

Independent Auditor's Report

To the Members of GMR Aerostructure Service Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of GMR Aerostructure Service Limited ('the Company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the



assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2020, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



(c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

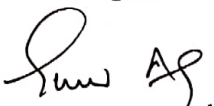
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has no pending litigations;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

For Chatterjee&Chatterjee
Chartered Accountants
Firm registration no: 001109C


GauravAgrawal
Partner

Membership no: 403788



Place: New Delhi
Date: June 23, 2020
UDIN: 20403788AAAACK1737

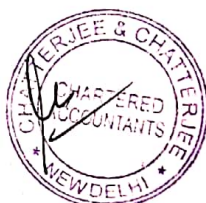
Annexure - A to the Auditors' Report

With reference to the Annexure referred to in paragraph 1 under the heading "Report on other legal & Regulatory Requirements" of our Report of even date to the members of **GMR Aerostructure Service Limited**, on the Standalone Financial Statements for the year ended 31st March 2020, we report that:

- (i). (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given 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 company.
- (ii). The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable and adequate and no material discrepancies are noticed during our audit.
- (iii). In respect of the Loans, secured or unsecured, granted by the Company to companies, firms or other parties listed in the register maintained under section 189 of the Companies act 2013:
- a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not Prejudicial to the interest of the Company.
- b) The schedule of repayment of principal and payment of interest has been stipulated and repayment of principal amounts and/or receipts of interest Have been regular as per stipulations.
- c) There are no overdue amounts as at the year-end in respect of both Principal and interest.
- iv). In our opinion and according to the information and explanations given to us, Company has complied with the provision of Section 185 and 186 of Companies Act, 2013 in respect of grant of Loans, making investments and providing guarantees and securities, as applicable.
- v). The Company has not accepted deposits from the public covered by the provisions of Section 73 to 76 of the Companies Act, 2013.



- vi). As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company.
- vii). (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, GST, Custom Duty, GST, Value Added Tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India.
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, GST, Service Tax and Customs Duty which have not been deposited on account of any disputes.
- viii). The company has not defaulted in repayment of dues to its Bank in respect of Loans taken by it. There were no dues payable to any financial institution/s.
- ix). In Our Opinion and according to the information and explanations provided by the management, the Company has utilized the monies raised by way of debt instruments and term loans for the purposes for which they were raised..
- x). According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of audit.
- xi). According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the act.
- xii). In Our Opinion and according to the explanations given to us, the company is not a Nidhi company. Accordingly, provisions of clause (xii) of the order are not applicable.
- xiii). According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable standards.
- xiv). According to the information and explanations given to us, the company has not made any preferential allotment or Private placement of shares or fully or partly convertible debentures during the year.
- 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 any non-cash transactions with the directors or persons connected with him as referred to in section 192 of Companies Act, 2013. Accordingly, Provisions of clause (xv) of the order are not applicable.

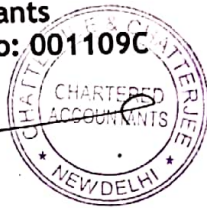
- xvi). According to the information and explanations provided to us, the provisions of Section 45-IA of the Reserve bank of India Act, 1934 are not applicable to the company.

For Chatterjee&Chatterjee
Chartered Accountants
Firm registration no: 001109C

Gaurav Agrawal

GauravAgrawal
Partner

Membership no: 403788



Place: New Delhi

Date: June 23,2020

UDIN: 20403788AAAACK1737

Annexure - B to the Auditors' Report

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 over financial reporting of GMR Aerostructure Service Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

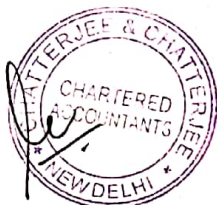
Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an



understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

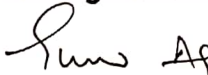
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chatterjee & Chatterjee
Chartered Accountants
Firm registration no: 001109C


Gaurav Agrawal
Partner
Membership no: 403788
Place: New Delhi
Date: June 23, 2020
UDIN: 20403788AAAACK1737



GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
CIN:U74900TG2007PLC054821
BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	31st March '20 Amount in Rs.	31st March '19 Amount in Rs.
ASSETS			
Non Current Assets			
(a) Financial Assets			
(i) Investments	3	2,495,000,000	2,495,000,000
(ii) Loans and Advances	4	4,338,922,687	2,338,922,687
(iii) Other non-current Financial Asset:	5	433,728,877	159,679,318
(b) Current Tax Assets (Net)	9	25,712,748	20,184,429
		7,293,364,312	5,013,786,434
Current assets			
(a) Financial Assets			
(i) Trade Receivable	10	-	-
(ii) Loans and Advances	4	115,000,000	85,000,000
(iii) Cash and cash equivalents	6	1,295,663	223,853
(iv) Bank Balances other than above(refe)	7	-	2,000,000,000
(v) Other Financial Assets	5	10,714,191	-
(vi) OtherCurrent Assets	8	19,125	8,775
		127,028,979	2,085,232,628
Total Assets		7,420,393,291	7,099,019,062
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	500,000	500,000
(b) Other Equity	11	(1,266,639,569)	(767,658,817)
		(1,266,139,569)	(767,158,817)
Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	4,702,586,386	4,432,850,000
(ii) Other financial liabilities	13	127,125,978	528,880,497
		4,829,712,364	4,961,730,497
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	3,177,620,000	2,864,700,000
(ii) Trade Payable- Other than MSME	14	47,035	-
(iii) Other financial liabilities	13	670,332,214	-
(b) other Liabilities	14	8,821,247	39,747,382
		3,856,820,496	2,904,447,382
Total Equity and Liabilities		7,420,393,291	7,099,019,062

NOTES TO THE FINANCIAL STATEMENTS

Significant accounting policies

2

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

As per our report of even date attached

For Chatterjee and Chatterjee

Chartered Accountants

ICAI Firm Registration No.: 001109

Gaurav Agrawal

Partner

Membership no.: 403788

Place : New Delhi

Date : 23.06.2020



For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Thandaveswaran N A

Director

DIN : 07815847

Place : Hyderabad

Date : 23.06.2020

M V SRINIVAS

M V Srinivas

Director

DIN : 02477894

Place : New Delhi

Date : 23.06.2020



GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
CIN:U74900TG2007PLC054821
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	31st March '20 Amount in Rs.	31st March '19 Amount in Rs.
I. Revenue from Operations			
II. Other Income	15	367,000,321	193,768,824
III. Total Income (I + II)		367,000,321	193,768,824
IV. Expenses			
Finance Cost	16	628,194,412	586,975,006
Other expenses	17	123,082	36,070
Total expenses (IV)		628,317,494	587,011,076
Profit/(loss) before exceptional items and tax (III - IV)			
V. IV)		(261,317,173)	(393,242,252)
VI. Exceptional items		(237,663,579)	(140,000,000)
VII. Profit/(loss) before tax		(498,980,752)	(533,242,252)
VIII. Tax Expenses:			
a. Current Tax			
i. Relating to current period			
ii. Relating to prior periods			
Total Tax Expenses (VI)		-	-
IX. Profit for the period (V - VI)		(498,980,752)	(533,242,252)
X. Other Comprehensive Income			
i. Items that will not be reclassified subsequently to profit or loss		-	-
ii. Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the period		-	-
XI. Total Comprehensive Income for The Period		(498,980,752)	(533,242,252)
XII. Earnings per equity share from Continuing operations:			
Basic and Diluted	18	(9,980)	(10,665)

NOTES TO THE FINANCIAL STATEMENTS

Significant accounting policies

2

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

As per our report of even date attached

For Chatterjee and Chatterjee,
Chartered Accountants
ICAI Firm Registration No.: 001109C

Pur 49
Gaurav Agrawal
Partner
Membership no.: 403788



Place : New Delhi
Date : 23.06.2020

For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Thandaveswaran N A
Thandaveswaran N A
Director
DIN : 07815847

