

GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

CIN: U62100TG2006PTC049243

Regd. Office: Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad,
Hyderabad – 500 108, Tel: 040-66977028

email: anshul.singhai@gmrgroup.in

Website: www.gmrhycargo.in

NOTICE OF MEETING OF THE UNSECURED CREDITORS OF GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

(Convened pursuant to the Order dated 01.02.2019 passed by the National Company Law Tribunal,
Bench at Hyderabad in CA(CAA)No.45/230/HDB/2019

Day	Saturday
Date	23rd March 2019
Time	11.00 A.M.
Venue	Auditorium, GMR HIAL Airport Office, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana

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FORM No. CAA. 2
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT HYDERABAD

CA(CAA)No.45/230/HDB/2019

In the matter of the Companies Act, 2013

[Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

And

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT

Amongst

GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

(‘APPLICANT’/ ‘TRANSFEROR COMPANY’)

And

GMR AERO TECHNIC LIMITED

(‘APPLICANT’ / ‘DEMERGED COMPANY’)

And

GMR AEROSPACE ENGINEERING LIMITED

(‘APPLICANT’ / ‘TRANSFEREE’ / ‘RESULTING COMPANY’)

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

GMR Hyderabad Air Cargo And Logistics Private Limited, having its registered office at Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108

... Transferor Company

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF
GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

To,

The Unsecured Creditors of GMR Hyderabad Air Cargo And Logistics Private Limited (“Transferor Company” / “Company”).

Notice is hereby given that by an Order dated 01.02.2019 in the above mentioned Company Application No. CA(CAA)No.45/230/HDB/2019, the Hon'ble National Company Law Tribunal, Hyderabad Bench ("**Hon'ble Tribunal**") has directed a meeting to be held of the Unsecured Creditors of GMR Hyderabad Air Cargo And Logistics Private Limited, for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement proposed to be made for the merger of GMR Hyderabad Air Cargo And Logistics Private Limited with GMR Aerospace Engineering Limited and demerger of the MRO (Maintenance, Repair and Overhauling) Business of GMR Aero Technic Limited into GMR Aerospace Engineering Limited, as laid out in the Composite Scheme of Arrangement amongst the said companies and their respective Shareholders and Creditors ("**Scheme**").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the Unsecured Creditors of the Transferor Company will be held on Saturday, the 23rd day of March 2019 at 11.00 A.M., at Auditorium, GMR HIAL Airport Office, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana, to transact the following business, at which time and place, the Unsecured Creditors of the Transferor Company are requested to attend either in person or through proxy.

The Unsecured Creditors are requested to consider, and if thought fit, to approve with or without modification(s), the following resolutions under Section 230 to 232 and other applicable provisions of the Companies Act, 2013:

***“RESOLVED THAT** pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the provisions of the Memorandum and Articles of Association of the Company and subject to the sanction of the Hon'ble National Company Law Tribunal, Hyderabad and further subject to the consents, approvals, permissions and sanctions of such statutory, regulatory and other authorities, as may be applicable or necessary, and subject to such conditions or modifications, as may be prescribed or imposed by the Hon'ble National Company Law Tribunal or by any statutory, regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company, approval of the Unsecured Creditors be and is hereby accorded for the merger of GMR*

Hyderabad Air Cargo And Logistics Private Limited with GMR Aerospace Engineering Limited and demerger of the MRO (Maintenance, Repair and Overhauling) Business of GMR Aero Technic Limited into GMR Aerospace Engineering Limited, as laid out in the Composite Scheme of Arrangement amongst the said companies and their respective Shareholders and Creditors (Scheme).

FURTHER RESOLVED THAT *the Board of Directors and the Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary, to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to make such modifications, amendments, limitations and/or conditions, if any, which may be required for the purpose of resolving any doubts or difficulties that may arise whilst giving effect to the Scheme, as the Board may deem fit and proper after obtaining due sanction of the same from the Hon'ble National Company Law Tribunal, Hyderabad Bench.”*

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with a copy of the Scheme and other enclosures, including Proxy Form and Attendance Slip are enclosed herewith.

Copies of the said Scheme, this Notice and the Statement under Section 230 of the Companies Act, 2013 and proxy form can be obtained free of charge on all working days from the Registered Office of the Transferor Company at Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108 or from the office of the Transferor Company's Advocate, V. Harish Kumar, Tatva Legal, Tatva House, Plot No. 107A, Road No. 72, Jubilee Hills, Hyderabad – 500110, Telangana, India, up to two (2) working days prior to the date of the meeting.

Unsecured Creditors entitled to attend and vote at the meeting, may vote in person or by proxy, provided that the proxies in the prescribed form are deposited at the Registered Office of the Transferor Company not later than 48 hours before the meeting.

The Hon'ble Tribunal has appointed Ms. Rubaina S. Khatoon, Advocate, as the Chairperson of the said meeting of the Unsecured Creditors of the Transferor Company.

The Scheme, if approved by the aforesaid meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

Sd/-

Rubaina S. Khatoon

Advocate

Date: February 09, 2019

Chairperson appointed by the Hon'ble NCLT

Place: Hyderabad

for the Unsecured Creditors Meeting

GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

CIN: U62100TG2006PTC049243

Registered Office:

Air Cargo Terminal,

Rajiv Gandhi International Airport,

Shamshabad, Hyderabad – 500 108

Tel: 040-66977028

email: anshul.singhai@gmrgroup.in

Website: www.gmrhydcargo.in

Notes:

- (1) Explanatory Statement pursuant to Section 230 read with Section 102 of the Companies Act, 2013 along with applicable rules thereunder, setting out material facts forms part of this Notice.
- (2) This Notice is being sent to all the Unsecured Creditors whose name appears in the List of Unsecured Creditors of the Transferor Company as on 30.09.2018.

- (3) **AN UNSECURED CREDITOR OF THE TRANSFEROR COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF ITSELF / HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE AN UNSECURED CREDITOR OF THE TRANSFEROR COMPANY. THE PROXY FORM DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEROR COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (4) Unsecured Creditors of the Transferor Company may attend and vote (either in person or through proxy / authorized representative under Section 113 of the Companies Act, 2013) at the Unsecured Creditors' meeting. The authorized representative of a body corporate which is an Unsecured Creditor of the Transferor Company may attend and vote at the meeting, provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the Registered Office of the Transferor Company not later than 48 hours before the meeting authorizing such representative to attend and vote at the Unsecured Creditors Meeting.
- (5) All alterations made in the proxy form should be initialed. In the event both the Unsecured Creditor and the Proxy Holder attend the meeting the proxy granted by the Unsecured Creditor will stand automatically cancelled and the Unsecured Creditor alone will be eligible to participate and vote at the meeting.
- (6) The attendees are requested to hand over the enclosed Attendance Slip, duly signed, at the time of admission to the meeting hall.
- (7) Each Unsecured Creditor shall have a voting right equal to the proportion of the amount standing to its / his / her credit as on 30.09.2018 (as per the Books of Accounts of the Transferor Company), to that of the total amount payable by the Transferor Company to all its Unsecured Creditors (as on 30.09.2018) who attend and participate at the meeting.

- (8) As directed by the Hon'ble Tribunal, the Scrutinizer for the Unsecured Creditors Meeting shall be Mr. Leela Prasad Mallela, Advocate, who shall scrutinize the votes cast at the venue of the meeting and submit the report on the votes cast, to the Chairperson of the Meeting within 2 days from the conclusion of the meeting.

- (9) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the Registered Office of the Transferor Company up to 1 (one) day prior to the date of the meeting between 10.00 a.m. and 2.00 p.m., on all working days.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT HYDERABAD**

CA(CAA)No.45/230/HDB/2019

In the matter of the Companies Act, 2013

*[Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read
with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]*

And

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT

Amongst

GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

(‘APPLICANT’/ ‘TRANSFEROR COMPANY’)

And

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(‘APPLICANT’ / ‘DEMERGED COMPANY’)

And

GMR AEROSPACE ENGINEERING LIMITED

(‘APPLICANT’ / ‘TRANSFEEE’ / ‘RESULTING COMPANY’)

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

GMR Hyderabad Air Cargo And Logistics Private Limited, having its registered office at Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108.

... Transferor Company

EXPLANATORY STATEMENT UNDER SECTIONS 230 TO 232 AND 102 OF THE COMPANIES ACT, 2013 (ACT) READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, TO THE NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED, DIRECTED TO BE CONVENED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH.

Pursuant to the Order dated 01.02.2019 passed by the Hon'ble National Company Law Tribunal (**Hon'ble Tribunal**), Hyderabad Bench in Company Application No. CA(CAA)No.45/230/HDB/2019 (**Order**), a meeting of the Unsecured Creditors of **GMR Hyderabad Air Cargo And Logistics Private Limited** is being convened at Auditorium, GMR HIAL Airport Office, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana, on Saturday, the 23/03/2019 at 11.00 A. M., for the purpose of considering, and if thought fit, approving, with or without modification(s), the merger of GMR Hyderabad Air Cargo And Logistics Private Limited with GMR Aerospace Engineering Limited and demerger of the MRO (Maintenance, Repair and Overhauling) Business of GMR Aero Technic Limited into GMR Aerospace Engineering Limited, as laid out in the Composite Scheme of Arrangement amongst the said Companies and their respective Shareholders and Creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Act and the Rules made thereunder.

I. Details of the Companies involved in the Scheme:

- i. GMR Hyderabad Air Cargo And Logistics Private Limited (Transferor Company)
- ii. GMR Aero Technic Limited (Demerged Company)
- iii. GMR Aerospace Engineering Limited (Transferee / Resulting Company)

II. The Transferor Company, the Demerged Company and the Resulting Company are together referred to as "Companies".

III. The aforesaid Scheme has been, inter alia, approved by the Board of Directors of the Companies at their respective meetings held on 10/12/2018.

- IV. A copy of the Scheme is accompanying the Notice convening the Meeting of the Unsecured Creditors of the Transferor Company.
- V. The terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.
- VI. In accordance with the provisions of Section 230 of the Act, the Scheme shall be acted upon only if a majority of the Unsecured Creditors representing three fourths in value of the votes cast by the Unsecured Creditors of the Transferor Company voting in person or by proxy at the meeting convened by the Hon'ble Tribunal agree to the Scheme.

VII. **Particulars of the Transferor Company**

- a. The CIN of the Transferor Company is U62100TG2006PTC049243.
- b. The Permanent Account Number of the Transferor Company is AACCC9611N.
- c. The Name of the Transferor Company is GMR Hyderabad Air Cargo And Logistics Private Limited.
- d. Date of Incorporation of the Transferor Company is 22/02/2006.
- e. The Transferor Company is a private limited company.
- f. The Registered Office of the Transferor Company is situated at Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108. The Email ID of the Transferor Company is anshul.singhai@gmrgroup.in.
- g. A summary of main objects as per the Memorandum of Association of the Transferor Company allows it to establish, develop and carry on all kinds of Cargo Services and allied activities, domestic or abroad; to promote export and import trade by cargo handling by the Company or on contract/guarantee basis with airlines, cargo companies and industrial users and for this purpose to arrange Cargo Aircraft traffic and to establish Cargo Complex.

- h.** The Transferor Company is engaged in the business of development, operation and maintenance of the Air Cargo Terminal at Rajiv Gandhi International Airport, Hyderabad, Telangana.
- i. Details of change of name, registered office and objects of the Transferor Company during the last five years:**
The name of the Transferor Company was changed from “Hyderabad Menzies Air Cargo Private Limited” to “GMR Hyderabad Air Cargo And Logistics Private Limited” vide a fresh Certificate of Incorporation issued by the Registrar of Companies on the 5th day of November 2018. There was no change in the registered office and the Main Objects of the Transferor Company during the last five years.
- j.** The Securities of the Transferor Company are not listed.
- k.** Details of the Capital structure of the Transferor Company including its authorized, subscribed and paid up share capital as on 30/09/2018 (Provisional and unaudited) are as follows:

Particulars	Amount (Rs.)
Authorised Capital:	
• 25,00,000 equity shares of Rs.10/- each	2,50,00,000
• 18,450 Compulsorily Convertible Cumulative Preference Shares of Rs.10000/- each	18,45,00,000
• 50,000 Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each	5,00,000

	21,00,00,000

Subscribed and Paid-up Capital	
• 10,20,000 equity shares of Rs.10/- each	1,02,00,000
• 18,000 Series A Compulsorily Convertible Cumulative Preference Shares of Rs.10000/- each	18,00,00,000
• 18,735 Series B Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each	1,87,350

	19,03,87,350

- l. Names of the Promoters and Directors of the Transferor Company along with their addresses are as follows:**

i. **Promoters details:**

S.No	Promoters	Address
1	GMR Hyderabad International Airport Limited	GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad Hyderabad – 500108, Telangana

ii. **Directors details:**

S.No	Name	Designation	Address
1	Gopala Krishna Kishore Surey	Director	6-3-345/2, Flat No.102, Celestial Grande Apts, Road No.1 Dwarakapuri Colony, Beside GVK Mall, Banjara Hills Hyderabad-500034, Telangana
2	Rajesh Kumar Arora	Director	23 AG F-1, Tower -23 A, Plot No.1 ATS Green Village, Sector -93 A, Gautam Buddha Nagar, Noida-201301, Uttar Pradesh.
3	Pradeep Panicker	Additional Director	Villa No. 84, Richmond Villas Sun City, Hydershakote, Bandlaguda, Hyderabad-500086, Telangana

VIII. **Particulars of the Demerged Company**

- a. The CIN of the Demerged Company is U35122TG2010PLC070489.
- b. The Permanent Account Number of the Demerged Company is AAGCM7805E.

- c. The Name of the Demerged Company is GMR Aero Technic Limited.
- d. Date of Incorporation of the Demerged Company is 20/09/2010.
- e. The Demerged Company is a limited company.
- f. The Registered Office of the Demerged Company is situated at Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500108. The Email ID of the Demerged Company is apeksha.naidu@gmraerotech.in.
- g. A summary of main objects as per the Memorandum of Association of the Demerged Company allows it to carry on the business of investment and development of Maintenance, Repair and Overhaul facility (MRO) and to promote, plan, design, develop, operate, market, alter the MRO facility and all other related allied and ancillary activities including but not limited to training, development, maintenance of Hangars & related Workshops.
- h. The Demerged Company is engaged in the business of providing Maintenance, Repair and Overhaul (“MRO”) services to the domestic and international Aircraft and providing consultancy and training services.
- i. **Details of change of name, registered office and objects of the Demerged Company during the last five years:**
The name of the Demerged Company was changed from “MAS GMR Aero Technic Limited” to “GMR Aero Technic Limited” vide a fresh Certificate of Incorporation issued by the Registrar of Companies on the 12th day of January, 2015. There was no change in the registered office and the Main Objects of the Demerged Company during the last five years.
- j. The Debentures Securities of the Demerged Company are listed on BSE Limited (BSE) & National Stock Exchange (NSE).
- k. Details of the Capital structure of the Demerged Company including its authorized, subscribed and paid up share capital as on 30/09/2018 (Provisional and unaudited) are as follows:

Particulars	Amount (Rs.)
Authorised Capital	
2,50,00,000 equity shares of Rs.10/- each	25,00,00,000

Subscribed and Paid-up Capital 2,50,00,000 equity shares of Rs.10/- each	25,00,00,000
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I. Names of the Promoters and Directors of the Demerged Company along with their addresses are as follows:

i. Promoters details:

S.No	Promoters	Address
1	GMR Aerospace Engineering Limited	Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108, Telangana

ii. Directors details:

S.No	Name	Designation	Address
1	Puthalath Sukumaran Nair	Director	#63, Tower No-1, Pebble Bay, 1 st Main Road, R.M.V, 2 nd Stage, Dollars Colony, Bengaluru-560094, Karnataka
2	Gopala Krishna Kishore Surey	Director	6-3-345/2, Flat No.102, Celestial Grande Apts, Road No.1 Dwarakapuri Colony, Beside GVK Mall, Banjara Hills Hyderabad-500034, Telangana
3	Rajesh Kumar Arora	Director	23 AG F-1, Tower -23 A, Plot No.1 ATS Green Village, Sector -93 A, Gautam Buddha Nagar Noida-201301, Uttar Pradesh
4	Kavitha Gudapati	Independent Director	6-3-862/2/2, F-301, A-Block, Venkat Sudarshan Apartments

			Opposite Green Park Hotel, Ameerpet Hyderabad – 500016, Telangana
5	Abdul Rahman Harith Saif Al Busaidi	Independent Director	Post Box No. 900 CPO 111 Oman

