

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



Reg. Office Plot No.1
GMR Aerospace Park
GMR Hyderabad Aviation SEZ Limited
Rajiv Gandhi International Airport
Shamshabad, Hyderabad - 500108
T +91 40 6725 1115, F + 91 40 6725 1010
CIN: U45201TG2008PLC067141

November 08, 2019

To Listing Operations (Debt) BSE Limited, P J Towers, Dalal Street, Mumbai – 400001, India Phone (Direct) : 022 2272 8550	To 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: Submission of financial results under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Company: GMR Air Cargo And Aerospace Engineering Limited

Ref: 1. ISIN: INE991L07016

2. ISIN INE550V08017

With reference to the subject cited above, please find attached the Financial Results as per Reg. 52 (1) of SEBI (LODR), 2015 of the Company for the half year ended 30th September, 2019 approved by the Board of Directors along with the Limited Review Report.

Also find attached Debenture Trustee Certificate as required under Reg. 52(5) of SEBI (LODR), 2015 on the above results.

This is for your information and records.

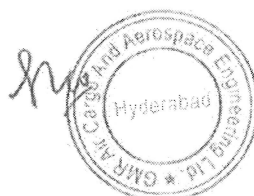
Thanking You,

For **GMR Air Cargo And Aerospace Engineering Limited**


Apeksha Naidu
Company Secretary



Statement of Unaudited Financial Results for the half-year ended September 30, 2019				
GMR Air Cargo and Aerospace Engineering Limited (formerly known as 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				
(In Rs Lakhs except share data)				
Sl. No.	Particulars	Half-year ended (Refer Note 2)		Year ended (Refer Note 2)
		30-Sep-19	30-Sep-18	31-Mar-19
	(Refer Notes)	Unaudited	Unaudited	Audited
1	Revenue from operations			
	Income from operations	13,992.02	11,313.15	24,895.96
	Other Operating income	171.42	156.02	314.14
	Total Revenue from operations	14,163.44	11,469.17	25,210.10
2	Other income	553.34	583.70	866.48
3	Total income (1+2)	14,716.78	12,052.87	26,076.58
4	Expenses			
	Operations and maintenance expenses	220.17	255.88	566.24
	Cost of stores and spares consumed	2,872.06	1,891.12	4,623.84
	Employee benefits expense	3,835.28	3,126.97	6,580.95
	Finance costs	1,744.72	1,330.40	2,665.33
	Depreciation and amortisation expenses	1,398.30	862.92	1,784.29
	Other expenses	3,995.41	3,962.19	9,623.57
	Total expenses	14,085.94	11,429.48	25,844.22
5	Profit before tax (3 - 4)	630.84	623.39	232.36
6	Tax expenses			
	Current tax	-	411.00	574.30
	Deferred tax	32.70	25.48	(24.76)
7	Net Profit/(loss) after tax (5 - 6)	598.14	186.91	(317.38)
8	Other Comprehensive Income (OCI)			
	Items that will not be reclassified to profit and loss			
	Remeasurement gains/(losses) on defined benefit plans (net of taxes)	(33.70)	(16.34)	(44.43)
9	Total comprehensive income/(loss) (7 + 8)	564.44	170.57	(361.81)
10	Paid-up equity share capital (face value Rs. 10 per share)	35,390.00	33,240.00	33,840.00
11	Paid up Debt Capital (Refer note: 10)	27,421.16	27,405.48	27,413.29
12	Reserves excluding Revaluation Reserves	(48,773.69)	(48,581.98)	(49,208.12)
13	Earnings per Equity share of par value of Rs. 10 Each			
	Basic and diluted (Rs. Per share) (not annualised for the period)	0.11	0.01	(0.14)
14	Debt/Equity Ratio (Refer note: 6)	(19.72)	(7.31)	(8.12)
15	Debt Service Coverage Ratio (Refer note: 7)	1.53	1.53	1.10
16	Interest Service Coverage Ratio (Refer note: 8)	1.53	1.53	1.10

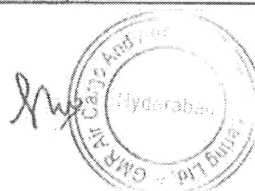


GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141

Statement of Unaudited Assets and Liabilities

(in Rs Lakhs)