Place : Hyderabad
Date : 23.06.2020

M V SRINIVAS

M V Srinivas
Director
DIN : 02477894

Place : New Delhi
Date : 23.06.2020



GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
Statement of standalone assets and liabilities as on 31 March 2020

		(In Rs.)	
Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)	
1 ASSETS			
a) Non-current assets			
Property, plant and equipment			
Financial assets			
Investments			
Loans	2,495,000,000	2,495,000,000	
Others	4,338,922,687	2,338,922,687	
Current tax assets (net)	433,728,877	159,679,318	
	25,712,748	20,184,429	
	7,293,364,312	5,013,786,434	
b) Current assets			
Financial assets			
Trade Receivables	-	-	
Loans and advances	115,000,000	85,000,000	
Cash and cash equivalents	1,295,663	223,853	
Bank balance other than above	-	2,000,000,000	
Other Financial Assets	10,714,191	-	
Other Current Assets	19,125	8,775	
	127,028,979	2,085,232,628	
TOTAL ASSETS (a+b)	7,420,393,291	7,099,019,062	
2 EQUITY AND LIABILITIES			
a) Equity			
Equity share capital	500,000	500,000	
Other equity	(1,266,639,569)	(767,658,817)	
Total equity	(1,266,139,569)	(767,158,817)	
b) Non-Current liabilities			
Financial Liabilities			
Borrowings	4,702,586,386	4,432,850,000	
Others	127,125,978	528,880,497	
	4,829,712,364	4,961,730,497	
c) Current liabilities			
Financial liabilities			
Borrowings	3,177,620,000	2,864,700,000	
Trade Payables	47,035	-	
Other financial liabilities	670,332,214	-	
Other current liabilities	8,821,247	39,747,382	
Current tax liabilities (net)			
	3,856,820,496	2,904,447,382	
TOTAL EQUITY AND LIABILITIES (a+b)	7,420,393,291	7,099,019,062	

Significant accounting policies and notes to accounts forming an integral part of the financial statements

As per our report of even date attached

For Chatterjee and Chatterjee
Chartered Accountants

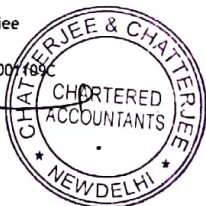
ICAI Firm Registration No.: 007189C

Gaurav Agrawal
Partner

Membership no.: 403788

Place : New Delhi

Date : 23.06.2020



For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Thandaveswaran N A
Director
DIN : 07815847

Place : Hyderabad
Date : 23.06.2020

M V SRINIVAS
Director
DIN : 02477894

Place : New Delhi
Date : 23.06.2020



(R3)

Statement of Audited Standalone Results for Quarter and Year ended March 31, 2020						
	Particulars	Quarter Ended			Year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	(Refer Notes Below)	Audited	Unaudited	Audited	Audited	Audited
A	Continuing Operations					
1	Revenue					
	a) Revenue from operations					
	b) Other income					
	i) Others	74,773,546	77,074,921	48,664,391	367,000,321	193,768,824
	Total revenue	74,773,546	77,074,921	48,664,391	367,000,321	193,768,824
2	Expenses					
	(a) Finance cost	(93,085,700)	232,058,926	149,956,367	628,194,412	586,975,006
	(a) Other expenses	51,612	21,261	12,850	123,082	36,070
	Total expenses	(93,034,088)	232,080,187	149,969,217	628,317,494	587,011,076
3	Profit/(loss) from continuing operations before exceptional items and tax expense (1-2)	167,807,634	(155,005,266)	(101,304,826)	(261,317,173)	(393,242,252)
4	Exceptional items		-	(140,000,000)	(237,663,579)	(140,000,000)
5	Profit/(loss) from continuing operations before tax expenses (3 ± 4)	167,807,634	(155,005,266)	(241,304,826)	(498,980,752)	(533,242,252)
6	Tax expenses of continuing operations					
7	Profit/(loss) after tax from continuing operations	167,807,634	(155,005,266)	(241,304,826)	(498,980,752)	(533,242,252)
8	Other Comprehensive Income					
9	Total other comprehensive income, net of tax for the respective periods					
10	Total comprehensive income for the respective periods [comprising Profit (loss) and Other comprehensive income (net of tax) for the respective periods]	167,807,634	(155,005,266)	(241,304,826)	(498,980,752)	(533,242,252)
11	Earnings per equity share					
	i) Basic/ Diluted before Exceptional items	3,356	(3,100)	(4,826)	(9,980)	(10,665)
	ii) Basic/ Diluted after Exceptional items	3,356	(3,100)	(4,826)	(9,980)	(10,665)