IX. Particulars of the Transferee / Resulting Company

- a. The CIN of the Transferee / Resulting Company is U45201TG2008PLC067141.
- b. The Permanent Account Number of the Transferee / Resulting Company is AACCD8269K.
- c. The Name of the Transferee / Resulting Company is GMR Aerospace Engineering Limited.
- d. Date of Incorporation of the Transferee / Resulting Company is 29/02/2008.
- e. The Transferee / Resulting Company is a Public Limited Company.
- f. The Registered Office of the Transferee / Resulting Company is situated at Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108. The Email ID of the Transferee / Resulting Company is apeksha.naidu@gmraerotech.in.
- g. A summary of the main objects as per the Memorandum of Association of the Transferee / Resulting Company allows it to carry on the business of investment and development of Maintenance, Repair and Overhaul facility (MRO) and to promote, plan, design, develop, operate, market, alter the MRO facility and all other related allied and ancillary activities including but not limited to training, development, maintenance of Hangars & related Workshops.
- h. The Transferee / Resulting Company is engaged in the business of investment and development of infrastructure for Maintenance, Repair and Overhaul Facility (‘MRO’) of Aircraft.
- i. **Details of change of name, registered office and objects of the Transferee / Resulting Company during the last five years:**

The name of the Transferee / Resulting Company was changed from “MAS GMR Aerospace Engineering Company Limited” to “GMR Aerospace Engineering Limited” vide a fresh Certificate of Incorporation issued by the Registrar of Companies on the 12th day of January, 2015. There was no change in the registered office and the Main Objects of the Transferee / Resulting Company during the last five years.

j. The Debenture Securities of the Transferee / Resulting Company are listed on BSE Limited (BSE) & National Stock Exchange (NSE).

k. Details of the Capital Structure of the Transferee / Resulting Company:

The authorized, subscribed and paid up share capital of the Transferee / Resulting Company as on 30/09/2018 (Provisional and unaudited) was as follows:

Particulars	Amount (Rs.)
Authorised Capital	
35,50,00,000 shares of Rs. 10/- each	3,55,00,00,000
Subscribed and Paid-up Capital*	
33,24,00,000 shares of Rs. 10/- each	3,32,40,00,000

* The Subscribed and Paid Up share Capital was increased to Rs. 3,38,40,00,000 comprising of 33,84,00,000 equity shares of Rs.10/- each on 17/11/2018.

l. Names of the Promoters and Directors of the Transferee / Resulting Company along with their addresses are as follows:

i. Promoters Details:

S No.	Name Promoters	Address
1.	GMR Hyderabad International Airport Limited	GMR Aero Towers, Rajiv Gandhi International Airport, Shamshabad Hyderabad- 500108

ii. **Directors Details:**

S.No.	Name	Designation	Address
1	Buchisanyasi Raju Grandhi	Director	# 486/76, Varalakshmi Nilayam, 38th Cross, 1st Main Road, 8th Block, Jayanagar, Bengaluru - 560082, Karnataka
2	Puthalath Sukumaran Nair	Director	#63, Tower No-1, Pebble Bay, 1 st Main Road, R.M.V., 2 nd Stage, Dollars Colony, Bengaluru- 560094, Karnataka
3	Gopala Krishna Kishore Surey	Director	6-3-345/2, Flat No.102, Celestial Grande Apts, Road No.1 Dwarakapuri Colony, Beside GVK Mall, Banjara Hills Hyderabad- 500034, Telangana
4	Rajesh Kumar Arora	Director	23 AG F-1, Tower -23 A, Plot No.1 ATS Green Village, Sector -93 A, Gautam Buddha Nagar Noida- 201301, Uttar Pradesh
5	Kavitha Gudapati	Independent Director	6-3-862/2/2, F-301, A-Block, Venkat Sudarshan Apartments Opposite Green Park Hotel, Ameerpet Hyderabad- 500016, Telangana
6	Abdul Rahman Harith Saif Al Busaidi	Independent Director	Post Box No. 900 CPO 111 Oman

X. **Description of the Scheme:**

The proposed Scheme provides for the merger of GMR Hyderabad Air Cargo And Logistics Private Limited with GMR Aerospace Engineering Limited and demerger of the MRO (Maintenance, Repair and Overhauling) Business of GMR Aero Technic Limited into GMR Aerospace Engineering Limited, as laid out in the Scheme under

the provisions of Sections 230 to 232 of the Act and the Rules made thereunder with effect from the appointed date i.e., 01/04/2018.

XI. If the Scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such Scheme of compromise or arrangement, including holding, subsidiary or of associate companies:

GMR Hyderabad Air Cargo And Logistics Private Limited and GMR Aerospace Engineering Limited are wholly owned subsidiaries of GMR Hyderabad International Airport Limited and GMR Aero Technic Limited is a wholly owned subsidiary of GMR Aerospace Engineering Limited.

XII. Directors Approval of Scheme:

The Board of Directors of the Transferor Company, the Demerged Company and the Transferee / Resulting Company had at their respective meetings held on 10/12/2018, unanimously approved the proposed for the merger of GMR Hyderabad Air Cargo And Logistics Private Limited with GMR Aerospace Engineering Limited and demerger of the MRO (Maintenance, Repair and Overhauling) Business of GMR Aero Technic Limited into GMR Aerospace Engineering Limited as laid out in the Scheme of Arrangement amongst the said Companies and their respective Shareholders and Creditors.

XIII. Salient features of the Scheme:

- a. Appointed Date:** 01/04/2018 or such other date as may be approved by the Hon'ble Tribunal at Hyderabad.

b. Effective Date: Shall be the last of the dates on which the certified copy of the order of the Hon'ble Tribunal is filed with the Registrar of Companies, Telangana, Hyderabad.

c. Share Exchange Ratio:

- **For the Merger**

- i. A total of 9,19,12,200 equity shares of face value Rs.10/- (Rupees Ten Only) each of the Transferee Company to be issued to the equity shareholder of the Transferor Company holding 10,20,000 equity shares of face value of Rs.10/- (Rupees Ten Only) each therein, as on the Record Date in the Share Exchange Ratio of 90.11:1.

- ii. A total of 18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs.10,000/- (Rupees Ten Thousand Only) each of the Transferee Company to be issued to the 11.97% Series A CCCPS holder of the Transferor Company holding 18,000, 11.97% Series A CCCPS of Rs.10,000/- (Rupees Ten Thousand Only) each therein as on the Record Date (as per the existing terms) in the Share Exchange Ratio of 1:1.

- iii. A total of 18,735, 11.97% Series B Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs.10/- (Rupees Ten Only) each of the Transferee Company to be issued to the 11.97% Series B CCCPS holder of the Transferor Company holding 18,735, 11.97% Series B CCCPS of Rs.10/- (Rupees Ten Only) each as on the Record Date (as per the existing terms) in the Share Exchange Ratio of 1:1.

- **For the Demerger**

There will be no issue of shares to the shareholders of the Demerged Company since it is a wholly owned subsidiary of the Resulting Company.

d. Summary of Valuation Report:

The share exchange ratio has been determined by the Board of Directors of Transferor Company and Transferee / Resulting Company by taking into consideration the Valuation Report dated December 06, 2018 provided by M Revathi Parvatha Vardhini, an Independent Chartered Accountant and fairness opinion dated December 07, 2018 provided by M/s. SPA Capital Advisors Limited, SEBI Registered Category - I Merchant Banker.

The summarized version of the valuation report is as under:

The valuation for the Transferor Company and the Transferee / Resulting Company is carried out based on the book value of shares of the companies as on September 30, 2018 (unaudited financials of both Transferor Company and Transferee / Resulting Company).

The Chartered Accountant (Valuer) has used Net Asset Approach in order to determine the book value of both Transferor Company and Transferee / Resulting Company.

Computation of Share Swap Ratio:

Valuation	GHACLPL-Value per Equity share	GAEL- value per equity share	Swap Ratio
Net Asset Approach	Rs. 877.9451	Rs. 9.7434	90.11 (Transferee / Resulting Company needs to issue 90.11 number of equity shares to GHIAL for each equity share held in Transferor Company)

Apart from the above, the Transferee / Resulting Company shall issue 18,000 Series A Compulsorily Convertible Cumulative Preference Shares of Rs.10000/- each & 18,735 Series B Compulsorily Convertible Cumulative Preference Shares of

Rs.10/- each to the shareholders of the Transferor Company.

The above swap ratio is calculated on net asset basis for both Equity and Preference Shares to ensure that there is no loss to the existing shareholders of both Transferor Company and Transferee / Resulting Company.

For the Demerged Company, no valuation exercise is carried out as the Demerged Company is a wholly owned subsidiary of the Transferee / Resulting Company and hence no shares will be issued in relation to the Demerger.

On the basis of Valuation Report, M/s. SPA Capital Advisors Limited, are of the view that the Swap Ratio as recommended by the Valuer in relation to the proposed merger of the Transferor Company with Transferee / Resulting Company is fair.

e. Details of capital or debt restructuring, if any:

The Scheme does not provide for any capital or debt restructuring.

The Unsecured Creditors are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

XIV. Rationale for the compromise or arrangement and the benefits arising there from as perceived by the Board of Directors, to the Transferor Company, members, creditors and others:

The Board of Directors of all the three Companies participating in the Scheme of Arrangement have identified and acknowledged that though the commercial activities and undertaking of the Transferor Company, the MRO business of the Demerged Company and the Transferee Company are partly complimentary, however, the consolidation shall effectively help to manage and mitigate the risks and rewards and other considerations and factors applicable to each such undertaking due to significant scale of operations and robust financial condition upon consolidation. Hence, the Board of Directors of the three Companies have come to the conclusion that in order to ensure efficient management of the businesses and sustain long-term growth, profitability,

market share and continuous customer service, it would be beneficial to all the stakeholders of the three Companies to bring together the independent, however complementary identified businesses of the three Companies to achieve focused management attention and application of combined set of skills and resources available with each of the businesses to succeed in the highly competitive regulatory environment and mitigate business and commercial risks efficiently.

In order to achieve this objective, the Board of Directors of the three Companies have arrived at the decision to bring together the identified businesses under one umbrella and it is proposed to transfer to and vest the entire business of the Transferor Company and the MRO business of the Demerged Company into the Transferee / Resulting Company and it is towards this intent that the present Scheme has been constructed. It is envisaged that the said merger and demerger proposal would be in the larger interest of the shareholders, creditors, and employees of all the three Companies and the implementation of the Scheme would help to achieve effective growth and maximisation of shareholders wealth while protecting the interests of all stakeholders of the three Companies.

It is further envisaged that the implementation of the Scheme shall inter alia have the following specific benefits:

1. To ensure business continuity
 - a. The Demerged Company has made significant investment in equipment and human resources for its MRO business and is presently employing around 600 employees. The MRO business is a capital and labour intensive business being carried on in a competitive environment.
 - b. The highly competitive conditions in the domestic and international markets results in very low profits margins for the MRO business. The Demerged Company has thus been incurring losses ever since its incorporation and its

entire net worth stands eroded. The Demerged Company is heavily reliant on its parent company to support and fund its cash losses.

- c. The proposed merger will bring in a distinctive synergy as the cash flow from the profit-making cargo business of the Transferor Company would improve the cash flow saliency of the MRO business and ensure its business continuity.
- d. Needless to state the combined entity, post-merger, would provide sustainable employment to around 1200 skilled and unskilled workers.

2. To ensure retrofitability

- a. The infrastructure of the MRO business is almost 9 years old and needs thorough refurbishments. Since the business is making losses, it has not been able to carry out the mandatory refurbishments.
- b. The proposed Scheme would improve the liquidity of the MRO business and help it to carry out the required capital works to retrofit and stay relevant in the market and improve its business offerings.

3. To improve debt serviceability

- a. The positive cash accrual of the Transferor Company would improve the credit profile of the Transferee Company and help it to service the debt raised for the MRO business.
- b. The positive cash accrual will also help in building up sufficient cash reserves to redeem the Non-Convertible Debentures issued by the Demerged Company, which would be redeemable in September 2024.

- c. The cash flow of the Transferee / Resulting Company would also help it to refinance the debt at an opportune time to help it to reduce the cost of debt taken.
 - d. The consolidation of the capital of the Transferor Company and the Transferee Company will help the Transferee Company to raise more debt, if it requires the same, by leveraging the capital combined through this Scheme.
 - e. The Transferee Company will derive and avail the benefits of assets, reserves and cash flows of the Transferor Company, thereby increasing its financial strength and the ability to make larger investments.
4. To leverage relationships
- a. The Cargo business and MRO business are, in a way, complementary businesses and combining the said businesses will result in enhancing shareholder value.
 - b. The Cargo business of the Transferor Company has strong relationships with various airlines which will help the MRO business of the Demerged Company, which has a high dependency on airlines, to increase its operations and thus become sustainable.
5. To ensure proper compliances & certifications
- a. Both the MRO and cargo business are regulated and needs extensive regulatory compliances and certifications. Failure to adhere to compliance and certification requirements from any quarter will bring the operations to a halt and hence periodic and timely compliance of various certifications are of paramount importance. Bringing together both the businesses under one

umbrella would ensure that all requisite compliances and certifications are met duly and diligently.

- b. The Scheme is also a step towards ensuring significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the various subsidiaries in the Group.
 - c. The Scheme will help in reducing regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings, law requirements at present to be carried out by the Participating Companies.
6. To avoid potential conflict between the MRO Business and MRO Consultancy & Training Business.
- a. The MRO Consulting & Training Business of the Demerged Company, which is asset light and quality human resource centric, is witnessing significant growth and is required to be scaled up to tap the enormous business potential. The growth in the aviation sector in the Asian economies in the last 5-6 years have been phenomenal which compels the Asian countries to put up the required infrastructure for maintenance of their ever-increasing fleet size. However, these countries lack the desired knowhow to set up and operate the infrastructure which is a 'space of opportunity' for the Consultancy & Training Business of the Demerged Company to leverage and grow.
 - b. The Consultancy & Training business being asset-light enjoy higher EBITDA multiple in the marketplace compared to standalone MRO business. Hence separating out the Consultancy & Training business with greater focus to scale up would be value accretive.

- c. The Board of Directors of the participating Companies see a potential conflict of interest if the MRO Consultancy & Training Business is carried on in the same company along with the MRO business as the potential clients in these countries would be viewing the MRO business of the Demerged Company as serious competition and may shy away from availing the MRO Consultancy & Training Business Services of the Demerged Company, while setting up and running the infrastructure for their business in their own countries.
 - d. The Board of Directors of the Participating Companies have therefore decided to retain the MRO Consultancy & Training Business as a separate business entity in the Demerged Company to focus on advisory services of technical aspects of infrastructure development and operations and maintenance in the MRO business for prospective clients in these countries. The implementation of the Scheme would therefore ensure the decoupling of MRO Consulting Business from core MRO business operations and a separate legal entity with expertise in MRO Consulting Services, in the form of the Demerged Company, would be available to prospective customers in these countries.
7. To rationalize multiple subsidiaries
- a. The Scheme is an initiation of the GMR Group's attempt to ensure optimized legal entity structure which will help it to constructively align its various business activities.
 - b. Reorganizing the legal entities in the group structure would help in achieving significant cost savings as well as simplification benefits.
 - c. Consolidation of business would help in simplifying group structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardisation and simplification of the business and

compliance processes and the elimination of duplication, and rationalization of administrative expenses.

- d. Consequent upon the merger, the Transferee Company would be able to optimize the resources required for overall general and administrative and operational purposes, and this would reduce the cost of maintaining and using separate resources.

8. To optimize management resources at the Top Management Level

The multiple organization structure of the top management of the three business verticals being consolidated through this Scheme would also be consolidated into a single structure and thereby bring in operational, cost and decision-making efficiency.

9. The Scheme would ensure other benefits like:

- a. Better and efficient utilization of resources of the Participating Companies by ensuring greater synergy of operations and economies of scale.
- b. Better administrative and managerial control for the management from the synergy in operation and management.
- c. Clubbing the Authorised Share Capital of the Transferor Company with the Authorised Share Capital of the Transferee Company.
- d. The Scheme would consolidate the activities, which are complimentary to each other, of each of the Participating Companies and thereby reduce the risks and increase the rewards therefrom and contribute towards efficient management of the businesses and result in sustainable long-term growth, profitability, market share and continuous customer service.

This Scheme is in the best interests of the shareholders and creditors of the participating Companies and they shall not be prejudiced by the Scheme. The Scheme does not seek any waiver of any rights or outstanding obligations towards the creditors and shareholders of the participating Companies.