Particulars (Refer Notes)	As at September 30, 2019 (Unaudited) (Refer Note 2)	As at March 31, 2019 (Audited) (Refer Note 2)
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	14,708.99	15,032.44
Right-of-use assets	7,648.58	-
Other intangible assets	1,729.88	1,683.20
Intangible assets under development	-	121.54
Financial assets		
Investments	10.00	10.00
Other financial assets	115.59	113.81
Deferred tax assets (net)	-	32.70
Non-current tax assets (net)	2,806.39	2,299.76
Other non-current assets	410.08	496.58
	27,429.51	19,790.03
b) Current assets		
Inventories	3,895.54	3,368.33
Financial assets		
Investments	2,066.54	301.56
Trade receivables	5,374.22	4,507.07
Cash and cash equivalents	546.74	554.96
Bank balances other than cash and cash equivalents	5.33	3,474.00
Loans	5,000.00	5,000.00
Other financial assets	1,126.18	859.01
Current tax assets (net)	172.68	172.68
Other current assets	594.29	453.84
	18,781.52	18,691.45
TOTAL ASSETS (a+b)	46,211.03	38,481.48
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	35,390.00	33,840.00
Share Capital suspense (Refer Note 2)	10,993.09	10,993.09
Other equity	(47,773.69)	(48,208.12)
Total equity	(1,390.60)	(3,375.03)
b) Non-current liabilities		
Financial liabilities		
Long term Borrowings	27,421.16	27,413.29
Lease Liabilities	6,619.52	-
Provisions	185.63	99.76
	34,226.31	27,513.05
c) Current liabilities		
Financial liabilities		
Short term Borrowings	-	2,799.99
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	28.71	58.24
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9,960.66	9,750.30
Lease Liabilities	1,464.72	-
Other financial liabilities	273.36	462.96
Provisions	383.99	310.76
Other current liabilities	1,263.88	961.21
	13,375.32	14,343.46
TOTAL EQUITY AND LIABILITIES (a+b+c)	46,211.03	38,481.48



GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited)
CIN: U45201TG2008PLC067141
Registered and Corporate Office: Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport,

Notes:

1. The unaudited financial results of the Company for the half year ended September 30, 2019 have been reviewed by Audit Committee through circular resolution dated November 06, 2019 and approved by the Board of Directors through circular resolution dated November 07, 2019. The Statutory Auditors of the Company have carried out limited review on the aforesaid results of the Company and issued an unmodified report on the same.
2. The Board of Directors of the Company at its meeting held on December 10, 2018 had approved a Composite Scheme ("the Composite Scheme") with regard to merger of GMR Hyderabad Air Cargo and Logistics Private Limited ("the Transferor Company") and demerger of the Maintenance, Repair and Overhaul (MRO) division of GMR Aero Technic Limited ("Demerged Company"/"GATL") with the Company with an appointed date of April 1, 2018. National Company Law Tribunal (NCLT) has passed an order approving the said scheme on July 26, 2019 and thereafter the Company filed the copy of the approved copy of the Scheme with the Registrar of Companies on August 23, 2019. The Company has given effect to the Scheme in the current period and since the above transaction results in a common control business combination the aforesaid mergers have been accounted under the 'pooling of interests' method as per Appendix C of Ind AS 103: Business Combinations. Considering the requirements of Ind AS 103 - Business Combinations, the accounting for the transaction has been given effect retrospectively by the Company. Accordingly, the financial statements/information for the corresponding periods in 2018-19 have been restated to give effect of the above Scheme.

As at September 30, 2019, in respect of the merger of transferor company, consideration payable pursuant to the scheme other than in cash, aggregating Rs. 10,973.09 lakhs has been disclosed as "Share Capital suspense" in the unaudited financial results. Subsequently, shares have been allotted to the GMR Hyderabad International Airport Limited ("GHIAL").
3. Pursuant to the Composite Scheme of Arrangement ("Scheme") approved by NCLT (Refer Note 2 above) all the liabilities relating to the Demerged Undertaking, being transferred by the Demerged Company ("GATL"), immediately before the demerger, become the liabilities of the Resulting Company ("GAEL"/"the Company") by virtue of the demerger. In view of the above and the Scheme being effective, 1,750 Senior, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures of GATL are transferred to the Company/GMR Air Cargo and Aerospace Engineering Limited ("GAEL") (formerly known as GMR Aerospace Engineering Limited - "GAEL") with same terms and conditions as they were issued. The Company is in the process of registering the transfer of the aforesaid debentures on the Bombay Stock Exchange(BSE) and National Stock Exchange(NSI). Subsequently, transfer of debentures was updated in BSE on October 15, 2019.
4. The MRO (Maintenance, Repair and Overhauling) division - Cash Generating Unit ("CGU") has been incurring continuing losses. Management has undertaken several initiatives to improve its income from operations and establish profitable operations.

Pursuant to the binding term sheet entered by the GMR Group during the year ended March 31, 2019, the Group has executed a definitive agreement with certain parties (together referred as "the Investors") to acquire equity stake in GMR Airports Limited (the holding company of GMR Hyderabad International Airport Limited, which is the holding company of the Company) (GAL) on a fully diluted basis for a consideration of Rs. 8,500 Crores through issuance of equity shares of Rs. 1000 Crores and purchase of GAL's equity shares held by the Group for Rs. 7,000 Crores. The said transaction is subject to regulatory approvals, lender consents and other approvals which are currently in progress and the Group Management is confident of obtaining the requisite approvals to achieve an expeditious closure of the transaction.

