargo and Aerospace Engineering Limited

CIN: U45201TG2008PLC067141

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

Galaxy to log into any direct data changes, used for maintenance of accounting records by the Company.

53. "The Company has presented profit/ (loss) before finance costs, taxes, depreciation, amortization expense and exceptional items as EBIDTA".
54. The Board of directors of GMR Airports Limited in its meeting held on March 19, 2023 had approved, a detailed Scheme of Merger of GMR Airports Limited (GAL) with GMR Infra Developers Limited (GIDL) followed by merger of Merged GIDL with the GMR Airports Infrastructure Limited (GIL), referred hereinafter as Merger Scheme. Subsequent to year ended March 31, 2024, the Merger Scheme has been approved by the Hon'ble National Company Law Tribunal, Chandigarh bench ("the Tribunal") vide its order dated June 11, 2024 (Certified Copy of the order received on July 02, 2024). The said Tribunal order was filed with the Registrar of Companies by GAL, GIDL and GIL on July 25, 2024 thereby the Scheme becoming effective on that date. Accordingly, GMR Airports Infrastructure Limited became the ultimate Holding Company of the Company. Later, GMR Airports Infrastructure Limited changed its name to GMR Airports Limited with effect from September 11, 2024.
55. 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
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

Sd/-
P.S. Nair
Director
DIN: 00063118

Sd/-
Rajesh Kumar Arora
Director
DIN: 03174536

Place: Bengaluru
Date: April 30, 2025

Place: New Delhi
Date: April 30, 2025

Sd/-
Kandi Sreenivasulu
Chief Financial Officer

Sd/-
Rakhal Panigrahi
Company Secretary
M.No. ACS 39622

Place : Hyderabad
Date : April 30, 2025

Place : Hyderabad
Date : April 30, 2025

Place : Hyderabad
Date : April 30, 2025