XV. Amount due to Creditors of the Transferor Company as on 30/09/2018:

SI No	Category of Creditors	No. of Creditors	Total amount due (Rs. in Lakhs)
1	Secured Creditors	None	Nil
2	Unsecured Creditors	359	2092.40

XVI. Disclosure about the effect of the Scheme of Arrangement on KMP and others:

A	Directors & Key managerial personnel (KMPs)	The Directors and Key Managerial personnel of the Transferor Company shall cease to be responsible for the management of the investments / assets transferred to the Transferee Company, unless they are also appointed as Directors / KMPs of the Transferee Company.
B	Promoters & non-promoter members	All the Promoter members of the Transferor Company will be issued shares in the Transferee Company in the manner laid out in the Scheme. There are no non-promoter members of the Company.
C	Depositors	Not Applicable, since there are no Depositors in the Transferor Company.

D	Creditors	There will be no effect on the creditors, since the liability of the Transferor Company to the creditors, with all concomitant conditions applicable to the arrangement with the creditors will remain unchanged.
E	Debenture holders	Not Applicable, since there are no Debenture holders in the Transferor Company
F	Deposit trustee and debenture trustee	Not Applicable since there are no such Trustees in the Transferor Company
G	Employees of the company	There will be no effect on the employees, since the terms of employment currently applicable to them will continue to be in force, even after they are transferred to the Transferee Company.

XVII. Disclosure about effect of compromise or arrangement on material interests of directors, Key Managerial Personnel (KMP) and debenture Trustee of the Transferor Company.

The Scheme will not have any effect on the material interests of the directors or key managerial personnel of the Transferor Company.

XVIII. Investigation or proceedings, if any, pending against the Transferor Company under the Act.

No investigation or proceedings under the Companies Act, 1956 / Companies Act, 2013 have been instituted or are pending in relation to the Transferor Company except for One (1) compounding application filed suo-moto by the Transferor Company for its failure to comply with the provisions of Section 173 of the Act during the financial year

2016-17. The said non-compliance was compounded by the Regional Director, Ministry of Corporate Affairs, Hyderabad, vide Order dated 22/06/2017.

XIX. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement:

- a. The Companies to the Scheme would obtain such necessary approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
- b. The copy of the Scheme shall be filed with the Registrar of Companies along with a copy of the Notice of the Hon'ble Tribunal convened meeting of the Unsecured Creditors and the Explanatory Statement accompanying the said Notice.

XX. The following documents will be open for inspection / for obtaining extract / copies by the Unsecured Creditors of the Transferor Company up to 1(one) day prior to the date of the meeting at its Registered Office between 10.00 A.M. and 2.00 P.M., on all working days.

- a. Copy of the latest Audited Financial Statements of the Transferor Company.
- b. Copy of the order dated 01/02/2019 of the Hon'ble Tribunal at Hyderabad passed in Company Application No. CA(CAA)No.45/230/HDB/2019 directing the convening of the meeting of the Unsecured Creditors of GMR Hyderabad Air Cargo And Logistics Private Limited.
- c. Copy of the Scheme of Arrangement.
- d. Copy of the certificate issued by Auditor of the Transferor Company to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act.

In addition to the above, the following documents will be available for inspection for the Unsecured Creditors of the Transferor Company at the time and place mentioned above:

- a. Copy of the Company Application No. CA(CAA)No.45/230/HDB/2019.
- b. Copy of the Memorandum and Articles of Association of the Transferor Company.
- c. Register of Directors' Shareholdings of the Transferor Company.
- d. Copy of the Valuation Report dated December 06, 2018, provided by M Revathi Parvatha Vardhini, an Independent Chartered Accountant and fairness opinion dated December 07, 2018 provided by M/s. SPA Capital Advisors Limited, SEBI Registered Category - I Merchant Banker.

XXI. On the Scheme being approved by the Unsecured Creditors of the Transferor Company by the requisite majority as per the requirement of Section 230 of the Act, the Companies will file a joint Company Petition with the Hon'ble Tribunal, Hyderabad Bench seeking sanction of the Scheme.

XXII. This statement may be treated as an Explanatory Statement / Statement under Sections 230 to 232 and 102 of the Act and Rule 6 of the Rules made thereunder.

XXIII. Notice, Explanatory Statement and Form of Proxy shall be furnished by the Transferor Company to its Unsecured Creditors free of charge, within two (2) working days on a requisition being so made for the same by the Unsecured Creditors of the Transferor Company at the Registered Office of the Transferor Company or at the office of the Transferor Company's Advocate, V. Harish Kumar, Tatva Legal, Tatva House, Plot No. 107A, Road No. 72, Jubilee Hills, Hyderabad – 500110, Telangana, India, up to two (2) working days prior to the date of the meeting.

XXIV. The persons to whom this notice is sent may vote in the meeting either in person or through proxies / authorised representatives

Date: February 09, 2019

Place: Hyderabad

Sd/-

Ms. Rubaina S. Khatoon

Advocate

Chairperson appointed by the Hon'ble NCLT
for the Unsecured Creditors Meeting

GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

CIN: U62100TG2006PTC049243

Registered Office:

Air Cargo Terminal,

Rajiv Gandhi International Airport,

Shamshabad, Hyderabad – 500 108

Tel: 040-66977028

email: anshul.singhai@gmrgroup.in

Website: www.gmrhydcargo.in

COMPOSITE SCHEME OF ARRANGEMENT

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER
APPLICABLE PROVISIONS AND RULES THEREUNDER**

AMONGST

**GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED
(TRANSFEROR COMPANY)**

AND

**GMR AERO TECHNIC LIMITED
(DEMERGED COMPANY)**

AND

**GMR AEROSPACE ENGINEERING LIMITED
(TRANSFeree / RESULTING COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Composite Scheme of Arrangement (“**Scheme**”) is presented for the merger of GMR Hyderabad Air Cargo And Logistics Private Limited with GMR Aerospace Engineering Limited and demerger of the MRO (Maintenance, Repair and Overhauling) Business of GMR Aero Technic Limited into GMR Aerospace Engineering Limited, on a going concern basis, pursuant to Sections 230 to 232 and the rules made thereunder, and other applicable provisions of the Companies Act, 2013. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

DESCRIPTION OF COMPANIES

1. GMR Hyderabad Air Cargo And Logistics Private Limited (“Transferor Company” or “GHACLPL”):
 - 1.1 The Transferor Company is a private limited company originally incorporated as

Cadence Cargo Private Limited on the 22nd day of February 2006 under the provisions of the Companies Act, 1956, having CIN U62100TG2006PTC049243. Subsequently, the name of the Transferor Company was changed to Hyderabad Menzies Air Cargo Private Limited, pursuant to a fresh Certificate of Incorporation issued by the Registrar of Companies on the 29th day of March 2007. The name of the Transferor Company was then changed to GMR Hyderabad Air Cargo And Logistics Private Limited vide a fresh Certificate of Incorporation issued by the Registrar of Companies on the 5th day of November 2018.

- 1.2 The Transferor Company has its registered office at Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108 in the State of Telangana within the jurisdiction of the Registrar of Companies, Hyderabad.
 - 1.3 The Transferor Company is engaged in the business of development, operation and maintenance of the Air Cargo Terminal at Rajiv Gandhi International Airport, Hyderabad, Telangana.
2. GMR Aero Technic Limited (“Demerged Company” or “GATL”):
 - 2.1 The Demerged Company is a limited company originally incorporated as MAS GMR Aero Technic Limited on the 20th day of September 2010 under the provisions of the Companies Act, 1956, having CIN U35122TG2010PLC070489. Subsequently the name of the company was changed to GMR Aero Technic Limited pursuant to a fresh Certificate of Incorporation issued by the Registrar of Companies, Hyderabad on the 12th day of January 2015.
 - 2.2 The Demerged Company has its registered office at Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108 in the State of Telangana within the jurisdiction of the Registrar of Companies, Hyderabad.
 - 2.3 The Demerged Company is engaged in the business of providing Maintenance, Repair and Overhaul (“MRO”) services to the domestic and international Aircraft and providing consultancy and training services.

3. GMR Aerospace Engineering Limited (“Transferee / Resulting Company” or “GAEL”):
 - 3.1 The Transferee / Resulting Company is a limited company originally incorporated as Delphinium Estates Private Limited on the 29th day of February 2008, having CIN U45201TG2008PLC067141. The name of the Transferee / Resulting Company was subsequently changed to MAS GMR Aerospace Engineering Company Private Limited on the 20th day of March 2009. The name of the Transferee / Resulting Company was again changed to MAS GMR Aerospace Engineering Company Limited on the 3rd day of March 2010. Finally, the name of the Company was changed to GMR Aerospace Engineering Limited on the 12th day of January 2015.
 - 3.2 The Transferee / Resulting Company has its registered office at Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108 in the State of Telangana within the jurisdiction of the Registrar of Companies, Hyderabad.
 - 3.3 The Transferee / Resulting Company is engaged in the business of investment and development of infrastructure for Maintenance, Repair and Overhaul Facility (‘MRO’) of Aircraft.
4. GHACLPL and GAEL are wholly owned subsidiaries of GMR Hyderabad International Airport Limited (“GHIAL”) and GATL is a wholly owned subsidiary of GAEL.
5. GHACLPL, GAEL and GATL are together referred to as “**Participating Companies**” in this Scheme.

6. OBJECTS, BENEFITS, OVERVIEW AND RATIONALE OF THIS SCHEME

- 6.1 The Board of Directors of all the three Companies participating in the Composite Scheme of Arrangement have identified and acknowledged that though the commercial activities and undertaking of the Transferor Company, the MRO business of the Demerged Company and the Transferee Company are partly complimentary, however,

the consolidation shall effectively help to manage and mitigate the risks and rewards and other considerations and factors applicable to each such undertaking due to significant scale of operations and robust financial condition upon consolidation. Hence, the Board of Directors of the three Companies have come to the conclusion that in order to ensure efficient management of the businesses and sustain long-term growth, profitability, market share and continuous customer service, it would be beneficial to all the stakeholders of the three Companies to bring together the independent, however complementary identified businesses of the three Companies to achieve focused management attention and application of combined set of skills and resources available with each of the businesses to succeed in the highly competitive regulatory environment and mitigate business and commercial risks efficiently.

In order to achieve this objective, the Board of Directors of the three Companies have arrived at the decision to bring together the identified businesses under one umbrella and it is proposed to transfer to and vest the entire business of the Transferor Company and the MRO business of the Demerged Company into the Transferee / Resulting Company and it is towards this intent that the present Scheme has been constructed. It is envisaged that the said merger and demerger proposal would be in the larger interest of the shareholders, creditors, and employees of all the three Companies and the implementation of the Scheme would help to achieve effective growth and maximisation of shareholders wealth while protecting the interests of all stakeholders of the three Companies.

It is further envisaged that the implementation of the Scheme shall *inter alia* have the following specific benefits:

1. To ensure business continuity
 - a. The Demerged Company has made significant investment in equipment and human resources for its MRO business and is presently employing around 600 employees. The MRO business is a capital and labour intensive business being carried on in a competitive environment.
 - b. The highly competitive conditions in the domestic and international markets results in very low profits margins for the MRO business. The Demerged Company has

thus been incurring losses ever since its incorporation and its entire net worth stands eroded. The Demerged Company is heavily reliant on its parent company to support and fund its cash losses.

- c. The proposed merger will bring in a distinctive synergy as the cash flow from the profit-making cargo business of the Transferor Company would improve the cash flow saliency of the MRO business and ensure its business continuity.
- d. Needless to state the combined entity, post-merger, would provide sustainable employment to around 1200 skilled and unskilled workers.

2. To ensure retrofitability

- a. The infrastructure of the MRO business is almost 9 years old and needs thorough refurbishments. Since the business is making losses, it has not been able to carry out the mandatory refurbishments.
- b. The proposed Scheme would improve the liquidity of the MRO business and help it to carry out the required capital works to retrofit and stay relevant in the market and improve its business offerings.

3. To improve debt serviceability

- a. The positive cash accrual of the Transferor Company would improve the credit profile of the Transferee Company and help it to service the debt raised for the MRO business.
- b. The positive cash accrual will also help in building up sufficient cash reserves to redeem the Non-Convertible Debentures issued by the Demerged Company, which would be redeemable in September 2024.
- c. The cash flow of the Transferee / Resulting Company would also help it to refinance the debt at an opportune time to help it to reduce the cost of debt taken.

- d. The consolidation of the capital of the Transferor Company and the Transferee Company will help the Transferee Company to raise more debt, if it requires the same, by leveraging the capital combined through this Scheme.
 - e. The Transferee Company will derive and avail the benefits of assets, reserves and cash flows of the Transferor Company, thereby increasing its financial strength and the ability to make larger investments.
4. To leverage relationships
- a. The Cargo business and MRO business are, in a way, complementary businesses and combining the said businesses will result in enhancing shareholder value.
 - b. The Cargo business of the Transferor Company has strong relationships with various airlines which will help the MRO business of the Demerged Company, which has a high dependency on airlines, to increase its operations and thus become sustainable.
5. To ensure proper compliances & certifications
- a. Both the MRO and cargo business are regulated and needs extensive regulatory compliances and certifications. Failure to adhere to compliance and certification requirements from any quarter will bring the operations to a halt and hence periodic and timely compliance of various certifications are of paramount importance. Bringing together both the businesses under one umbrella would ensure that all requisite compliances and certifications are met duly and diligently.
 - b. The Scheme is also a step towards ensuring significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the various subsidiaries in the Group.
 - c. The Scheme will help in reducing regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit

requirements, tax filings, law requirements at present to be carried out by the Participating Companies.

6. *To avoid potential conflict between the MRO Business and MRO Consultancy & Training Business.*

- a. The MRO Consulting & Training Business of the Demerged Company, which is asset light and quality human resource centric, is witnessing significant growth and is required to be scaled up to tap the enormous business potential. The growth in the aviation sector in the Asian economies in the last 5-6 years have been phenomenal which compels the Asian countries to put up the required infrastructure for maintenance of their ever-increasing fleet size. However, these countries lack the desired knowhow to set up and operate the infrastructure which is a 'space of opportunity' for the Consultancy & Training Business of the Demerged Company to leverage and grow.
- b. The Consultancy & Training business being asset-light enjoy higher EBITDA multiple in the marketplace compared to standalone MRO business. Hence separating out the Consultancy & Training business with greater focus to scale up would be value accretive.
- c. The Board of Directors of the participating Companies see a potential conflict of interest if the MRO Consultancy & Training Business is carried on in the same company along with the MRO business as the potential clients in these countries would be viewing the MRO business of the Demerged Company as serious competition and may shy away from availing the MRO Consultancy & Training Business Services of the Demerged Company, while setting up and running the infrastructure for their business in their own countries.
- d. The Board of Directors of the Participating Companies have therefore decided to retain the MRO Consultancy & Training Business as a separate business entity in the Demerged Company to focus on advisory services of technical aspects of infrastructure development and operations and maintenance in the MRO business for prospective clients in these countries. The implementation of the Scheme would

therefore ensure the decoupling of MRO Consulting Business from core MRO business operations and a separate legal entity with expertise in MRO Consulting Services, in the form of the Demerged Company, would be available to prospective customers in these countries.

7. To rationalize multiple subsidiaries

- a. The Scheme is an initiation of the GMR Group's attempt to ensure optimized legal entity structure which will help it to constructively align its various business activities.
- b. Reorganizing the legal entities in the group structure would help in achieving significant cost savings as well as simplification benefits.
- c. Consolidation of business would help in simplifying group structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardisation and simplification of the business and compliance processes and the elimination of duplication, and rationalization of administrative expenses.
- d. Consequent upon the merger, the Transferee Company would be able to optimize the resources required for overall general and administrative and operational purposes, and this would reduce the cost of maintaining and using separate resources.

8. To optimize management resources at the Top Management Level

The multiple organization structure of the top management of the three business verticals being consolidated through this Scheme would also be consolidated into a single structure and thereby bring in operational, cost and decision-making efficiency.

9. The Scheme would ensure other benefits like:

- a. Better and efficient utilization of resources of the Participating Companies by ensuring greater synergy of operations and economies of scale.
- b. Better administrative and managerial control for the management from the synergy in operation and management.
- c. Clubbing the Authorised Share Capital of the Transferor Company with the Authorised Share Capital of the Transferee Company.
- d. The Scheme would consolidate the activities, which are complimentary to each other, of each of the Participating Companies and thereby reduce the risks and increase the rewards therefrom and contribute towards efficient management of the businesses and result in sustainable long-term growth, profitability, market share and continuous customer service.