The MRO CGU is part of the Airports business. To assess whether the MRO CGU is impaired, the Management of the Company has reckoned the values attributed to MRO CGU on the basis of an independent valuation of the Airport business earned out as part of entering the aforesaid binding agreement, and accordingly, has concluded that the MRO CGU is not impaired given that there is a binding and definitive agreement as described above for an amount which is higher than the carrying value of the MRO CGU.
5. As at September 30, 2019, the Company has accumulated losses (including amalgamation adjustment deficit account) of Rs. 48,824.86 lakhs (as at March 31, 2019 - Rs. 49,259.29 lakhs) and its net-worth has been fully eroded. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

GMR Hyderabad International Airport Limited ("GHIAL") has confirmed its continuous financial support to the Company to meet the operational requirements as they arise and to meet its liabilities as and when they fall due.

Accordingly, these unaudited financial results have been prepared on Going Concern basis and do not include any adjustments relating to the recoverability of assets or the amounts of liabilities that may be necessary if the entity is unable to continue as a going concern.
6. Debt/Equity Ratio: Debt (long term borrowings and current maturity of long term borrowings included in current liabilities)/Total Equity (Equity Share Capital, Share Capital suspense and other equity).
7. 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.
8. Interest Service Coverage Ratio (ISCR): Earnings before interest on long term borrowings and tax/Interest on long term borrowings.
9. Asset coverage ratio represents Non-current and Current Asset / Secured Debt (long term borrowings and current maturity of long term borrowings included in current liabilities).
10. Paid up debt capital represents: outstanding 1,750 Rated, Senior, Listed, Unsecured, Redeemable, Non-Convertible Debentures of Rs.10 Lakhs each aggregating Rs.17,500 lakhs after an adjustment of unamortised upfront fee paid of Rs.50.15 lakhs as at September 30, 2019 (Rs.55.16 lakhs as at March 31,2019) and 1,000 Rated, Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures, Rs.10 Lakhs each aggregating Rs.10,000 lakhs after an adjustment of unamortised upfront fee paid of Rs.28.69 lakhs as at September 30, 2019 (Rs.31.55 lakhs as at March 31,2019).
11. The Company has changed the name from GMR Aerospace Engineering Limited to GMR Air Cargo and Aerospace Engineering Limited w.e.f September 25, 2019.



12. The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach. Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

Accordingly, on transition to Ind AS 116, the Company recognised the right-of-use assets of Rs. 8,657.44 lakhs and lease liabilities amounting of Rs. 7,564.42 lakhs. During the period, the Company has recognised interest expense on lease amounting to Rs.421.14 lakhs and depreciation on right-of-use assets amounting to Rs. 410.86 lakhs in the unaudited financial results.

13. The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company has identified two reportable segments under Ind AS 108 as follows:

- a) Maintenance, Repair and Overhaul (MRO) and,
b) Air Cargo

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

For the half-year ended September 30, 2019

	Segment Revenue			Segment Profit		
	For the half-year ended September 30, 2019	For the half-year ended September 30, 2018	For the year ended March 31, 2019	For the half-year ended September 30, 2019	For the half-year ended September 30, 2018	For the year ended March 31, 2019
MRO	9,274.48	6,551.50	15,353.67	851.14	254.60	1,301.99
Air Cargo	4,890.31	4,918.88	9,857.35	971.06	1,115.49	729.22
	14,164.79	11,469.58	25,211.02	1,822.22	1,370.09	2,031.21
Inter-segment	(1.35)	(0.41)	(0.22)	-	-	-
Total	14,163.44	11,469.17	25,210.80	1,822.22	1,370.09	2,031.21
Other income				553.34	583.70	865.48
Finance costs				(1,741.72)	(1,350.40)	(2,665.33)
Tax expense				(32.70)	(435.18)	(549.74)
Profit after tax				598.14	186.91	(317.38)

Segment assets and liabilities:

	(In Rs Lakhs)		
	As at September 30, 2019	As at September 30, 2018	As at March 31, 2019
Segment assets			
MRO	11,295.93	22,510.59	23,322.41
Air Cargo	12,868.75	8,249.75	17,175.07
Unallocable assets	5,055.61	9,243.71	2,784.00
Inter-segment	(2,561.26)	-	-
Total assets	46,211.03	37,006.45	33,481.48
Segment liabilities			
MRO	12,019.75	7,885.91	8,456.79
Cargo	2,677.71	2,625.43	3,708.44
Unallocable liabilities	25,566.40	30,344.02	30,213.28
Inter-segment	(2,801.26)	-	-
Total liabilities	47,601.63	40,755.36	41,856.51

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the unaudited financial results of the company as a whole.



