

Date: 30.04.2018

To The Listing Operations (Debt) BSE Limited, P J Towers, Dalal Street, Mumbai -400001, India Phone (Direct): 022 2272 8550	To The Listing Operations (Debt) National Stock Exchange of India Limited, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Phone (Direct): 022 26598100
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Dear Sir/Madam,

Sub: Financial Statements of GMR Aerospace Engineering Limited under Clause 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

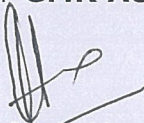
Please find enclosed the annual audited Standalone financial results of the company along with Audit Report for the year ended 31st March, 2018.

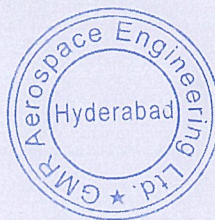
This is for your records.

Thanking You,

Yours faithfully

For **GMR Aerospace Engineering Limited**


Rajesh Kumar Arora
Director
DIN: 03174536



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF GMR AEROSPACE ENGINEERING LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **GMR AEROSPACE ENGINEERING LIMITED** ("the Company") for the year ended March 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016, to the extent applicable.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion.

4. Attention is invited to Note 2(a) of the Statement regarding the Company's investments in its wholly owned subsidiary, GMR Aero Technic Limited, amounting to Rs. 20308.84 lakhs, loans given and, trade receivables from this subsidiary, amounting to Rs.2895.35 lakhs and Rs. 6912.91 lakhs, respectively, as at March 31, 2018. The subsidiary has been incurring continuing losses and its accumulated losses have fully eroded its net-worth as at March 31, 2018. Based on the future business plan and projections, and for reasons more fully described in the aforesaid Note, the Management is of the view that there is no impairment in the aforesaid values of investment, loans and trade receivables, and no provision is considered necessary in respect of the same.

In view of the above, and in the absence of appropriate information to support the key assumptions made by the Management to assess impairment, we are unable to comment on the carrying amounts of such investments, loan given and trade receivables from such subsidiary, including adjustments, if any that may be required to be made to such carrying amounts.

This matter was also qualified in the report of the predecessor auditors on the Standalone Ind AS financial statements for the year ended March 31, 2017.

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**Deloitte
Haskins & Sells LLP**

5. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the paragraph 4 above, the Statement:

(i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/20126 dated August 10, 2016; and

(ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and Total Comprehensive loss, and other financial information of the Company for the year ended March 31, 2018.

6. We draw attention to Note 2(b) of the Statement, which indicates that as at March 31, 2018 there is a significant erosion of net-worth of the wholly owned subsidiary Company. These conditions including dependence on continuous support from its holding Company, GMR Hyderabad International Airport Limited ('GHIAL'), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. This Ind AS Financial Statements has been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

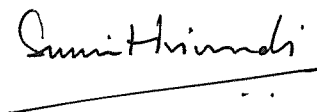
7. The Statement includes the results for the half -year ended March 31, 2018 and half-year ended March 31, 2017 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2018 and year ended March 31, 2017, and the unaudited year to date figures for the half-year ended September 30, 2017 and the half year ended September 30, 2016, respectively. The unaudited year to date figures for the half year ended September 30, 2017 were subject to limited review by us and the unaudited year to date figures for the half year ended September 30, 2016 were subject to limited review by the predecessor auditor.

8. The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Standalone Financial Results have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet, dated May 03, 2017 expressed a qualified opinion.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Sumit Trivedi

(Partner)

(Membership No. 209354)

Place: Hyderabad

Date: April 30, 2018



GMR Aerospace Engineering Limited

CIN:U45201TG2008PLC067141

Registered and Corporate Office: Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport
Shamshabad, Hyderabad-500 108, Telangana, India

Statement of Audited Standalone Financial Results for the year ended March 31, 2018