This Scheme is in the best interests of the shareholders and creditors of the participating Companies and they shall not be prejudiced by the Scheme. The Scheme does not seek any waiver of any rights or outstanding obligations towards the creditors and shareholders of the participating Companies.

PARTS OF THE SCHEME

The Scheme is divided into the following parts:

Part A deals with the definitions and the share capital.

Part B deals with the merger of the Transferor Company with the Transferee / Resulting Company.

Part C deals with the demerger of the Demerged Undertaking of the Demerged Company into the Transferee / Resulting Company.

Part D deals with the general terms and conditions that will be applicable to the entire Scheme and other matters consequential and integrally connected thereto.

PART A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS AND INTERPRETATION

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1. “**Act**” means the Companies Act, 2013 to the extent of the provisions notified and shall include any other statutory amendment or re-enactment or restatement and the rules and/or regulations and/or other guidelines or notifications under law, made thereunder from time to time;
- 1.2. “**Appointed Date**” means commencement of business on April 01, 2018 or such other date as may be fixed or approved by the NCLT;
- 1.3. “**Board**” or “**Board of Directors**” means the board of directors of the Transferor Company and / or the Demerged Company and / or the Transferee / Resulting Company, as the context may require, from time to time;
- 1.4. “**Demerged Company**” or “**GATL**” means GMR Aero Technic Limited, a company limited by shares incorporated under the Companies Act, 1956 on September 20, 2010;
- 1.5. “**Demerged Undertaking**” shall mean the Demerged Company’s entire MRO business (except or other than the MRO Consultancy Undertaking) comprising of the business of providing Maintenance, Repair and Overhaul (“MRO”) services to the domestic and international Aircraft, including (without limitation):
 - (i) All the assets and properties, whether movable or immovable, whether tangible or intangible, including all intellectual property, rights, title, interest, covenant, including continuing rights, title and interest in connection with the properties, whether corporeal or incorporeal, leasehold land, leasehold premises, freehold

land, licenses together with all present liability provided and accounted in the books of Demerged Company and future liability, including contingent liabilities, liabilities not accrued, not recognized or not provided for in the books of accounts and debts pertaining thereto, relating to the MRO business of the Demerged Company as on the Appointed Date.

- (ii) All contracts, agreements, deeds, leases, leases granted to tenants, lease deed(s), agreement(s) to lease, licenses, memoranda of understanding, memoranda of agreements, undertakings, powers of attorney (if granted and applicable), arrangements, corporate guarantees, bank guarantees, letters of intent, whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, in connection with or in relation to the MRO business, or otherwise identified to be for the benefit of the same, approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension pertaining to or relatable to the MRO business and the right to use assets and properties, whether movable or immovable, tangible or intangible, offices, current assets including loans and advances, furniture, fixtures, office equipment, appliances, accessories of the MRO business of the Demerged Company and all future rights of development, operations and maintenance in relation to the MRO business of the Demerged Company.
- (iii) All the debts, borrowings and liabilities (including contingent liabilities, liabilities not accrued, not recognized or provided for in the books of accounts of the Demerged Company), lease rental discounting facilities associated with the buildings forming part of the MRO business, guarantees, assurances, commitments, obligations, loans, and undertakings of any kind, nature and description whatsoever and howsoever arising, present or future, whether secured or unsecured, and including, without limitation, working capital facilities, advances from customers / tenants, unearned revenues, bills payable, interest, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort

based on negligence or strict liability) pertaining to or relating to the MRO business of the Demerged Company as on the Appointed Date.

- (iv) All permits, quotas, no objection certificates, rights, entitlements and benefits licenses, bids, tenders, letter of intent, expression of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposit privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating to MRO business of the Demerged Company.
- (v) All brand names, trademarks, service marks, trade names, labels, patents and domain names, designs, software and computer programmes, databases, copyrights, trade secrets and other intellectual property and all other interests exclusively used by the Demerged Company in the business, activities and operations pertaining to its MRO business.
- (vi) All staff, workmen and employees engaged in the MRO business of the Demerged Company as of the Effective Date, and any other employees/personnel hired by the Demerged Company on and after the Appointed Date who are primarily engaged in or in relation to the business, activities and operations pertaining to its MRO business, that are in the employment of the Demerged Company as of the Effective Date.
- (vii) All earnest monies and/or security deposits in connection with or relating to the MRO business of the Demerged Company.
- (viii) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form relating to the MRO business of the Demerged Company.

- (ix) All permits, licenses, consents, approvals, authorizations, quotas, rights, powers, permissions, arrangements, assignments, sanctions, entitlements, allotments, exemptions, incentives, tax benefits, deferrals, subsidies, concessions, grants, claims, liberties, special status, benefits and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to or pertaining to its MRO business, registrations, advantages, no-objection certificates, certifications, easements, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any appropriate authority, governmental or quasi-governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local (including municipal), administrative or judicial authority, used or held for use by the Demerged Company in respect of business, activities and operations pertaining to its MRO business.
- (x) All tax credits, including CENVAT credits, refunds, reimbursements, claims, tax exemptions, stamp duty exemptions, benefits under service tax laws, value added tax (VAT), goods and service tax (GST), purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law including sales tax deferrals, special economic zone benefits, excise duty benefits, tax deducted at source, right to carry forward and set-off unabsorbed losses, Minimum Alternative Tax (MAT) credit, book losses and book unabsorbed depreciation, if any and exemptions, deductions, benefits and incentives under the Income-tax Act, 1961 in respect of business, activities and operations pertaining to the MRO business of the Demerged Company.
- (xi) All rights, benefits and other interest, whether held in trust or otherwise, contracts, agreements, powers, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, whether in India or abroad, all pertaining to or relatable to the MRO business of the Demerged Company.

(xii) Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Demerged Undertaking or otherwise, shall be decided mutually by the Board of Directors of the Demerged Company and the Resulting Company;

1.6. “**Effective Date**” means the date on which the authenticated copy or the certified copy of the order, whichever is earlier, issued by the NCLT, sanctioning this Scheme is filed by the respective companies participating in this Scheme with the Registrar of Companies, Telangana at Hyderabad after obtaining the necessary consents, approvals, permissions, resolutions, agreements, sanctions and orders and if the authenticated / certified copies are filed on different dates, the last of such dates. References herewith to "the coming into effect of this Scheme" or "this Scheme becoming effective" shall mean the Scheme becoming operational on the Effective Date but with effect from the Appointed Date;

Any references in this Scheme to “**upon this Scheme becoming effective**” or “**upon coming into effect of this Scheme**” or “**upon the Scheme coming into effect**” shall be construed to be a reference to the Effective Date; provided however, that such references shall not affect the deemed taking into effect of certain parts of this Scheme, whether prior to, or after, other parts of this Scheme, as specifically contemplated herein;

1.7. “**Income Tax Act**” means (Indian) Income Tax Act, 1961, including any amendments or restatement or statutory re-enactment thereof;

1.8. “**MRO Consultancy Undertaking**” means the Residual Business of providing MRO Consultancy and Training services of the Demerged Company.

1.9. “**NCLT**” means the National Company Law Tribunal bench at Hyderabad, Telangana set up under the Companies Act, 2013 and operating under the National Company Law Tribunal Rules, 2016;

1.10. “**Record Date**” means the date to be fixed by the Board of Directors of the Transferee / Resulting Company as the date on which the shareholders of the Transferor Company

will be eligible to receive the shares in the Transferee Company as a result of the implementation of the Scheme;

- 1.11. “**Residual Business**” means all the assets, liabilities, divisions, businesses, activities and operations of the Demerged Company in its MRO Consultancy Undertaking but not those forming part of the Demerged Undertaking;
- 1.12. “**Registrar of Companies**” means the Registrar of Companies, Telangana, at Hyderabad having jurisdiction over the Participating Companies involved in the Scheme;
- 1.13. “**Scheme**” means this Composite Scheme of Arrangement as set out herein in its present form, or with any modification(s) approved or imposed or directed by the NCLT at Hyderabad;
- 1.14. “**Share Exchange Ratio**” means the exchange ratio determined, on net asset approach basis as per the report issued by M Revathi Parvatha Vardhini, Independent Chartered Accountant, Hyderabad, in which equity and preference shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company under Clause 15 in consideration for the merger envisaged under the Scheme.
- 1.15. “**Transferor Company**” unless otherwise specified shall mean GMR Hyderabad Air Cargo And Logistics Private Limited;
- 1.16. “**Transferee / Resulting Company**” shall mean GMR Aerospace Engineering Limited;

The expressions, which are used in this Scheme and not defined therein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time, in particular, wherever reference is made to the Courts in this Scheme, the reference would include, if appropriate, reference to the NCLT or such other forum or authority, as may be vested with any of the powers of the courts under the Act.

2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as on December 10, 2018 is as under:

Authorized capital	Amount (Rs.)
<ul style="list-style-type: none">• 25,00,000 equity shares of Rs. 10/- each	2,50,00,000
<ul style="list-style-type: none">• 18,450 Compulsory Convertible Cumulative Preference Shares Series A of Rs. 10000/- each	18,45,00,000
<ul style="list-style-type: none">• 50,000 Compulsory Convertible Cumulative Preference Shares Series B of Rs. 10/- each	5,00,000

	21,00,00,000

Issued, subscribed and paid-Up capital	Amount (Rs.)
<ul style="list-style-type: none">• 10,20,000 equity shares of Rs. 10/- each	1,02,00,000
<ul style="list-style-type: none">• 18,000 Series A Compulsorily Convertible Cumulative Preference Shares of Rs. 10000/- each	18,00,00,000
<ul style="list-style-type: none">• 18,735 Series B Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- each	1,87,350

	19,03,87,350

2.2. The share capital of the Demerged Company as on December 10, 2018 is as under:

Authorized capital	Amount (Rs.)
<i>2,50,00,000 equity shares of Rs. 10/- each</i>	<i>25,00,00,000</i>
Issued, subscribed and paid-Up capital	Amount (Rs.)
<i>2,50,00,000 equity shares of Rs. 10/- each</i>	<i>25,00,00,000</i>

2.3. The share capital of the Transferee / Resulting Company as on December 10, 2018 is as under:

Authorized capital	Amount (Rs.)
<i>35,50,00,000 equity shares of Rs. 10/- each</i>	<i>355,00,00,000</i>
Issued, subscribed and paid-Up capital	Amount (Rs.)
<i>33,84,00,000 equity shares of Rs. 10/- each</i>	<i>338,40,00,000</i>

PART B

MERGER OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

3. The proposed merger of the Transferor Company into the Transferee Company under this Scheme shall be as per the provisions of Sections 230 to 232 of the Act. The merger shall comply with the provisions of Section 2(1B) of the Income Tax Act, 1961 such that:
 - a. All the properties of the Transferor Company, being transferred to the Transferee Company, immediately before the merger, become the properties of the Transferee Company by virtue of the merger;
 - b. All the liabilities of the Transferor Company, being transferred to the Transferee Company, immediately before the merger, become the liabilities of the Transferee Company by virtue of the merger;
 - c. The Transferee Company shall issue shares to the shareholders of the Transferor Company in consideration of the merger in accordance with Clause 15 of the Scheme;
 - d. The shareholders of the Transferor Company shall become the shareholders of Transferee Company by virtue of the merger; Provided however that the shares being issued through this Scheme will be allotted only to the beneficial owner (i.e. GHIAL, being the holding company of the Transferor Company) of the shares held in Transferor Company.

4. CLUBBING OF AUTHORIZED SHARE CAPITAL

Upon the Scheme becoming effective, the authorized capital of the Transferor Company shall be transferred and merged with the authorized capital of the Transferee Company and consequently the capital clause of the Memorandum of Association of the Transferee Company shall stand automatically amended to reflect the said merger,

without the requirement of any further act or deed including the passing of any resolution or filing of any form or payment of any further registration fee and all relevant provisions and procedures prescribed in this regard shall be deemed to be complied with by the Transferee Company. Consequently, Clause V of the Memorandum of Association of the Transferee Company will stand amended and read as follows:

V. *The Authorised Share Capital of the Company is Rs.376,00,00,000/- (Rupees Three Hundred and Seventy Six Crores only) divided into 35,75,00,000 (Thirty Five Crores Seventy Five Lakh) equity shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.357,50,00,000/- (Rupees Three Hundred and Fifty Seven Crores Fifty Lakhs only); 18,450 (Eighteen Thousand Four Hundred and Fifty only) Compulsory Convertible Cumulative Preference Shares Series A of par value of Rs.10,000/- (Rupees Ten Thousand only) per share ("Series A Preference Shares") aggregating to Rs.18,45,00,000/- (Rupees Eighteen Crores Forty-five Lakhs only); and 50,000 (Fifty Thousand only) Compulsory Convertible Cumulative Preference Shares Series B of par value of Rs.10/- (Rupees Ten only) per share ("Series B Preference Shares") aggregating to Rs.5,00,000/- (Rupees Five Lakhs only) each with the powers to increase or reduce the capital of the company, as may be determined by, in accordance with the Articles of Association of this company from time to time, subject to the provisions of the Companies Act, 2013.*

5. CHANGE IN OBJECTS CLAUSE OF TRANSFEREE COMPANY

Upon the Scheme becoming effective, the main object clause of the Memorandum of Association of the Transferee Company shall be altered and amended, without any further act or deed, to include the objects mentioned under the main object clause of the Memorandum of Association of the Transferor Company, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under Section 13, 14, or any other applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose.

6. EFFECTIVE DATE AND OPERATIVE DATE

- 6.1 The Scheme set out herein in its present form or with any modification(s) as may be approved or as may be imposed or as may be directed by the NCLT, shall become operative from the Effective Date but shall be effective and implemented from the Appointed Date.

7. TRANSFER OF ASSETS

- 7.1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business together with all the assets and liabilities of the Transferor Company, including tangible and intangible assets, plant and machinery, furniture and fixtures, computers, vehicles, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other; communication facilities and business licenses, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern, so as to become the properties of the Transferee Company pursuant to Sections 230 to 232 of the Act and the order of the NCLT sanctioning this Scheme.
- 7.2. With effect from the Appointed Date and upon the Scheme becoming effective, all assets and properties of the Transferor Company which are movable in nature shall be transferred by the Transferor Company to the Transferee Company, including by delivery, and without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company.
- 7.3. All immovable properties of the Transferor Company, whether freehold or leasehold or otherwise, all tenancies, licenses, leases and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and / or be deemed to have been transferred and stand transferred to and vested in the Transferee Company, without any further act or deed or conveyance or attornment or assignment

or novation to be done or any instrument to be executed by the Transferor Company and / or the Transferee Company in consideration of the Transferee Company issuing and allotting to the shareholders of the Transferor Company shares of the Transferee Company, as set out hereunder in Clause 15 and in particular the Transferor Company do hereby, through the Scheme:

- (i) convey, transfer, assign and assure all its right, title and interest in its immovable properties unto the Transferee Company free from any encumbrances and reasonable doubts;
- (ii) convey, transfer, assign and assure all its rights, titles and interest in the leases, agreements to lease, lease deeds, licences or other documents executed pursuant to any lease with any and all tenants with respect to its immovable properties, together with the rights to use the same and the easementary rights to use and/or enter upon the same and further together with compounds, all appurtenances, trees, plants, lights, liberties, privileges, easements, profits and rights whatsoever and all benefits incidental and arising therefrom subject to the payment of all rents, rates, assessments, taxes and dues, if any, now chargeable upon the same or hereafter to become payable to the Government or to the municipal authorities, SEZ authorities, collector, tehsildar or any other public body or local authority in respect thereof;
- (iii) notwithstanding any act, deed, matter or thing whatsoever done, committed, omitted by the Transferor Company or any person or persons lawfully or equitably claiming by, from, through, under or in trust for the Transferor Company, the Transferor Company has good right, full power and absolute authority to convey, transfer, release and assure its immovable properties in favour of the Transferee Company;
- (iv) the Transferee Company shall and may from time to time and at all times hereafter peaceably and quietly be entitled to enter upon, occupy, possess and enjoy the immovable properties of the Transferor Company hereby granted, conveyed, transferred and assured with its appurtenances and receive the rents, other charges, issues and profits thereof and of every part thereof to and for its

own use and benefit without any lawful eviction, interruption, claim and demand whatsoever from or by the Transferor Company or by any person lawfully or equitably claiming or to claim by from under or in trust for the Transferor Company; and

- (v) the Transferor Company shall at all times hereafter at the request and cost of the Transferee Company do and execute all reasonable acts, deeds, matters and things, for better further and more perfectly transferring its immovable properties to the use of the Transferee Company in the manner aforesaid as shall or may be reasonably required by the Transferee Company and its nominee or its Counsel in law for assuring the immovable properties of the Transferor Company including every part thereof hereby granted, conveyed, transferred and assured unto and to the use of the Transferee Company in the manner aforesaid.