For Chatterjee & Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001189
Gaurav Agrawal
Partner
Membership no.: 403788



Place : New Delhi
Date : 23.06.2020

For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Thandaveswaran N A
Director
DIN : 07815847

Place : Hyderabad
Date : 23.06.2020

M V SRINIVAS
Director
DIN : 02477894

Place : New Delhi
Date : 23.06.2020



GMR Aerostructure Services Limited

CIN:U74900TG2007PLC054821

Statement of changes of equity for the year ended March 31, 2020

Particulars	Attributable to the equity holders		(Amount in Rupees)
	Equity Share	Retained earnings	Total Equity
For the year ended March 31, 2020			
As at April 1, 2019	500,000	(767,658,817)	(767,158,817)
Profit / (loss) for the year	-	(498,980,752)	(498,980,752)
Other comprehensive income	-	-	-
Total comprehensive income	-	(1,266,639,569)	(1,266,139,569)
Movement during the year	-	-	-
As at March 31, 2020	500,000	(1,266,639,569)	(1,266,139,569)
For the year ended March 31, 2019			
As at April 01, 2018	500,000	(234,416,565)	(233,916,565)
Profit / (loss) for the year	-	(533,242,252)	(533,242,252)
Other comprehensive income	-	-	-
Total comprehensive income	-	(767,658,817)	(767,158,817)
Movement during the year	-	-	-
As at March 31, 2019	500,000	(767,658,817)	(767,158,817)

Summary of significant accounting policies 2


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

As per our report of even date

Chatterjee & Chatterjee

Chartered Accountants

ICAI Firm Registration No.: 001109C


Gaurav Agrawal
Partner
Membership no.: 403788



Place : New Delhi

Date : 23.06.2020

For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited


Thandaveswaran
Director
DIN : 07815847

Place : Hyderabad

Date : 23.06.2020

M V
SRINIVAS

M V Srinivas
Director
DIN : 02477894

Place : New Delhi

Date : 23.06.2020



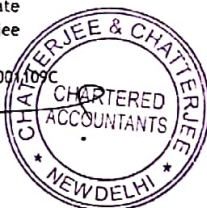
GMR Aerostructure Services Limited
(Formerly known as GMR Hyderabad Airport Resource Management Limited)
CIN:U74900TG2007PLC054821
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED March 31, 2020