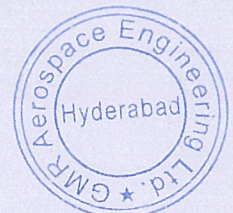
Particulars	Standalone Financial Results			
	Half-year ended		Year Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Refer note 8	Refer note 8	Audited	Audited
1. Income				
(a) Revenue from Operations	1,435.88	1,498.67	2,862.23	2,989.64
(b) Other Income	1,056.87	1,000.69	2,219.78	1,993.33
Total Income	2,492.75	2,499.36	5,082.01	4,982.97
2. Expenses				
(a) Employee benefits expense	13.28	28.38	39.64	50.70
(b) Finance costs	1,178.93	1,584.93	2,712.77	3,096.37
(c) Depreciation and amortization expenses	530.20	544.98	1,063.53	1,138.51
(d) Other expenses	1,385.16	403.38	1,866.13	991.33
Total expenses	3,107.57	2,561.67	5,682.07	5,276.91
3. Loss before tax (1-2)	(614.82)	(62.31)	(600.06)	(293.94)
4. Tax expense	-	-	-	-
5. Loss after tax (3-4)	(614.82)	(62.31)	(600.06)	(293.94)
6. Other Comprehensive Income				
<i>Items that will not be reclassified to profit and loss</i>				
Remeasurement gains/ (losses) on defined benefit plans	-*	-*	-*	(0.38)
7. Total Comprehensive Income for the period/ year (5+6)	(614.82)	(62.31)	(600.06)	(294.32)
8. Paid up equity share capital (Face value of Rs. 10 each)	32,490.00	29,290.00	32,490.00	29,290.00
9. Paid up Debt Capital (Refer note: 6)	9,962.74	-	9,962.74	-
10. Reserves excluding Revaluation Reserves	(1,348.41)	(748.34)	(1,348.41)	(748.34)
11. Debenture Redemption Reserve (Refer note: 7)	-	-	-	-
12. Earnings per share (for the period- not annualised)	(0.19)	(0.02)	(0.19)	(0.11)
13. Debt Equity Ratio (Refer note: 3)	0.32	0.93	0.32	0.93
14. Debt Service Coverage Ratio (Refer note: 4)	0.02	0.74	0.07	0.81
15. Interest Service Coverage Ratio (Refer note: 5)	0.46	0.81	0.78	0.90

* less than a lakh

Notes:

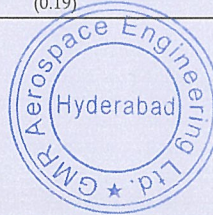
- The audited financial results of the Company for the year ended March 31, 2018 have been reviewed by the Audit Committee in their meeting held on April 30, 2018 and approved by the Board of Directors in their meeting held on April 30, 2018. The Statutory auditors of the Company have carried out an audit for the year ended March 31, 2018.
- (a) As at March 31, 2018, the Company has investment, loans and trade receivables aggregating to Rs. 20,308.84 lakhs, Rs. 2,895.35 lakhs and Rs. 6,912.91 lakhs respectively, in its wholly owned subsidiary GMR Aero Technic Limited (GATL). The subsidiary has been incurring continuing losses and its accumulated losses have fully eroded its net worth as at March 31, 2018. Management has undertaken several initiatives to improve its income from operations and establish profitable operations and it alongwith GMR Hyderabad International Airport Limited ("GHIAL") further committed to provide such financial support as necessary towards its operational requirement. Based on the future business plans and projections approved by the Board of Directors of the Company and valuation assessment done by the Management, the Management is of the view that there is no impairment, in the value of such investment, loans and trade receivables. As such, no provision, for impairment in the value of the same has been made.
In view of the above and in the absence of appropriate information to support key assumptions made by the Management to assess impairment, the auditors have given a qualification in their Audit report about their inability to comment on the carrying amounts of such investments, loan given and trade receivables from such subsidiary, including adjustments, if any.
- (b) As explained in the Note 2(a), given the significant erosion in the net-worth of the wholly owned subsidiary, the Management of the Company expects that there will be significant increase in the operations of the Subsidiary Company that will lead to long-term sustainability. GHIAL has undertaken to provide such financial support as necessary to the Company, to enable it to meet the operational requirements of the subsidiary company as they arise and to meet its liabilities as and when they fall due. Accordingly, these financial results 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.
- Debt/Equity Ratio: Debt (long term borrowings and current maturity of long term borrowings included in current liabilities)/Total Equity (Equity Share Capital and other equity).
- Debt Service Coverage Ratio (DSCR): Earnings before interest on long term borrowings and tax/(Interest on long term borrowings +Principal repayment of long term borrowings).
- Interest Service Coverage Ratio (ISCR): Earnings before interest on long term borrowings and tax/Interest on long term borrowings.
- Paid up debt capital represents outstanding 1,000 Rated, Senior, Listed, secured, Redeemable, Non-Convertible Debentures of Rs. 10 Lakhs each aggregating to Rs. 10,000 lakhs.
- The Company has not created Debenture Redemption Reserve as per the provisions of Section 71 of the Companies Act, 2013 in the absence of profits.
- The figures for the current half year and half year ended March 31, 2017 are the balancing figures of the full financial year ended March 31, 2018 and March 31, 2017, respectively and the year to date Ind AS figures upto the first half year ended September 30, 2017 and September 30, 2016, respectively.
- Asset coverage ratio represents Non-current and Current Assets / Secured Debt (long term borrowings and current maturity of long term borrowings included in current liabilities).
- The Company's business activity falls within a single business segment in terms of Ind AS 108 on Segment Reporting.