7.4. The mutation / substitution of the title to such infrastructure and the immovable properties of the Transferor Company shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title and interest in the Infrastructure and the immovable properties of the Transferor Company being given to the Transferee Company.

7.5. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties of the Transferor Company including the right to use, enjoy, occupy, develop and possess the immovable properties along with all rights of ownership and right to deal with and dispose of such immovable properties and appropriate all consideration arising therefrom as the Transferee Company deems fit and shall be liable to pay the ground rent, taxes and to fulfill all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant and/or endorse all clearances/ permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with applicable law. The substitution of the title to the immovable properties shall, upon

this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by NCLT in accordance with the terms hereof.

- 7.6. In respect of such of assets other than those referred to in Sub-Clauses 7.2 and 7.3 above, the same shall, as more particularly provided in Sub-Clause 7.1 above, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company on and from the Appointed Date;
- 7.7. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals, consents, registrations etc. held by the Transferor Company required to carry on operations in the Transferor Company (including any statutory licenses, permissions or approvals or consents relating to its infrastructure and operations) shall stand vested in and transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated or endorsed by the statutory authorities concerned therewith in favour of the Transferee Company without insisting for any application or registration for effecting such transfer or endorsement. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall stand vested in or transferred to or deemed amended in favour of the Transferee Company as if the same were originally granted to, issued to or executed in favour of the Transferee Company and shall become available to the Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of by the Transferor Company relating to the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.
- 7.8. All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company and pertaining to the Transferor Company after the Effective Date, shall be accepted by the bankers of

the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company and pertaining to the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after coming into effect of the Scheme.

- 7.9. All taxes, duties, cess payable by the Transferor Company relating to its business including all or any refunds/tax losses/credit/claims relating thereto shall be treated as the liability or refunds/tax losses/credit/claims, as the case may be, of Transferee Company, upon the Scheme becoming effective and with effect from the Appointed Date.
- 7.10. The Transferee Company shall be entitled to revise its income tax returns, wealth tax returns, tax deducted at source (“TDS”) returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as goods and service tax, sales-tax, value added tax, excise duties, service tax, etc., upon the Scheme becoming effective and with effect from the Appointed Date.
- 7.11. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of all consents, approvals, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferor Company and the Transferee Company shall be deemed to be authorised to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT order and shall be considered as integral part of this Scheme.

8. TRANSFER OF LIABILITIES

- 8.1 With effect from the Appointed Date and upon the Scheme becoming effective, all the

debts and liabilities incurred by the Transferor Company, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Transferor Company shall be deemed to be transferred to and be vested in the Transferee Company so as to become the liabilities of the Transferee Company. It is clarified that the Scheme shall become effective and will be with effect from the Appointed Date.

9. TRANSFER OF THE UNDERTAKINGS OF THE TRANSFEROR COMPANY ON A GOING CONCERN BASIS

9.1 With effect from the Appointed Date and upon the Scheme becoming effective, the undertakings of the transferor Company shall be transferred on a going concern basis to the Transferee Company.

10. TRANSFER OF EMPLOYEES

10.1. Upon the coming into effect of this Scheme, all employees, if any, engaged with the Transferor Company as on the Effective Date shall become the employees of the Transferee Company, and, subject to the provisions, hereof, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the merger of Transferor Company into the Transferee Company.

10.2. Till the Effective Date of this Scheme, the Transferor Company shall continue to make the statutory contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Transferee Company shall, on and from the Effective Date, make statutory contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.

10.3. The services of all transferred staff, workmen and employees of the Transferor Company transferred to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other

terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Company shall also be taken into account by the Transferee Company, who shall pay the same if and when payable, and accordingly, the period of service of such employees shall be reckoned therefore from the date of their respective appointment in the Transferor Company.

- 10.4. In the event of retrenchment of the employees of the Transferor Company on and after the Appointed Date, the Transferee Company will be liable to pay retrenchment compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such merger.

11. TRANSFER OF ALL LEGAL, TAXATION OR OTHER PROCEEDINGS

- 11.1 All legal, taxation or other proceedings (whether civil or criminal including before any governmental authority) by or against the Transferor Company under any applicable laws whether pending on Effective Date or which may be instituted at any time, and in each case relating to the liability, obligation or duties of the Transferor Company in respect of its business shall be continued and enforced, after the Effective Date, by or against the Transferee Company.

12. TRANSFEROR COMPANY'S BUSINESS AFTER APPOINTED DATE

With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities for the Transferee Company;
- (b) All profits or income arising or accruing in favour of or received by the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and service tax, value added tax, sales tax, service tax, goods and services tax, etc.) or losses arising or incurred by the Transferor Company shall, for all

purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company;

- (c) All liabilities, debts and obligations incurred by or arising against the Transferor Company at any time including on and after the start of business hour on the Appointed Date, shall form part of the business of the Transferee Company; and
- (d) All assets and properties acquired and liabilities and obligations incurred by the Transferor Company in relation to its business on and after the Appointed Date shall belong to the Transferee Company.

13. LEGAL PROCEEDINGS

- 13.1. All legal proceedings of whatsoever nature by or against the Transferor Company pending and/ or arising at the Appointed Date and relating to the Transferor Company, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceeding relates to Transferor Company or not, a certificate jointly issued by the Board of Directors of the Transferor Company and the Transferee Company as to whether such proceeding relates to the Transferor Company or not, shall be conclusive evidence of the matter.
- 13.2. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 13.1 above, transferred into its name on and after the Appointed Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- 13.3. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings in relation to the Transferor Company, in the same manner and to the same extent as it would or

might have been initiated by the Transferor Company, as the case may be, had the Scheme not been made.

- 13.4. On and from the Appointed Date, if any proceedings are taken by or against the Transferor Company pertaining to the period commencing on or after the Appointed Date but prior to the Effective Date, the Transferor Company shall till the Effective Date continue and/or defend the same.

14. CONTRACTS, DEEDS, ETC

- 14.1. Subject to the other provisions of this Scheme and upon the coming into effect of the Scheme, all contracts, deeds, lease deeds, agreement to lease, license agreements, bonds, schemes, engagements, arrangements, agreements and other instruments, if any, of whatsoever nature, relating to the Transferor Company to which the Transferor Company are a party and are subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and eventually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, without any act or deed to be done or executed by the Transferor Company or the Transferee Company. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 14.2. Further in the event that the Transferor Company is a party to any agreement relating to the Transferor Company with the Transferee Company itself, then the rights and obligations of the Transferor Company under such an agreement will stand transferred and vested with the Transferee Company in pursuance to the Scheme.

- 14.3. As a consequence of the merger of the Transferor Company with the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.
- 14.4. Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, lease deeds, agreements to lease, licenses, schemes, arrangements or other instruments of whatsoever nature which the Transferor Company holds or owns or to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is given effect to.

15. CONSIDERATION AND ISSUE OF SHARES

- 15.1. Upon the Scheme becoming effective and in consideration of the merger of the Transferor Company with the Transferee Company in accordance with the terms of the Scheme, the Transferee Company shall issue and allot:

- *A total of 9,19,12,200 equity shares of face value Rs.10/- (Rupees Ten Only) each of the Transferee Company to be issued to the equity shareholder of the Transferor Company holding 10,20,000 equity shares of face value of Rs.10/- (Rupees Ten Only) each therein, as on the Record Date in the Share Exchange Ratio of 90.11:1*
- *A total of 18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs.10,000/- (Rupees Ten Thousand Only) each of the Transferee Company to be issued to the 11.97% Series A CCCPS holder of the Transferor Company holding 18,000, 11.97% Series A CCCPS of Rs.10,000/- (Rupees Ten Thousand Only) each therein*

as on the Record Date (as per the existing terms) in the Share Exchange Ratio of 1:1

- *A total of 18,735, 11.97% Series B Compulsorily Convertible Cumulative Preference Shares (“CCCPS”) of Rs.10/- (Rupees Ten Only) each of the Transferee Company to be issued to the 11.97% Series B CCCPS holder of the Transferor Company holding 18,735, 11.97% Series B CCCPS of Rs.10/- (Rupees Ten Only) each as on the Record Date (as per the existing terms) in the Share Exchange Ratio of 1:1*

The share exchange ratio has been determined by the Board of Directors of Transferor and Transferee Company by taking into consideration the Valuation Report dated December 06, 2018 provided by M Revathi Parvatha Vardhini, an Independent Chartered Accountant and fairness opinion dated December 07, 2018 provided by M/s. SPA Capital Advisors Limited, SEBI Registered Category - I Merchant Banker.

- 15.2 The shares being issued through this Scheme will be issued only to the beneficial owner (i.e. GHIAL, being the holding company of the Transferor Company).
- 15.3 Any fractional entitlement arising out of issue and allotment of shares of the Transferee Company to the shareholders of the Transferor Company pursuant to this Clause 15.1 shall be rounded off to the nearest integer.
- 15.4 In the event that the Transferee Company restructures its share capital by way of share split / consolidation / issue of bonus shares (but excluding any dividend announced or to be announced on the shares of the Transferee Company prior to the Effective Date) during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 15.5 The equity shares in the Transferee Company to be issued to the shareholders of Transferor Company pursuant to Clause 15.1 above shall be subject to the memorandum and articles of association of the Transferee Company and the equity shares that will be issued to the shareholders of the Transferor Company shall rank *pari passu* in all respects, including dividend, with the existing equity shares of the Transferee Company. The 11.97% Series A and 11.97% Series B CCCPS shall be

issued pursuant to the Clause 15.1 above on same terms and conditions as existing prior to the Record Date. The issue of shares under this Clause 15 shall be deemed to be in automatic compliance with Section 62 of the Act since the Transferor and Transferee Companies are wholly owned subsidiaries of the same company.

- 15.6 In the event the shares of the Transferee Company stand dematerialised, the issue of shares consequent to the sanction of the Scheme shall be issued in dematerialised format, for which purpose the shareholders of the Transferor Company shall provide the requisite information to Transferee Company in this regard.

16. ACCOUNTING TREATMENT

- 16.1. The accounting treatment of the merger of the Transferor Company in the books of the Transferee Company shall be in compliance with the applicable accounting standards notified under Section 133 of the Act and other generally accepted accounting principles.

17. CONSEQUENTIAL MATTERS RELATING TO TAX

- 17.1. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to claim refunds/credits on account of all taxes including but not limited to service tax/GST in accordance with the tax laws / rules, pertaining to the Transferor Company.
- 17.2. In accordance with the rules framed under the CENVAT Credit Rules, 2004 or any statutory modification or re-enactment thereof, as are prevalent on the Effective Date, the unutilized excise duty / service tax / GST credits, if any, relating to the excise duty / service tax / GST paid on input goods / services pertaining to the Transferor Company shall be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the service tax /GST payable by it (as applicable), without limitation.
- 17.3. All unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax

deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc. pertaining to the Transferor Company shall be transferred to the credit of the Transferee Company.

18. SAVING OF CONCLUDED TRANSACTIONS OR PROCEEDINGS

- 18.1 The transfer of the business of the Transferor Company under the Scheme and the continuance of suits, appeals, or other proceedings by or against the Transferor Company shall not affect any transaction or proceedings concluded by the Transferor Company, with or without the prior written consent of the Transferee Company, during the period between the date of acceptance of this Scheme by the Boards of Transferor Company and the Transferee Company and till the Effective Date, and the Transferee Company hereby accepts and adopts all acts, deeds and things done and executed by the Transferor Company as if done and executed on behalf of itself.

PART C

DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

19. The demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company under this Scheme shall be effected under the provisions of sections 230 to 232 of the Act. The demerger of the Demerged Undertaking shall comply with the provisions of section 2 (19AA) of the Income Tax Act, 1961 such that:

- a. All the relatable properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the demerger, become the properties of the Resulting Company by virtue of the demerger;
- b. All the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger;
- c. The properties and the liabilities, if any, relatable to the Demerged Undertaking being transferred by the Demerged Company are transferred to the Resulting Company at values appearing in the books of account of the Demerged Company immediately before the demerger;
- d. There will be no issue of shares to the shareholders of the Demerged Company since it is a wholly owned subsidiary of the Resulting Company;

20. DATE OF SCHEME TAKING EFFECT

20.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, shall become operative from the Effective Date but shall be effective and implemented with effect from the Appointed Date.

21. TRANSFER OF ASSETS

- 21.1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business together with all the assets and liabilities of the Demerged Undertaking comprising amongst others all its infrastructure, plant and machinery, furniture and fixtures, computers, vehicles, servers and networking equipment, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Resulting Company as a going concern, so as to become the properties of the Resulting Company pursuant to Sections 230 to 232 of the Act and the order of the NCLT sanctioning the Scheme.
- 21.2. With effect from the Appointed Date and upon the Scheme becoming effective, all assets and properties of the Demerged Undertaking which are moveable in nature shall be transferred by the Demerged Company to the Resulting Company, without requiring any deed or instrument of conveyance for the same and shall become the properties of the Resulting Company.
- 21.3. All immovable properties including its infrastructure, rights, ownership and interests (including development rights) in immovable properties of the Demerged Undertaking, whether freehold or leasehold or otherwise, all tenancies, licenses, leases and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/ or be deemed to have been and stand transferred to and vested in the Resulting Company, without any further act or deed or conveyance or attornment or assignment or novation to be done or any instrument to be executed by the Demerged Company and/ or the Resulting Company:
- i. conveys, transfers, assigns and assures all its right, title and interest in the infrastructure and the immovable properties of the Demerged Undertaking unto the Resulting Company free from any encumbrances and reasonable doubts;

- ii. conveys, transfers, assigns and assures all its right, title and interest in the leases, agreements to lease, lease deeds, licences or other documents executed pursuant to lease;
- iii. notwithstanding any act, deed, matter or thing whatsoever done, committed, omitted by the Demerged Company or any person or persons lawfully or equitably claiming by, from, through, under or in trust for the Demerged Company, the Demerged Company has good right, full power and absolute authority to convey, transfer, release and assure the immovable properties of the Demerged Undertaking in favour of the Resulting Company;
- iv. the Resulting Company shall and may from time to time and at all times hereafter peaceably and quietly be entitled to enter upon, occupy, possess and enjoy the infrastructure and the immovable properties of the Demerged Undertaking hereby granted, conveyed, transferred and assured with its appurtenances and receive the rents, other charges, issues and profits thereof and of every part thereof to and for their own use and benefit without any lawful eviction, interruption, claim and demand whatsoever from or by the Demerged Company or by any person lawfully or equitably claiming or to claim by from under or in trust for the Demerged Company; and
- v. the Demerged Company shall at all times hereafter at the request and cost of the Resulting Company do and execute all reasonable acts, deeds, matters and things, for better further and more perfectly transferring all infrastructure and the immovable properties of the Demerged Undertaking and to the use of the Resulting Company in the manner aforesaid as shall or may be reasonably required by the Resulting Company and the immovable properties of the Demerged Undertaking and every part thereof are hereby granted, conveyed, transferred and assured unto and to the use of the Resulting Company in the manner aforesaid.

21.4. The mutation/ substitution of the title to all such infrastructure and immovable properties of the Demerged Undertaking shall be made and duly recorded in the name

of the Resulting Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title and interest of the infrastructure and the immovable properties of the Demerged Undertaking given to the Resulting Company.

- 21.5. The Resulting Company shall be entitled to exercise all rights and privileges attached to such immovable properties of Demerged Undertaking including the right to use, enjoy, occupy, develop and possess the immovable properties along with all rights of ownership and right to deal with and dispose of such immovable properties and appropriate all consideration arising therefrom as the Resulting Company deems fit and shall be liable to pay the ground rent, taxes and to fulfill all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/ permissions, if any, required for enabling the Resulting Company to absolutely own and enjoy the immovable properties in accordance with the applicable law. The substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the appropriate authorities pursuant to the sanction of this Scheme by NCLT in accordance with the terms hereof.
- 21.6. In respect of such assets other than those referred to in Sub-Clauses 21.2 and 21.3 above, the same shall, as more particularly provided in Sub-Clause 21.1 above, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company on and from the Appointed Date;
- 21.7. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations in the Demerged Undertaking (including any statutory licenses, rights, permissions or approvals or consents relating to its MRO business shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or

other licenses, and consents shall stand vested in or transferred to or deemed amended in favour of the Resulting Company as if the same were originally granted to, issued to or executed in favour of the Resulting Company and shall become available to the Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of by the Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and / or granted and / or sanctioned and / or allowed to the Resulting Company.