		Amount in ₹	
Particulars	For the period ended March 31, 2020	For the year ended March 31, 2019	
I. Cash flow from operating activities:			
A. Profit before tax	(498,980,752)	(533,242,252)	
B. Adjustment for non-cash transactions:			
- Provisions written back:			
On doubtful advances	1,000,000,000	-	
On doubtful debts		-	
Excess provisions/ Credit Balances written back	(750,000,000)	-	
Provision for Inventory		-	
Provision no longer required		-	
	250,000,000	-	
C. Adjustment for investing and financing activities:			
- Interest Income:			
From bank deposits and others	(366,592,613)	(67,385,206)	
Gain on sale or disposal of investments (net)	(407,708)		
- Interest Expense:			
From bank deposits and others	628,173,843	586,969,521	
	261,173,522	519,584,315	
D. Adjustment for changes in working capital:			
- (Increase) / Decrease In Other Assets	(284,774,100)	(137,500,093)	
- (Increase) / Decrease in Other Bank Balances			
- (Decrease) / Increase in other financial term liabilities	268,577,695	(12,659,802)	
- (Decrease) / Increase in other current liabilities	(30,926,138)	39,240,938	
Payables	47,035		
	(47,075,508)	(110,918,957)	
E. Cash generated from operations (A+B+C)	(34,882,738)	(124,576,894)	
Less: Direct taxes paid (net of refunds)	(5,528,319)	(4,136,535)	
Net cash flow from operating activities (I)	(40,411,057)	(128,713,429)	
II. Cash flows from investing activities			
A. Interest Income received	366,592,613	67,385,206	
C. Investment in Term deposits	2,000,000,000	(2,000,000,000)	
D. Loans given	(2,280,000,000)	(932,831,460)	
E. Gain on sale or disposal of investments (net)	407,708		
Net cash flow from/ (used in) investing activities (II)	87,000,321	(2,865,446,254)	
III. Cash flows from financing activities			
A. Interest Expense paid	(628,173,843)	(586,969,521)	
B. Proceeds from borrowing	582,656,386	3,581,236,915	
Net cash flow from/ (used in) financing activities (III)	(45,517,457)	2,994,267,394	
IV. Net (decrease) in cash and cash equivalents (I + II + III)	1,071,809	107,709	
Cash and cash equivalents at the beginning of the year	223,853	116,145	
V. Cash and cash equivalents at the end of the year	1,295,662	223,853	
VI. Components of cash and cash equivalents:			
c. With banks:			
- On CURRENT Account	1,295,663	223,853	
- On Deposit Account having original maturity less than three months			
Total cash and cash equivalents (note 4)	1,295,663	223,853	

As per the report of even date
For Chatterjee and Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001109C

Gaurav Agrawal
Partner
Membership no.: 403788

Place : New Delhi
Date : 23.06.2020



For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited

Thandaveswaran
Director
DIN : 07815847

Place : Hyderabad
Date : 23.06.2020

M V SRINIVAS

M V Srinivas
Director
DIN : 02477894

Place : New Delhi
Date : 23.06.2020



1 Corporate Information

GMR Aerostructure Services Limited ("GASL" or "the Company") is a limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is wholly owned subsidiary of GMR Infrastructure Limited. The Company has been incorporated with the objective of participation in various airport infrastructure related projects. Upon successful award of such bids, separate Special Purpose Vehicles (SPVs) are formed in consortium with other parties for execution of these projects. The expenses incurred by the company towards such projects are charged / recovered from the respective project companies.

The registered office of the company is located at GMR HIAL Airport Office Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500108.

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The stand-alone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value.

The financial statements are presented in Rs.

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

All other liabilities are non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

2.2 Fixed Assets

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

2.3 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.4 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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables.

Debt instrument at FVTOCI: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTOCI: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.



GMR Aerostructure Services Limited

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'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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 P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings: This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 14.

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 recognised 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 recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



GMR Aerospace Services Limited

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated hedging instruments.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

2.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

2.7 Taxes on income

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised 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 provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

2.8 Corporate Social Responsibility ('CSR') expenditure

There is no CSR expenditure during the year.



Notes to account for the year ended March 31, 2020



10 Equity Share Capital

Authorised Share Capital:
50,000 Equity Shares of Rs. 10/- each
Total

As at March 31, 2020	As at March 31, 2019
500,000	500,000
500,000	500,000

Issued, Subscribed and Fully Paid up share capital:
50,000 Equity Shares of Rs. 10/- each

500,000	500,000
500,000	500,000

Reconciliation of the shares outstanding at the beginning and at the end of year:

	No. of Shares		In Value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	50000	50000	500,000	500,000
Share Capital issued during the year	-	-	-	-
Outstanding at the end of the year	50000	50000	500,000	500,000

Rights attached to the Equity Shares:

The company has only one class of equity shares having a face value of Rs. 10/- per share with one vote per each share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the 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.