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Statement referred to in Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

S No	Particulars	Disclosures			
1	Credit rating and change in Credit rating (if any)	The credit rating of NCD's issued of Rs. 10,000 Lakhs is "AA(SO)" as per ICRA Limited letter dated October 10, 2017.			
2	Asset Cover available, in case of non-convertible debentures	4.4 times (Refer note 9 above)			
3	Debt-equity ratio	0.32 times			
4	Previous due date for the payment of interest/repayment of principal of Non-Convertible Debentures and whether the same has been paid or not	Name of the Series/ISIN No	Interest (Rs. in Lakhs)	Due on	Paid on
		a) NCD's for Rs. 10,000 Lakhs (INE991L07016)	412.27	March 31, 2018	March 31, 2018
		Name of the Series/ISIN No	Principal (Rs. in Lakhs)	Due on	Paid on
		a) NCD's for Rs. 10,000 Lakhs (INE991L07016)	Nil	Not Applicable	Not Applicable
5	Next due date for the payment of interest	Name of the Series/ISIN No		Interest (Rs. in Lakhs)	Due on
		a) NCD's for Rs. 10,000 Lakhs (INE991L07016)		428.67	September 30, 2018
6	Debt service coverage ratio for the year ended March 31, 2018	0.07 times			
7	Interest service coverage ratio for the year ended March 31, 2018	0.78 times			
8	Outstanding Non-cumulative redeemable preference shares (quantity)	Not applicable (NA)			
9	Capital Redemption Reserve/ Debenture Redemption Reserve	(Refer note 7 above)			
10	Net Worth as on March 31, 2018	Rs. 31,641.59 Lakhs			
11	Net Profit after tax for the year ended March 31, 2017	Rs (600.06) Lakhs			
12	Earnings per share (for the period- not annualised)	(0.19)			



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

Rajesh Kumar Arora
Rajesh Kumar Arora
Director
DIN-03174536

Place: Hyderabad
Date: April 30, 2018

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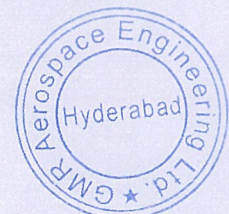


GMR Aerospace Engineering Limited
CIN: U45201TG2008PLC067141
Statement of Audited Assets and Liabilities

(Rs in Lakhs)