- 21.8. All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking after the Effective Date, shall be accepted by the bankers of the Resulting Company and credited to the accounts of the Resulting Company, if presented by the Resulting Company. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, the Resulting Company after coming into effect of the Scheme.
- 21.9. All taxes, duties, cess payable by the Demerged Company relating to the Demerged Undertaking including all or any refunds/tax losses/credit/claims relating thereto shall be treated as the liability or refunds/tax losses/credit/claims, as the case may be, of the Resulting Company, upon the Scheme becoming effective and with effect from the Appointed Date.
- 21.10. The Resulting Company shall be entitled to revise its income tax returns, wealth tax returns, tax deducted at source (“TDS”) returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as goods and service tax, sales-tax, value added tax, excise duties, service tax, etc., upon the Scheme becoming effective and with effect from the Appointed Date.

21.11. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Demerged Company in favour of the Resulting Company, the Board of Directors of the Demerged Company and the Resulting Company shall be deemed to be authorised to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT order and shall be considered as integral part of this Scheme.

22. TRANSFER OF LIABILITIES

22.1 With effect from the Appointed Date and upon the Scheme becoming effective, all the debts and liabilities incurred by the Demerged Company, contingent liabilities, duties and obligations and any accretions and additions or reductions thereto of the Demerged Undertaking shall be deemed to be transferred to and vested in the Resulting Company so as to become the liabilities of the Resulting Company. It is clarified that upon the Scheme becoming effective and with effect from the Appointed Date:

- a. the Resulting Company shall be solely liable for the lease rentals payable, that are transferred as part of the Demerged Undertaking; and
- b. the Resulting Company shall be solely liable for the serviceability of loans that are part of the Demerged Undertaking.

23. TRANSFER OF THE DEMERGED UNDERTAKING ON A GOING CONCERN BASIS

23.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall be transferred on a going concern basis to the Resulting Company.

24. TRANSFER OF EMPLOYEES

- 24.1. Upon the coming into effect of this Scheme, all employees, if any, engaged with the Demerged Undertaking as on the Effective Date shall become the employees of the Resulting Company, and, subject to the provisions, hereof, on terms and conditions not less favorable than those on which they are engaged by the Demerged Company, without any interruption of service as a result of the demerger of Demerged Undertaking into the Resulting Company.
- 24.2. Till the Effective Date of this Scheme, the Demerged Company shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees of the Demerged Undertaking of the Demerged Company. The Resulting Company shall, on and from the Effective Date, make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.
- 24.3. The services of all transferred staff, workmen and employees of the Demerged Undertaking of the Demerged Company of, to the Resulting Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Demerged Undertaking of the Demerged Company shall also be taken into account by the Resulting Company, who shall pay the same if and when payable, and accordingly, the period of service of such employees shall be reckoned therefore from the date of their respective appointment in the Demerged Company.
- 24.4. In the event of retrenchment of the employees of the Demerged Undertaking on and after the Appointed Date, the Resulting Company will be liable to pay retrenchment compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such demerger.

25. RESIDUAL BUSINESS

25.1 The Residual Business and all the assets relating thereto of the Demerged Company other than the Demerged Undertaking or those comprised in the Demerged Undertaking will continue to remain with the Demerged Company.

26. TRANSFER OF ALL LEGAL, TAXATION OR OTHER PROCEEDINGS

26.1 All legal, taxation or other proceedings (whether civil or criminal including before any governmental authority) by or against the Demerged Company under any applicable laws whether pending on Effective Date or which may be instituted at any time, and in each case relating to the liability, obligation or duties of the Demerged Company in respect of the Residual Business shall be continued and enforced, after the Effective Date, by or against the Demerged Company only.

27. DEMERGED COMPANY'S RESIDUAL BUSINESS AFTER APPOINTED DATE

27.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Residual Business for and on its own behalf;
- (b) All profits or income arising or accruing in favour of or received by the Demerged Company thereon and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and service tax, value added tax, sales tax, service tax, goods and services tax, etc.) or losses arising or incurred by the Demerged Company, relating to the Residual Business shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Demerged Company.

- (c) All liabilities, debts and obligations incurred by or arising against the Demerged Company at any time including on and after the start of business on the Appointed Date, shall, to the extent that the same do not relate to the Demerged Undertaking, form part of the Residual Business of the Demerged Company; and
- (d) All assets and properties acquired, and liabilities and obligations incurred by the Demerged Company in relation to the Residual Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

28. LEGAL PROCEEDINGS

- 28.1. All legal proceedings of whatsoever nature by or against the Demerged Company pending and/ or arising at the Appointed Date and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceeding relates to Demerged Undertaking or not, a certificate jointly issued by the Board of Directors of the Demerged Company and the Resulting Company as to whether such proceeding relates to the Demerged Undertaking or not, shall be conclusive evidence of the matter.
- 28.2. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 28.1 above, transferred into its name on and after the Appointed Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.
- 28.3. On and from the Effective Date, Resulting Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings in relation to the Demerged Undertaking, in the same manner and to the same extent as it would or

might have been initiated by the Demerged Company, as the case may be, had the Scheme not been made.

- 28.4. On and from the Appointed Date, if any proceedings are taken by or against the Demerged Company in relation to the Demerged Undertaking pertaining to the period commencing on or after the Appointed Date but prior to the Effective Date, the Demerged Company shall till the Effective Date continue and/or defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all expenses, liabilities and obligations incurred by the Resulting Company in respect thereof.

29. CONTRACTS, DEEDS, ETC

- 29.1. Subject to the other provisions of this Scheme and upon the coming into effect of the Scheme, all contracts, deeds, lease deeds, agreement to lease, license agreements, bonds, schemes, engagements, arrangements, agreements and other instruments, if any, of whatsoever nature, relating to the Demerged Undertaking to which the Demerged Company is a party and are subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Resulting Company, as the case may be, and may be enforced by or against Resulting Company as fully and eventually as if, instead of the Demerged Company, the Resulting Company had been a party thereto, without any act or deed to be done or executed by the Demerged Company or the Resulting Company. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Demerged Company and to implement or carry out all formalities required on the part of the Demerged Undertaking of Demerged Company to give effect to the provisions of this Scheme.
- 29.2. Further in the event that the Demerged Company is a party to any agreement relating to the Demerged Undertaking with the Resulting Company itself, then the rights and

obligations of the Demerged Company under such an agreement will stand transferred and vested with the Resulting Company in pursuance to the Scheme.

- 29.3. As a consequence of the transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Demerged Company to the Resulting Company, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.
- 29.4. Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, lease deeds, agreements to lease, licenses, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as the transfer is given effect to.

30. CONSIDERATION, ISSUE AND CANCELLATION OF SHARES

- 30.1. No shares will be issued in relation to the Demerger since the Demerged Company is a wholly owned subsidiary of the Resulting Company. The shares of the Demerged Company, to the extent of 2,49,00,000 equity shares of Rs.10 each, which reflect the Demerged Undertaking being demerged to the Resulting Company shall stand cancelled and shares to the extent of 1,00,000 equity shares of Rs.10 each which represent the Residual Business shall continue in the books of the Demerged Company. The cancellation of shares in the Demerged Company on account of the Scheme shall not be considered as a reduction of capital in the books of the Demerged Company. This will also not result in either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 66 of the Act will not be applicable with respect to the cancellation of the paid-up

share capital. Therefore, the Demerged Company shall not be required to add the words “And Reduced” as a suffix consequent upon such cancellation.

31. ACCOUNTING TREATMENT

- 31.1. The accounting treatment of the demerger of Demerged Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the applicable accounting standards notified under Section 133 of the Act and other generally accepted accounting principles.

32. CONSEQUENTIAL MATTERS RELATING TO TAX

- 32.1. With effect from the Appointed Date, the unabsorbed tax losses and unabsorbed tax depreciation if any, directly relatable to the Demerged Undertaking shall be transferred to the Resulting Company and where it is not directly relatable to the Demerged Undertaking, be apportioned between the Demerged Company and the Resulting Company in the same proportion in which the assets of the Demerged Company will be shared between the Demerged Undertaking and the Residual business of the Demerged Company. The unabsorbed tax losses and unabsorbed tax depreciation of the Residual Business and the Demerged Undertaking which have been retained by the Demerged Company or transferred to the Resulting Company, as the case may be and which accrue prior to the Appointed Date, but which shall be adjusted in accordance with any assessments / reassessments / rectifications by the tax authorities subsequent to the date hereof, would be transferred in accordance with the provisions of Section 72A of the Income Tax Act.
- 32.2. Upon the Scheme becoming effective, the Resulting Company is expressly permitted to claim refunds/credits on account of all taxes including but not limited to service tax/GST in accordance with the tax laws / rules, pertaining to the Demerged Undertaking.
- 32.3. In accordance with the rules framed under the CENVAT Credit Rules, 2004 or any statutory modification or re-enactment thereof, as are prevalent on the Effective Date, the unutilized excise duty / service tax / GST credits, if any, relating to the excise duty / service tax / GST paid on input goods / services pertaining to the Demerged

Undertaking shall be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilized credits against the service tax /GST payable by it (as applicable), without limitation.

- 32.4. All unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc. pertaining to the Demerged Undertaking shall be transferred to the credit of the Resulting Company.

33. CONDUCT OF THE BUSINESS OF THE DEMERGED UNDERTAKING OF DEMERGED COMPANY TILL THE EFFECTIVE DATE

- 33.1. The Demerged Company shall carry on, and be deemed to have carried on its business, operations or activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the assets, properties and liabilities of the Demerged Undertaking on account of and / or on behalf of and / or for the benefit of and / or in trust for the Resulting Company. All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Demerged Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Resulting Company.
- 33.2. As and from the date of acceptance of this Scheme by the Boards of the Demerged Company and the Resulting Company and till the Effective Date, the Resulting Company and the Demerged Company shall be entitled, pending and subject to the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned including SEZ authorities, as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Undertaking.
- 33.3. As and from the date of acceptance of this Scheme by the Boards of the Demerged Company and the Resulting Company and till the Effective Date, the Demerged Company shall not alienate, charge, mortgage, encumber or otherwise deal

with the Assets pertaining to the Demerged Undertaking or any part thereof without the prior written consent of the Board of the Resulting Company.

- 33.4. As and from the date of acceptance of this Scheme by the Boards of the Demerged Company and the Resulting Company and till the Effective Date, the Demerged Company shall not vary the terms and conditions of service of its permanent employees employed in the Demerged Undertaking except in the ordinary course of its business.
- 33.5. As and from the date of acceptance of this Scheme by the Boards of the Demerged Company and the Resulting Company and till the Effective Date, the Demerged Company shall not without the prior consent of the Resulting Company, undertake any new business or a substantial expansion of its existing business in the Demerged Undertaking.
- 33.6. Without prejudice to the above, the Demerged Company and the Resulting Company from the date of filing this Scheme with the NCLT up to and including the Record Date shall not make any change in its capital structure, whether by way of increase (by issue of shares on a rights basis, bonus shares or otherwise) decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner which may, in any way, affect the Share Exchange Ratio except under any of the following circumstances:
- By mutual consent of the respective Board of Directors of the Demerged Company and Resulting Company; or
 - By way of any obligation already subsisting as on the date of filing this Scheme with the NCLT.
- 33.7. As and from the date of acceptance of this Scheme by the Boards of the Demerged Company and the Resulting Company and till the Effective Date, the Demerged Company and the Resulting Company shall cooperate with each other in a mutually agreeable, commercially reasonable and lawful arrangement and the Demerged Company shall use commercially reasonable efforts to, where required pursuant to applicable law or considered as being reasonably prudent (in the opinion of

the Resulting Company), file applications to governmental authorities for relevant governmental authorisation or for approval of a court of law, tribunal or any other authorization, approval, consent or waiver of a third party (if applicable), in the name of and for the benefit of the Resulting Company.

- 33.8. The provisions of Sections 185 and/or 186 of the Act shall not apply to inter-divisional balances/ dues/ loans pursuant to the demerger of the Demerged Undertaking. Any transactions between the Demerged Company and the Resulting Company between the Appointed Date and the Effective Date in relation to the Demerged undertaking shall be regarded as intra-party transactions. Any loans or other obligations, if any due, inter-se between the Demerged Company and the Resulting Company in relation to the demerged undertaking as on the Appointed Date (other than those that are due to the Demerged Company) and thereafter till the Effective Date shall stand automatically extinguished.

34. SAVING OF CONCLUDED TRANSACTIONS OR PROCEEDINGS

- 34.1 The transfer of the business of the Demerged Undertaking under the Scheme and the continuance of suits, appeals, or other proceedings by or against the Demerged Company shall not affect any transaction or proceedings concluded by the Demerged Company, with or without the prior written consent of the Resulting Company, during the period between the date of acceptance of this Scheme by the Boards of Demerged Company and the Resulting Company and till the Effective Date, and the Resulting Company hereby accepts and adopts all acts, deeds and things done and executed by the Demerged Company as done and executed on behalf of itself.

PART D

GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

35. APPLICATION TO THE NCLT

35.1 The Transferor Company, Demerged Company and the Transferee / Resulting Company shall make necessary applications / petition (either jointly or separately) to the NCLT, under whose jurisdiction the registered offices of the Participating Companies are situated, for the sanction of the Scheme.

36. MODIFICATION OR AMENDMENTS TO THE SCHEME

36.1. Subject to the approval of NCLT, the Participating Companies may make, or consent to, any modifications or amendments to the Scheme or to any conditions or limitations thereof, that they, the NCLT or any other competent authority, may deem fit to direct or impose, or which may otherwise be considered necessary or desirable, to solve all difficulties that may arise for carrying out the Scheme, and do all acts, deeds and things necessary for giving effect to the Scheme or the objectives thereof. The Participating Companies by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

36.2. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and/ or Directors of the Participating Companies may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

37. CONDITIONALITY OF THE SCHEME

37.1. Subject to the directions as may be issued by the NCLT, this Scheme is and shall be conditional upon the following:

- (a) Obtaining the approval, of the requisite majority of such class of the shareholders and creditors, if any, of the Participating Companies as the case may be, if required and in accordance with the directions of the NCLT;
- (b) Obtaining the sanction and orders under the provisions of Section 230 to Section 232 of the Act and other applicable provisions of the Act by the Participating Companies to the Scheme from the NCLT; and
- (c) Filing the authenticated/ certified copy of the order of the NCLT sanctioning the Scheme with the jurisdictional Registrar of Companies, by the Participating Companies.

38. EFFECT OF NON-RECEIPT OF APPROVALS OR SANCTION

38.1. In the event the conditions referred to in Clause 37 and the directions of the NCLT, are not satisfied, this Scheme shall stand revoked, cancelled and shall be of no effect, save and except, in respect of any act or deed done prior thereto, as is contemplated hereunder or as to any rights and/or liabilities, which might have arisen or accrued pursuant thereto and which shall be governed and be preserved as is specifically provided in the Scheme or under applicable law.

38.2. Notwithstanding anything contrary to the Scheme, the Transferor Company, Transferee/ Resulting Company and the Demerged Company, acting through its respective Boards of Directors, for any reason as they deem fit, including in case any condition or alteration imposed by the NCLT or any other authority is not acceptable to them, shall be at liberty to withdraw this Scheme prior to the Effective Date.

39. CONSEQUENTIAL MATTERS RELATING TO SEZ

39.1. The Resulting Company and / or the Demerged Company shall, with all reasonable dispatch, make necessary applications / filings with the SEZ authorities for any compliances as may be required in consequence to the sanction of the Scheme.

39.2. The Participating Companies shall extend full cooperation to each other to the extent required for obtaining the requisite licenses, permissions, approvals and achieving compliance required under the applicable laws including the law governing SEZs.

40. SEVERABILITY

40.1. If any part of this Scheme hereof is invalid, ruled illegal by NCLT or unenforceable under present or future laws, then it is the intention of the Participating Companies that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Participating Companies, then in such case the Participating Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Participating Companies the various benefits and obligations of the Scheme, including but not limited to such part.

40.2. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Participating Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

40.3. Subject to the provisions of Clauses 38.1 and 38.2, the non-receipt of any sanctions or approvals for a particular asset or liability forming part of the Transferor Company or the Demerged Undertaking getting transferred pursuant to this Scheme, shall not affect the effectiveness of the other parts of the Scheme.