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

Particulars	Disclosures			
Credit rating and change in Credit rating (if any)	The credit rating of NCD's issued of Rs. 27,500 Lakhs is "IGRA[AA](CIS) (Stable)" as per ICRA Limited letter dated November 04, 2019.			
Asset Cover available, in case of non-convertible debentures	4.65 times (Refer Note 9 above)			
Debt-equity ratio as on September 30, 2019	(12.72) times			
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. 17,500 Lakhs (INE550V08317)	748.13	September 30, 2019	September 30, 2019
	b) NCD's for Rs. 10,000 Lakhs (INE591L07016)	427.50		
	Name of the Series/ISIN No	Principal (Rs. in Lakhs)	Due on	Paid on
	a) NCD's for Rs. 17,500 Lakhs (INE550V08317)	Nil	Not Applicable	Not Applicable
	b) NCD's for Rs. 10,000 Lakhs (INE591L07016)			
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. 17,500 Lakhs (INE550V08317) b) NCD's for Rs. 10,000 Lakhs (INE591L07016)	748.13 427.50	March 31, 2020	
Debt service coverage ratio for the half-year ended September 30, 2019	1.55 times			
Interest service coverage ratio for the half-year ended September 30, 2019	1.55 times			
Outstanding Non-cumulative redeemable preference shares (quantity and value)	Not applicable (NA)			
Capital Redemption Reserve/Debenture Redemption Reserve	Not applicable (NA)			
Net Worth as on September 30, 2019	INR (1,390.60) Lakhs			
Net Profit after tax for the half-year ended September 30, 2019	INR 598.14 Lakhs			
Earnings per share (for the period not annualised)	0.11			

Place Hyderabad
Date November 07, 2019



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

RGK Kulkarni
Director
DIN: 02916539



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE BOARD OF DIRECTORS OF

GMR AIR CARGO AND AEROSPACE ENGINEERING LIMITED (formerly known as GMR Aerospace Engineering Limited)

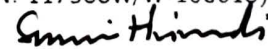
1. We have reviewed the accompanying Statement of Unaudited Financial Results of GMR Air Cargo and Aerospace Engineering Limited (formerly known as GMR Aerospace Engineering Limited) ("the Company") for the half-year ended September 30, 2019 ("the Statement") being submitted by the Company pursuant to the requirements 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 Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 5 of the Statement, which indicates that as at September 30, 2019 the accumulated losses (including Amalgamation adjustment deficit account) amounting to ₹ 48,824.86 lakhs have completely eroded the net-worth of the 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 Statement has been prepared on a going concern basis for the reasons stated in the said note.

Our conclusion on the Statement is not modified in respect of this matter.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(F.R.N. 117366W/W-100018)



Sumit Trivedi

(Partner)

(Membership No. 209354)

UDIN:19209354AAAAQK5690

Place: Hyderabad

Date: November 07, 2019

SP



ATSL/CO/19-20/5783

November 8, 2019

GMR Air Cargo And Aerospace Engineering Limited

(Erstwhile GMR Aerospace Engineering Limited)

Plot No.1, C/o GMR Hyderabad Aviation SEZ
Limited, Rajiv Gandhi International Airport,
Shamshabad, Hyderabad - 500 108

Kind Attention: Ms. Apeksha Naidu

Dear Madam,

Sub: GMR Air Cargo And Aerospace Engineering Limited - Letter of Debenture Trustee pursuant to Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015

We write in our capacity as the Debenture Trustee for the Non-Convertible Debentures (NCDs) issued by GMR Air Cargo And Aerospace Engineering Limited ("Company") and listed on the NSE/BSE Limited ("**Listed Debt Securities**").

Pursuant to Regulation 52(4) read with Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company is required to submit its half yearly/annual financial results to the Stock Exchange, with a letter of the Debenture Trustee (Axis Trustee Services Limited) that the Debenture Trustee has noted the contents furnished by the Company in terms of Regulation 52(4).

In pursuance thereof we hereby confirm that we have received the said information vide your email dated November 8, 2019 (enclosed herewith) for the half year ending September 30, 2019 along with the relevant/necessary supporting and we have noted the contents in respect of the Listed Debt Securities issued by the Company.

Thanking You,

Yours Faithfully
For **Axis Trustee Services Limited**


Rahul Vaishya
Senior Manager

AXIS TRUSTEE SERVICES LTD.

(A wholly owned subsidiary of Axis Bank)

Corporate Identity Number (CIN): U74999MH2008PLC182264

MSME UAN: MH19EO033585

REGISTERED OFFICE: Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

CORPORATE OFFICE: Axis Trustee Services Limited | The Ruby | 2nd Floor | SW | 29 Senapati Bapat Marg | Dadar West | Mumbai- 400 028

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