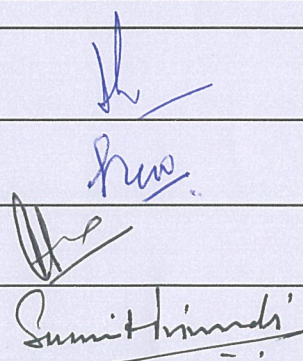
Particulars (Refer Notes)	As at March 31, 2018	As at March 31, 2017
	(Audited)	(Audited)
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	3,415.98	3,755.33
Investment property	9,951.11	10,403.42
Financial assets	-	-
Investments	20,308.84	25,516.12
Loans	2,895.35	11,449.34
Others financial assets	9.87	529.84
Deferred tax asset (net)	-	-
Non current tax asset	41.37	39.40
Other non-current assets	162.55	530.54
	36,785.07	52,223.99
b) Current assets		
Financial assets		
Trade receivables	6,912.91	5,327.69
Cash and cash equivalents	94.53	8.42
Loans	-	300.00
Derivative instruments	81.69	1,360.90
Other current assets	366.66	459.12
	7,455.79	7,456.13
TOTAL ASSETS (a+b)	44,240.86	59,680.12
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	32,490.00	29,290.00
Other equity	(848.41)	451.66
	31,641.59	29,741.66
b) Non-current liabilities		
Financial liabilities		
Borrowings	9,962.74	26,564.11
Provisions	-	1.40
	9,962.74	26,565.51
c) Current liabilities		
Financial liabilities		
Borrowings	-	1,236.00
Trade payables	2,550.36	2,034.02
Other financial liabilities	84.22	88.36
Provisions	-	5.97
Other current liabilities	1.95	8.60
	2,636.53	3,372.95
TOTAL EQUITY AND LIABILITIES (a+b+c)	44,240.86	59,680.12

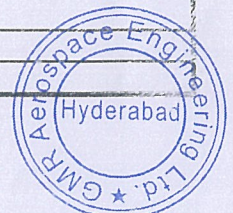
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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results - (Standalone separately)

(Rs. in Lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2018 (See Regulation 52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
	S No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
I.	1.	Turnover/Total Income	5,082.01	5,082.01
	2.	Total Expenditure	5,682.07	Refer Note below
	3.	Net Profit/(Loss)	(600.06)	Refer Note below
	4.	Earnings Per Share	(0.19)	Refer Note below
	5.	Total Assets	44,240.86	Refer Note below
	6.	Total Liabilities	12,599.27	12,599.27
	7.	Net Worth	31,641.59	Refer Note below
	8.	Any other financial item(s)	Nil	Nil
Note: Qualification is not quantifiable for the reasons mentioned below				
II.	Audit Qualification:			
	a. Details of Audit Qualification: Attention is invited to Note 2(a) of the Statement regarding the Company's investments in its wholly owned subsidiary, GMR Aero Technic Limited, amounting to Rs. 20308.84 lakhs, loans given and, trade receivables from this subsidiary, amounting to Rs.2895.35 lakhs and Rs. 6912.91 lakhs, respectively, as at March 31, 2018. The subsidiary has been incurring continuing losses and its accumulated losses have fully eroded its net-worth as at March 31, 2018. Based on the future business plan and projections, and for reasons more fully described in the aforesaid Note, the Management is of the view that there is no impairment in the aforesaid values of investment, loans and trade receivables, and no provision is considered necessary in respect of the same.			
	In view of the above, and in the absence of appropriate information to support the key assumptions made by the Management to assess impairment, we are unable to comment on the carrying amounts of such investments, loan given and trade receivables from such subsidiary, including adjustments, if any that may be required to be made to such carrying amounts.			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: repetitive, from FY 2013-14 onwards			
	d. For Audit Qualification where the impact is quantified by the auditor, management's views: Not Applicable			
	e. For Audit Qualification where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification:		Management has undertaken several initiatives to improve its income from operations and establish profitable operations and it alongwith GMR Hyderabad International Airport Limited ("GHIAL") further committed to provide such financial support as necessary towards its operational requirement. Based on the future business plans and projections approved by the Board of Directors of the Company and valuation assessment done by the Management, the Management is of the view that there is no impairment, in the value of such investment, loans and trade receivables. As such, no provision, for impairment in the value of the same has been made.	
	(ii) If Management is unable to estimate the impact, reason for the same:			
	(iii) Auditor's Comments on (i) or (ii) above: In absence of appropriate information to support the key assumptions made by the Management to assess impairment, we are unable to comment on the carrying amounts of such investments, loan given and trade receivables from such subsidiary, including adjustments, if any that may be required to be made to such carrying amounts.			
III.	Signatories:			
	✓ CEO/Managing Director			
	• CFO			
	• Audit Committee Chairman			
	• Statutory Auditor			
Place: Hyderabad				
Date: April 30, 2018				



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