41. COSTS, CHARGES AND EXPENSES

41.1 All costs, charges, taxes including duties, levies, stamp duties and all other expenses, if any (save as expressly otherwise agreed) of the Participating Companies arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto unless specified herein the Scheme shall be borne by the respective companies and / or the holding Company (GMR Hyderabad International Airport Limited) or as may be decided by the Board of Directors of the respective companies.

42. CANCELLATION OF SHARES CERTIFICATES

42.1 Notwithstanding anything to the contrary, upon the new shares in the Transferee

Company being issued and allotted by it to the eligible shareholders of the Transferor Company whose names shall appear on the Register of Members of the Transferor Company on the Record Date, in the manner provided herein, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled and shall be of no effect on and from such Record Date. Further upon this Scheme coming into effect, the management of the Demerged Company shall replace the share certificates held by its shareholders to reflect the changed shareholding post cancellation of shares as a consequence of the implementation of the Scheme. In the event the shares of the participating companies would be required to be dematerialized during the pendency of the Scheme, the shareholders of the participating companies shall surrender their shares certificates to the respective companies for dematerialization while providing the requisite details for effecting the demat process for the shares held by them.

43. EFFECT OF NON – RECEIPT OF APPROVALS / SANCTIONS

43.1 In the event of the Scheme failing to take effect for any reason whatsoever, the Scheme shall become null and void and, in that event, no rights or liabilities shall accrue to or be incurred by the parties or their shareholders, creditors or any other person. In such case, each company shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme or as may mutually be agreed.

44. DISSOLUTION OF THE TRANSFEROR COMPANY

44.1 On the Scheme becoming effective and subject to an order being made by the Hon'ble Tribunal, the Transferor Company shall be dissolved without going through the process of winding up with effect from the effective date or such other date as may be fixed by the Hon'ble Tribunal.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED BEARING CIN: U62100TG2006PTC049243 AT ITS MEETING HELD ON MONDAY, THE 10TH DAY OF DECEMBER, 2018, AT 02:00 P.M. AT GMR AERO TOWERS, LEVEL IV BOARD ROOM (VISVESVARAYA), RAJIV GANDHI INTERNATIONAL AIRPORT, SHAMSHABAD, HYDERABAD 500 108 EXPLAINING THE EFFECT OF THE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.

1. Background:

- 1.1 A meeting of the Board of Directors (**'Board'**) of GMR Hyderabad Air Cargo And Logistics Private Limited was held on December 10th, 2018 to consider and recommend the proposed Composite Scheme of Arrangement for Merger and Demerger (**"Scheme"**) amongst GMR Hyderabad Air Cargo And Logistics Private Limited (**"GHACLPL"**), being the **Transferor Company**, and GMR Aero Technic Limited (**"GATL"**), being the **Demerged Company** and GMR Aerospace Engineering Limited (**"GAEL"**), being the **Transferee / Resulting Company** and their respective shareholders and creditors, providing for the merger of GHACLPL with GAEL and the demerger of the MRO business (MRO business undertaking) of GATL into GAEL, with 1st April 2018, as the 'Appointed Date' or such other date as may be approved by NCLT, to be implemented as per the terms specified in the scheme.

- 1.2 In terms of Section 232(2)(c) of Companies Act, 2013 (**"Act"**), a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.

- 1.3 This report is made by the Board after perusing inter alia the following necessary documents:
- a. Draft Composite Scheme of Arrangement for Merger and Demerger amongst GHACLPL, GATL and GAEL (“Participating Companies”) and their respective shareholders and creditors, providing for the merger of GHACLPL with GAEL and the demerger of the MRO business undertaking of GATL into GAEL;
 - b. Valuation Report dated December 06, 2018 issued by Ms. M Revathi Parvatha Vardhini, Chartered Accountants;

2. Background to the Proposed Scheme:

- a. GHACLPL (Transferor Company) is engaged in the business of development, operation and maintenance of the Air Cargo Terminal at Rajiv Gandhi International Airport, Hyderabad, Telangana.
- b. GATL (Demerged Company) is engaged in the business of providing Maintenance, Repair and Overhaul (“MRO”) services to the domestic and international Aircraft and providing consultancy and training services.
- c. GAEL (Transferee / Resulting Company) is engaged in the business of investment and development of infrastructure for Maintenance, Repair and Overhaul Facility of Aircraft.
- d. The Scheme intends to bring together the identified businesses of the three companies under one umbrella and it is proposed, through the Scheme, to transfer to and vest the entire business of GHACLPL and the MRO Business Undertaking of GATL into GAEL.
- e. The Scheme would ensure efficient management of the businesses and sustain long-term growth, profitability, market share and continuous customer service. It would be beneficial to all the stakeholders of the three Companies to bring together the independent, however complementary identified businesses of the three Companies to achieve focused management attention and application of combined set of skills and resources available with each of the businesses to succeed in the highly competitive regulatory environment and mitigate business and commercial risks efficiently.

- f. Specifically, implementation of the Scheme would ensure business continuity and retrofitability, improve debt serviceability, leverage relationships, ensure proper compliances & certifications, avoid potential conflict between the MRO Business and MRO Consultancy & Training Business, rationalize multiple subsidiaries and optimize management resources at the Top Management Level
- g. In addition to the above, the Scheme would also ensure other benefits like:
 - i. Better and efficient utilization of resources of the Participating Companies by ensuring greater synergy of operations and economies of scale.
 - ii. Better administrative and managerial control for the management from the synergy in operation and management.
 - iii. Clubbing the Authorised Share Capital of the Transferor Company with the Authorised Share Capital of the Transferee / Resulting Company.
 - iv. The Scheme would consolidate the activities, which are complimentary to each other, of each of the Participating Companies and thereby reduce the risks and increase the rewards therefrom and contribute towards efficient management of the businesses and result in sustainable long-term growth, profitability, market share and continuous customer service.
- h. The merger of the Transferor Company with the Transferee / Resulting Company and the Demerger of the MRO Business Undertaking from the Demerged Company into the Transferee / Resulting Company is in the interest of the shareholders, creditors and all other stakeholders, and shall not in any manner be prejudicial to the interests of the concerned shareholders and creditors or the general public at large.
- i. The entire business of the Transferor Company shall be transferred and/or deemed to be transferred to and be vested in the Transferee Company as a going concern, so as to become the properties of the Transferee Company pursuant to Sections 230 to 232 of the Act and the order of the NCLT sanctioning this Scheme.

3. Impact on key stakeholders

The Scheme will help in simplification of the group structure. There is expected to be no impact or effect of the Scheme on key managerial personnel, the directors and the promoter shareholders. Since the Transferor Company is a wholly owned subsidiary of its holding company, there are no non-promoter shareholders.

4. Valuation

A. The summarized version of the valuation report is as under:

Since both the entities GHACLPL & GAEL are under common control of GMR Hyderabad International Airport Limited (GHIAL), the valuation for this purpose is carried out based on the book value of shares of the companies as on September 30, 2018 (unaudited financials of both GHACLPL and GAEL).

B. Computation of Share Swap Ratio

Valuation	GHACLPL-Value per Equity share	GAEL- value per equity share	Swap Ratio
Net Asset Approach	Rs. 877.9451	Rs. 9.7434	90.11 (GAEL needs to issue 90.11 number of equity shares to GHIAL for each equity share held in GHACLPL)

Apart from the above, the Transferee Company shall issue 18,000 Series A Compulsorily Convertible Cumulative Preference Shares of Rs.10000/- each & 18,735 Series B Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each to the shareholders of the Transferor Company.

The above swap ratio is calculated on net asset basis for both Equity and Preference Shares to ensure that there is no loss to the existing shareholders of both Transferor Company and Transferee Company.

For and on behalf of the Board of Directors
of GMR Hyderabad Air Cargo And Logistics Private Limited

Sd/-

Date : 10-12-2018
Place : Hyderabad

Pradeep Panicker
Chairman of the Meeting

Hyderabad Menzies Air Cargo Private Limited

CIN No: U62100TG2006PTC049243

Special Purpose Unaudited Interim IndAS Balance Sheet as at September 30, 2018

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

Particulars	Notes	As at September 30, 2018	As at March 31, 2018
ASSETS			
Non-current assets			
Intangible assets	3	1,521.30	1,444.64
Intangible assets under development	3.1	25.04	118.30
Financial assets			
Other Financial assets	4	31.34	31.34
Non-current tax assets (net)	6	1,270.36	1,362.05
Other non-current assets	7	305.96	371.93
		3,154.00	3,328.26
Current assets			
Financial Assets			
Investments	5	5,900.88	4,979.29
Trade Receivables	8	576.40	856.79
Cash and cash equivalents	9	282.03	1,400.44
Other bank balances	9.1	2,994.77	1,794.99
Other financial assets	4	388.02	38.84
Other current assets	7	124.89	89.40
		10,266.99	9,159.75
Total Assets		13,420.99	12,488.01
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,903.87	1,903.87
Other Equity	11	8,853.04	8,058.33
		10,756.91	9,962.20
Non-current liabilities			
Financial Liabilities			
Borrowings	12	30.74	30.74
Provisions	14	46.39	14.42
Deferred tax liabilities (net)	15	26.66	5.98
		103.79	51.14
Current liabilities			
Financial Liabilities			
Trade Payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,869.94	1,841.82
Other Financial liabilities	13	94.34	99.00
Provisions	14	120.17	92.54
Other current liabilities	17	475.84	441.31
		2,560.29	2,474.67
Total Equity and Liabilities		13,420.99	12,488.01
Corporate information & Significant accounting policies		1 & 2	

The accompanying notes are an integral part of the Special Purpose Interim IndAS Financial Information.

Hyderabad Menzies Air Cargo Private Limited

Sd/-
Srikanth Vetcha
 Chief Financial Officer

Particulars	Notes	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
I. INCOME			
Revenue from operations	18	4,918.08	4,742.20
Other income	19	309.36	476.77
Total Income (I)		5,227.44	5,218.97
II. EXPENSES			
Operations and maintenance expenses		255.88	66.01
Employee benefits expense	20	877.82	764.96
Amortization expense	22	179.22	149.42
Finance costs	23	9.93	12.20
Concession fee		894.92	929.48
Technical fee		401.12	413.10
Other expenses	21	1,193.63	1,180.67
Total expenses (II)		3,812.52	3,515.84
III. Profit before tax		1,414.92	1,703.13
IV. Tax expense:	25		
Current Tax		411.00	366.97
Deferred Tax charge / (credit)		25.48	2.32
Tax expense		436.48	369.29
V. Profit for the period (III-IV)		978.44	1,333.84
VI. Other comprehensive income			
<i>i. Items that will not be reclassified to profit or loss</i>	24		
Re-measurement gains/(losses) on defined benefit plans		(15.18)	(6.92)
Income tax relating to items that will not be reclassified to profit or loss		4.80	-
Total other comprehensive income		(10.38)	(6.92)
VII. Total comprehensive income for the period (V + VI)		968.06	1,326.92
VIII. Earnings per equity share of par value of Rs.10 each :			
Basic and diluted (Rs. Per share)	26	83.18	118.04
Corporate information & Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the Special Purpose Interim IndAS Financial Information.

Hyderabad Menzies Air Cargo Private Limited

Sd/-
Srikanth Vetcha
Chief Financial Officer

Hyderabad Menzies Air Cargo Private Limited

CIN No: U62100TG2006PTC049243

Special Purpose Unaudited Interim IndAS Cash Flow Statement for half year ended September 30, 2018

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

Particulars	Half Year ended September 30, 2018	Half Year ended September 30, 2017
Cash flow from operating activities		
Profit before tax	1,414.92	1,703.13
Adjustment for		
Amortization expense	179.22	149.42
Interest income	(97.57)	(147.56)
Unrealized foreign exchange loss	0.35	0.56
Income from mutual funds	(19.42)	(29.55)
Finance income (including fair value change in financial instruments)	(181.41)	(76.78)
Finance costs (including fair value change in financial instruments)	12.66	8.00
Operating profit before working capital changes	1,308.75	1,607.22
Movements in working capital:		
Increase in trade payables	27.77	(106.30)
Increase in other liabilities	65.13	82.67
Increase in provisions	44.42	42.05
Decrease/ (Increase) in trade receivables	280.39	(59.89)
Decrease in other financial assets and other assets	(373.37)	721.63
Cash generated from operations	1,353.10	2,287.39
Direct taxes paid (net of refunds)	(319.31)	(10.87)
Net cash flow from operating activities (A)	1,033.78	2,276.52
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress and capital advances	(133.40)	(289.82)
Purchase of current investments	(1,300.00)	(1,309.46)
Redemption of current investments	577.17	
Investments in bank deposits (having original maturity of more than three months)	(2,994.77)	-
Redemption/maturity of bank deposits (having original maturity of more than three months)	1,794.99	268.19
Interest received	85.01	92.79
Net cash flow (used in) investing activities (B)	(1,971.01)	(1,238.30)
Cash flows from financing activities		
Dividends on equity and preference shares paid (including dividend distribution taxes)	(173.35)	(1,245.23)
Finance cost paid	(7.84)	(9.81)
Net cash flow used in financing activities (C)	(181.19)	(1,255.04)
Net increase in cash and cash equivalents (A+B+C)	(1,118.41)	(216.82)
Cash and cash equivalents at the beginning of the period	1,400.44	932.28
Cash and cash equivalents at the end of the period (Refer Note 9)	282.03	715.46

Reconciliation of liabilities from financial activities

	As at March 31, 2018	Proceeds	Repayment	Fair value changes	As at Sept 30, 2018
Long term borrowings (including current maturity of long term borrowing)	36.55	-	-	2.09	38.64
Total liabilities from Financial Activities	36.55	-	-	2.09	38.64

Corporate information & Significant accounting policies

The accompanying notes are an integral part of the Special Purpose Interim IndAS Financial Information

Hyderabad Menzies Air Cargo Private Limited

Sd/-
Srikanth Vetcha
 Chief Financial Officer

Hyderabad Menzies Air Cargo Private Limited

CIN No: U62100TG2006PTC049243

Special Purpose Unaudited Interim Ind AS Statement of Changes in Equity for half year ended September 30, 2018

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

A. Share Capital

Equity Shares of Rs.10 Each, Fully paid up

As at April 01, 2017

Issued during the year

As at March 31, 2018

Issued during the period

As at September 30, 2018

Number	Rs. lakhs
1,020,000	102
-	-
1,020,000	102.00
-	-
1,020,000	102.00

Preference Share Capital

11.97% compulsory convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up

As at April 01, 2017

Issued during the year

As at March 31, 2018

Issued during the period

As at September 30, 2018

No.	Rs. lakhs
18,735	1.87
-	-
18,735	1.87
-	-
18,735	1.87

11.97% compulsory convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up

As at April 01, 2017

Issued during the year

As at March 31, 2018

Issued during the period

As at September 30, 2018

No.	Rs. lakhs
18,000	1,800.00
-	-
18,000	1,800.00
-	-
18,000	1,800.00

Total Share Capital as at March 31, 2018

1,903.87

Total Share Capital as at September 30, 2018

1,903.87

Hyderabad Menzies Air Cargo Private Limited

CIN No: U62100TG2006PTC049243

Special Purpose Unaudited Interim Ind AS Statement of Changes in Equity for half year ended September 30, 2018

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

B. Other Equity

Particulars	Reserves and Surplus			Total
	Equity component of related party loan	General Reserve	Retained Earnings	
At April 1, 2017	58.27	1,327.74	5,501.85	6,887.86
Profit for the year	-	-	2,549.03	2,549.03
Dividend on CCCPS (Series A) amount per share Rs. 1,197/- per share	-	-	(377.05)	(377.05)
Dividend on CCCPS (Series B) amount per share Rs. 1,197/- per share	-	-	(0.39)	(0.39)
Dividend distribution tax on CCCPS	-	-	(76.84)	(76.84)
Dividend on equity shares (interim)	-	-	(765.00)	(765.00)
Dividend distribution tax on equity shares	-	-	(155.74)	(155.74)
Remeasurements of the defined benefit plans	-	-	(3.54)	(3.54)
At March 31, 2018	58.27	1,327.74	6,672.32	8,058.33
Profit for the period	-	-	978.44	978.44
Dividend on CCCPS (Series A) amount per share Rs. 1,197/- per share	-	-	(143.64)	(143.64)
Dividend on CCCPS (Series B) amount per share Rs. 1,197/- per share	-	-	(0.15)	(0.15)
Dividend distribution tax on CCCPS	-	-	(29.56)	(29.56)
Remeasurements of the defined benefit plans	-	-	(10.38)	(10.38)
At September 30, 2018	58.27	1,327.74	7,467.03	8,853.04

The accompanying notes are an integral part of the Special Purpose Interim IndAS Financial Information.