Shares held by Holding Company:

M/s. GMR Infrastructure Limited
M/s. GMR Hyderabad International Airport Limited

As at March 31, 2020	As at March 31, 2019
50000	-
-	50000

Details of Shareholders holding more than 5% shares in the company:
Equity Shares:

M/s. GMR Infrastructure Limited
M/s. GMR Hyderabad International Airport Limited

100%	100%
------	------

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

No Shares has been issued by the company for consideration other than cash, during the period of five years immediately preceding the reporting date.

11 Other Equity:
(Deficit)/Surplus in Statement of Profit and Loss
At the beginning of the period
Profit for the year
At the end of the period

As at March 31, 2020	As at March 31, 2019
(767,658,817)	(234,416,565)
(498,980,752)	(533,242,252)
(1,266,639,569)	(767,658,817)

12 Borrowings
Loans from group companies
Total

Non Current		Current	
As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
4,702,586,386	4,432,850,000	3,177,620,000	2,864,700,000
4,702,586,386	4,432,850,000	3,177,620,000	2,864,700,000

13 Other Financial Liabilities
Interest Accrued but due
Interest accrued but due
Others
Total

Non Current		Current	
As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
127,125,978	-	670,332,214	-
-	528,880,497	-	-
127,125,978	528,880,497	670,332,214	-

14 Other Liabilities
Trade Payable- Other than MSME
TDS payable
Total

Non Current		Current	
As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
-	-	47,035	6,490
-	-	8,821,247	39,740,895
-	-	8,868,282	39,747,385



GMR Aerostructure Services Limited

CIN:U74900TG2007PLC054821

Notes to account for the year ended March 31, 2020

Note No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
15 Other Income			
Interest Income on			
Interest Received-ICD		302,274,155	122,149,919
Interest Received-Bank Deposits		56,647,499	67,385,206
Interest Received-Deposits with Others		7,670,959	4,233,699
		<u>366,592,613</u>	<u>193,768,824</u>
Other Non-operating Income			
Profit on Sale of Mutual Fund		407,708	-
		<u>407,708</u>	<u>-</u>
	Total	367,000,321	193,768,824
16 Finance Costs			
Interest on Borrowings		628,173,843	586,969,521
Bank Charges		20,569	5,485
	Total	628,194,412	586,975,006
17 Other expenses			
Payments to Auditors			
Statutory Audit fee		55,000	13,000
Rates and Taxes		22,032	2,020
Legal and professional charges		46,050	21,050
	Total	123,082	36,070
17.1 Exceptional items			
Provision for debts/ advances*		1,000,000,000	140,000,000
Credit balances written off		(762,336,421)	
	Total	237,663,579	140,000,000

The company had intended to purchase "CRPS" of face value of Rs 183.12 Crs for a consideration of Rs 130 Crs from Edelweiss Asset Reconstruction Company Ltd ("EARC") as apart of GMR Rajamundry Energy Limited ("GREL") debt restructuring process. The company had paid as an advance of Rs 100 Crs towards this transaction. The balance amount was not remitted by the company and hence EARC had given letter to exercise its right to forfeit the advance and also mentioned that the company can approach them in future at a price and terms to be decided by them and the company has requested EARC to hold the forfeiture in abeyance. However provision for advance amount has made in the financials.



GMR Aerostructure Services Limited

CIN:U74900TG2007PLC054821

Notes to account for the year ended March 31, 2020

18. Earnings Per Share (EPS)

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

Particulars	Amounts in Rs.	
	31-Mar-20	31-Mar-19
Profit attributable to equity holders of the parent	(498,980,752)	(533,242,252)
Continuing operations	-	-
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	(498,980,752)	(533,242,252)
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	(498,980,752)	(533,242,252)
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	50,000	50,000
Effect of dilution:	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	50,000	50,000
Earning Per Share (Basic) (Rs)	(9,980)	(10,665)
Earning Per Share (Diluted) (Rs)	(9,980)	(10,665)
Face value per share (Rs)	10	10



GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Notes to account for the year ended March 31,2020

19. Significant accounting judgements, estimates and assumptions

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 Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

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 DCF 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.



20. Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020 and March 31, 2019.

As at March 31, 2020

Particulars	Amortised cost	Total Carrying value	Total Fair value
Financial assets			
(i) Investments (other than investments in associates and joint ventures)	2,495,000,000	2,495,000,000	2,495,000,000
(ii) Loans	4,453,922,687	4,453,922,687	4,453,922,687
(iii) Cash and cash equivalents and Other Bank Balances	1,295,663	1,295,663	1,295,663
(iv) Other financial assets	444,462,193	444,462,193	444,462,193
Total	7,394,680,543	7,394,680,543	7,394,680,543
Financial liabilities			
(i) Borrowings	7,880,206,386	7,880,206,386	7,880,206,386
(ii) Other financial liabilities	797,458,192	797,458,192	797,458,192
Total	8,677,664,578	8,677,664,578	8,677,664,578

As at March 31, 2019

Particulars	Amortised cost	Total Carrying value	Total Fair value
Financial assets			
(i) Investments (other than investments in associates and joint ventures)	2,495,000,000	2,495,000,000	2,495,000,000
(ii) Loans	2,423,922,687	2,423,922,687	2,423,922,687
(iii) Cash and cash equivalents	2,000,223,853	2,000,223,853	2,000,223,853
(iv) Other financial assets	-	-	-
Total	6,919,146,540	6,919,146,540	6,919,146,540
Financial liabilities			
(i) Borrowings	7,297,550,000	7,297,550,000	7,297,550,000
(ii) Other financial liabilities	528,880,497	528,880,497	528,880,497
Total	7,826,430,497	7,826,430,497	7,826,430,497



GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Notes to account for the year ended March 31,2020

21. Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

(a) Market risk- 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 and short-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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:

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2020		
INR	+50	-
INR	-50	+
March 31, 2019		
INR	+50	+
INR	-50	-

The company does not have any loan bearing floating rate of interest.

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. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs.7,41,18,77,530 and Rs 6,91,91,46,540 as at March 31, 2020 and March 31, 2019 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments and other financial assets.

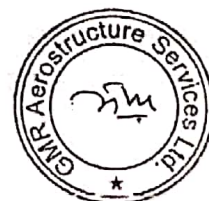
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security.

The Company's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2020 and March 31, 2019

With respect to trade receivables / unbilled revenue, the Company has constituted the terms to review the receivables on a periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.



GMR Aerostructure Services Limited
CIN:U74900TG2007PLC054821
Notes to account for the year ended March 31, 2020
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 has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through convertible debentures, non-convertible debentures, bonds and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carries no or low market risk.

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, sale of assets and strategic partnership with investors etc.

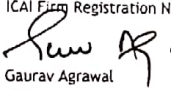
The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31, 2020				
Borrowings (other than convertible preference shares)	3,177,620,000	4,702,586,386		7,880,206,386
Other financial liabilities				
Total	3,177,620,000	4,702,586,386	-	7,880,206,386
March 31, 2019				
Borrowings (other than convertible preference shares)	2,864,700,000	4,432,850,000	-	7,297,550,000
Other financial liabilities				
Total	2,864,700,000	4,432,850,000	-	7,297,550,000

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 policies and procedures of the Company include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

As per the report of even date
For Chatterjee and Chatterjee
Chartered Accountants
ICAI Firm Registration No.: 001109C

Gaurav Agrawal
Partner
Membership no.: 403788



For and on behalf of the Board of Directors of
GMR Aerostructure Services Limited


Thandaveswaran
Director
DIN : 07815847

M V
SRINIVAS 

M V Srinivas
Director
DIN : 02477894

Place : New Delhi
Date : 23.06.2020

Place : Hyderabad
Date : 23.06.2020

Place : New Delhi
Date : 23.06.2020