Hyderabad Menzies Air Cargo Private Limited

Sd/-

Srikanth Vetcha

Chief Financial Officer

1 Corporate information

Hyderabad Menzies Air Cargo Private Limited ("the Company") is a 51:49 Joint Venture ("JV") between GMR Hyderabad International Airport Limited ("GHIAL") and Menzies Aviation Plc, UK through its subsidiary ,Menzies Aviation Cargo (Hyderabad) Limited, Mauritius for Cargo Handling at the Rajiv Gandhi International Airport at Shamshabad, Hyderabad, Ranga Reddy District. The Company was incorporated on February 22, 2006. The Company commenced its operations on March 23, 2008.

2 Basis of preparation and presentation

(i) These Special Purpose Unaudited Interim Ind AS Financial Information comprises of the Special Purpose Unaudited Interim Ind AS Balance Sheet as at September 30, 2018, the Special Purpose Unaudited Interim Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Unaudited Interim Ind AS Statement of Cash Flows, the Special Purpose Unaudited Interim Ind AS Statement of Changes in Equity for the half-year then ended, and a summary of Significant Accounting Policies and other explanatory notes (collectively the "Special Purpose Unaudited Interim Ind AS Financial Information"). These Special Purpose Unaudited Interim Ind AS Financial Information have been prepared by the Company for the purpose of providing information to GMR Hyderabad International Airport Limited ("GHIAL") to enable them to prepare the consolidated financial statements to be submitted to the Singapore Stock Exchange as required under the indenture to the 4.25% Senior Secured Notes by the Company, listed on Singapore Stock Exchange.

(ii) The Special Purpose Unaudited Interim Ind AS Financial Information of the Company have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard-34 (Ind AS-34), "Interim Financial Reporting" notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The accounting policies followed in preparation of the Special Purpose Unaudited Interim Ind AS Financial Information are consistent with those followed in the preparation of the annual statutory financial statements for the year ended 31 March, 2018. The results of interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the full year.

(iii) The Special Purpose Unaudited Interim Ind AS Financial Information, being for the specific purpose as stated Note 2 (i) above, are not a complete set of Financial Statements prepared in accordance with the requirements of the Companies Act, 2013 ('the Act') and the Accounting Standards issued thereunder, and hence information disclosed including the manner of disclosure may not be as required by the Act and/ or the Accounting Standards.

(iv) The Special Purpose Unaudited Interim Ind AS Financial Information have been prepared on the historical cost basis, except for certain instruments that have been measured at fair value at the end of the reporting period. (as explained in accounting policy regarding financial instruments).

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with IndAS requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(b) Revenue recognition

Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the Special Purpose Unaudited Interim Ind AS Financial Information.

Revenue is recognised to depict rendering of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. Revenue is reduced for estimated rebates and other similar allowances, taxes or duties collected on behalf of the government. An entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised service to a customer.

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

Income from services :

Revenue from outbound cargo is recognized at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognized at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers. The Company collects Service Tax (till June 30, 2017) and Goods and Services Tax (from July 01, 2017) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Income from the concession arrangements earned under the intangible asset model consists of :

- (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
- (ii) payments actually received from the users.

Revenues and cost of improvements to concession assets :

In conformity with appendix D of Ind AS 115, the Company recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the airports as established by the concession agreement. Revenues represent the value of the exchange between the Company and the government with respect to the improvements, given that the Company constructs or provides improvements to the airports as obligated under the concession agreement and in exchange, the government grants the Company the right to obtain benefits for services provided using those assets. The Company has determined that its obligations per the concession agreement should be considered to be a revenue earning activity as all expenditures incurred to fulfill the concession agreement are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit and loss when the expenditures are performed.

The cost for such additions and improvements to concession assets is based on actual costs incurred by the Company in the execution of the additions or improvements, considering the requirements in the concession agreement. The amount of revenues for these services is equal to the amount of costs incurred, as Company do not obtain any profit margin for these construction services. The amounts paid are set at market value.

Other operating revenue:

Other operating revenue includes income from ancillary revenue generating activities and is recognized based on the terms agreed with the customers when the services are rendered.

Interest income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

For others, Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included in other income in the statement of profit and loss.

Dividends:

Revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

(c) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessor

Leases in which the Company doesn't transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss as per the lease agreement. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Company as a lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(d) Foreign currencies

Functional and presentation currency

The Special Purpose Interim IndAS Financial Information are presented in INR (Indian Rupees), which is the functional currency of the company and the currency of the primary economic environment in which the company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Employee benefits

(i) Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance. The Company recognizes contribution payable to a defined contribution plan as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund administered under a scheme of the Life Insurance Corporation of India, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(iii) Compensated absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. However, the Company presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date based on the actuarial valuation using the projected unit credit method at the year-end.

(g) Taxes

Income tax expense comprises current income-tax and deferred tax. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realized.

(h) Intangible Assets

Service concession arrangements:

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

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

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

The intangible asset is amortised over the shorter of the estimated period of future economic benefits which the intangible assets are expected to generate or the the concession period, from the date they are available for use.

An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

(i) Provisions and contingent liabilities

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit or loss. 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 of financial assets

For the purpose of subsequent measurement, financial assets of the Company are classified into categories as explained below. The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms/arrangements. Management determines the classification of its financial instruments at initial recognition.

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

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

Debt instruments at amortised cost :

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

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

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

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

Debt instrument at FVTOCI:

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). 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 profit and loss.

Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure on any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

Reclassification

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. 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.

Derecognition of Financial assets

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

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and 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.

Subsequent measurement

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

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through 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 profit and loss. 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 profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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 and 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

(k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Impairment losses are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss .

(l) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

(m) Earnings per share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit after tax, adjusted for effects of dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares except where the results are anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(n) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Hyderabad Menzies Air Cargo Private Limited

CIN No: U62100TG2006PTC049243

Notes to the Special Purpose Unaudited Interim IndAS Financial
Information for Half-Year ended September 30, 2018

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

3. Intangible assets

	Right to Operate - Cargo facility
Cost	
As at April 01, 2017	1,892.97
Additions	294.54
Disposals	(84.76)
As at March 31, 2018	2,102.75
Additions	255.88
Disposals	-
As at September 30, 2018	2,358.63
Amortization	
As at April 01, 2017	432.01
Charge for the year	307.72
Disposals	(81.62)
As at March 31, 2018	658.11
Charge for the period	179.22
Disposals	-
As at September 30, 2018	837.33
Net block	
As at March 31, 2018	1,444.64
As at September 30, 2018	1,521.30

Hyderabad Menzies Air Cargo Private Limited

CIN No: U62100TG2006PTC049243

Notes to the Special Purpose Unaudited Interim IndAS Financial Information for Half-Year ended September 30, 2018

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

3.1. Intangible Assets under development

	As at September 30, 2018	As at March 31, 2018
Capital expenditure incurred on intangible assets	25.04	118.30
(i)	25.04	118.30
Total	25.04	118.30

4 Financial assets

	Non Current		Current	
	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018
Unsecured, considered good				
Security deposits to related parties -held at amortized cost	30.74	30.74	7.91	5.82
Other deposits	0.60	0.60	-	-
Unbilled revenue	-	-	334.53	-
Interest accrued on fixed deposits	-	-	45.58	33.02
Total	31.34	31.34	388.02	38.84

5 Investments

	Current	
	As at September 30, 2018	As at March 31, 2018
Non-trade investments		
Investment in mutual funds (unquoted) (held at fair value through profit and loss)		
412,520.322 units (March 31, 2018: 412,520.322) of Rs.100 each of Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	1,189.00	1,147.77
Nil (March 31, 2018: 26,516.073) of face value of Rs.1000 each IDFC Cash Fund- Growth-Regular Plan	-	557.74
19,363.460 units (March 31, 2018: 19,363.460 units) of face value of Rs.1000 each SBI Liquid Fund Regular Growth	544.61	525.83
2,849.675 units (March 31, 2018: Nil) of face value of Rs.1000 each HDFC Liquid Fund - Regular plan - Growth	100.60	-
386,941.780 units (March 31, 2018: 386,941.780 units) of face value of Rs.100 each ICICI Prudential Liquid Fund - Growth	1,027.49	992.07
27,286.005 units (March 31, 2018: 27,286.005 units) of face value of Rs.1000 each Axis - Liquid Fund - Growth	543.08	524.09
27,960.641 units (March 31, 2018: 27,960.641 units) of face value of Rs.1000 each IDBI Liquid Fund - Regular Plan - Growth	536.20	517.42
1,395,914.275 units (March 31, 2018: 1,395,914.275 units) of face value of Rs.10 each Sundaram Money Fund Regular Growth	527.73	509.38
14,313.877 units (March 31, 2018: 5,835.505 units) of face value of Rs.1000 each Kotak Liquid Regular Plan - Growth	520.87	204.99
18,081.695 units (March 31, 2018: Nil) of face value of Rs.1000 each Tata Liquid Fund Regular Plan - Growth	510.90	-
13,620.898 units (March 31, 2018: Nil) of face value of Rs.1000 each UTI Liquid Cash Plan - Growth Plan	400.40	-
Total	5,900.88	4,979.29
Note :		
Aggregate fair value of investments	5,900.88	4,979.29

6 Tax assets (net)

	Non Current		Current	
	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018
Tax assets				
Advance income-tax (net of provision of Rs. 4,969.77 Lakhs (March 31, 2018: Rs. 4,558.77 Lakhs))	1,270.36	1,362.05	-	-
Total other assets	1,270.36	1,362.05	-	-

7 Other assets

	Non Current		Current	
	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018
Unsecured, considered good				
Capital advances	6.37	72.94	-	-
Advances recoverable in cash or kind	272.55	272.55	7.01	20.79
Other loans and advances				
Prepaid expenses	19.11	21.84	49.01	31.12
Balances with statutory/ government authorities	7.93	4.60	68.87	37.49
Total other assets	305.96	371.93	124.89	89.40

8 Trade receivables

	Current	
	As at September 30, 2018	As at March 31, 2018
Trade receivables		
Considered Good, Secured	-	-
Considered Good, Unsecured	580.69	861.08
Less: Allowances for doubtful receivables	(4.29)	(4.29)
Total	576.40	856.79

9 Cash and Cash Equivalents

	Current	
	As at September 30, 2018	As at March 31, 2018
Cash and cash equivalents		
-Cash on hand	0.86	0.88
-Cheques on hand	2.74	2.15
-Balances with Banks		
-In current accounts	278.43	106.90
Deposits with maturity for less than 3 months	-	1,290.51
	282.03	1,400.44
9.1 Other bank balances		
- Deposits with maturity for more than three months but less than 12 months	2,994.77	1,794.99
Total	2,994.77	1,794.99

10 Share capital

Particulars	As at September 30, 2018	As at March 31, 2018
Authorised share capital :		
2,500,000 (March 31, 2018: 2,500,000) equity shares of Rs. 10/- each	250.00	250.00
50,000 (March 31, 2018: 50,000) compulsory convertible cumulative preference shares of Rs.10/- each	5.00	5.00
18,450 (March 31, 2018: 18,450) compulsory convertible cumulative preference shares of Rs. 10,000/- each	1,845.00	1,845.00
	2,100.00	2,100.00
Issued, Subscribed and Paid-up:		
1,020,000 (March 31, 2018: 1,020,000) equity shares of Rs.10/- each fully paid up	102.00	102.00
18,735 (March 31, 2018: 18,735) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series B of Rs.10/- each fully paid up	1.87	1.87
18,000 (March 31, 2018: 18,000) 11.97% compulsorily convertible cumulative preference shares ('CCCPS') Series A of Rs.10,000 each fully paid up	1,800.00	1,800.00
Total	1,903.87	1,903.87

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting period/year

	As at September 30, 2018		As at March 31, 2018	
	In Numbers	Rs. in Lakhs	In Numbers	Rs. in Lakhs
Equity Shares				
At the beginning of the period/year	1,020,000	102.00	1,020,000	102.00
Issued during the period/year	-	-	-	-
Outstanding at the end of the period/year	1,020,000	102.00	1,020,000	102.00
Preference shares - Series A				
CCCPS of Rs.10,000/- each fully paid up				
At the beginning of the period/year	18,000	1,800.00	18,000	1,800.00
Issued during the period/year	-	-	-	-
Outstanding at the end of the period/year	18,000	1,800.00	18,000	1,800.00
Preference shares - Series B				
CCCPS of Rs.10/- each fully paid up				
At the beginning of the period/year	18,735	1.87	18,735	1.87
Issued during the period/year	-	-	-	-
Outstanding at the end of the period/year	18,735	1.87	18,735	1.87

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms/ rights attached to CCCPS

The Company has issued 18,000 fully paid up CCCPS (Series A) of Rs. 10,000/- each fully paid up and 18,735 fully paid up CCCPS (Series B) of Rs. 10/- each.

CCCPS (Series A) and CCCPS (Series B) carry cumulative dividend @ 11.97% and the Company declares the dividend in Indian Rupees. CCCPS (Series A) and CCCPS (Series B) shall be compulsorily converted into equity shares of Rs. 10/- each at the rate of one equity shares for each CCCPS (Series A) and CCCPS (Series B) share, as the case may be, after the expiry of the concession period.

Other than the right to receive the dividends and preference rights on voluntary winding up, the CCCPS (Series A) and CCCPS (Series B) shall not have any rights including but not limited to the voting rights. These preference shares shall rank pari-passu for the all the rights other than the par value of each share and the dividends thereon.

d. Shares held by holding company

Name of Shareholder	As at September 30, 2018		As at March 31, 2018	
	No. of Shares held	Rs. in Lakhs	No. of Shares held	Rs. in Lakhs
GMR Hyderabad International Airport Limited, Holding Company				
520,200 (March 31, 2018: 520,200) equity shares of Rs. 10/- each fully paid up	520,200	52.02	520,200	52.02
18,735 (March 31, 2018: 18,735) CCCPS Series B of Rs. 10/- each fully paid up	18,735	1.87	18,735	1.87

e. Details of Shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	As at September 30, 2018		As at March 31, 2018	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Equity shares of Rs.10/- each fully paid				
GMR Hyderabad International Airport Limited	520,200	51.00%	520,200	51.00%
Menzies Aviation Cargo (Hyderabad) Limited (Mauritius)	499,800	49.00%	499,800	49.00%
CCCPS Series A of Rs.10,000/- each fully paid up				
Menzies Aviation Cargo (Hyderabad) Limited (Mauritius)	18,000	100.00%	18,000	100.00%
CCCPS Series B of Rs.10/- each fully paid up				
GMR Hyderabad International Airport Limited	18,735	100.00%	18,735	100.00%

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

11 Other Equity

Particulars	As at	As at
	September 30, 2018	March 31, 2018
Equity Component of Related party loans	58.27	58.27
General reserve	1,327.74	1,327.74
Retained Earnings	7,467.03	6,672.32
	8,853.04	8,058.33

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 24.

11.1 Distributions made and proposed

Particulars	As at	As at
	September 30, 2018	March 31, 2018
Cash dividends on equity shares declared and paid: (refer note (h) below)		
Interim Dividend on equity shares (March 31, 2018: amount per share Rs. 75/-)	-	765.00
Dividend distribution tax on dividend paid on above	-	155.74
Cash dividends on CCCPS - Series A, and Series B declared and paid: (refer note ((a) to (g) below)		
Dividend on CCCPS (Series A) amount per share Rs. 1.197/-	143.64	377.05
Dividend on CCCPS (Series B) amount per share Rs. 1.197/-	0.15	0.39
Dividend distribution tax on on above	29.56	76.84

Notes

- (a) The Board of Directors through circular resolution dated April 12, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) Quarter 4 of FY 2017-18.
- (b) The Board of Directors at their meeting held on May 02, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the month of April of FY 2018-19.
- (c) The Board of Directors at their meeting held on July 30, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the months of May and June of FY 2018-19.
- (d) The Board of Directors through circular resolution dated September 10, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the months of July and August of FY 2018-19.
- (e) The Board of Directors at their meeting held on August 28, 2017 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the FY 2016-17 and Quarter 1 of FY 2017-18.
- (f) The Board of Directors at their meeting held on December 12, 2017 have declared quarterly preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for Quarter 2 of FY 2017-18.
- (g) The Board of Directors through circular resolution dated January 23, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for Quarter 3 of FY 2017-18.
- (h) The Board of Directors at their meeting held on August 28, 2017 have declared interim equity dividend for Quarter 1 of FY 2017-18 of 750% @ Rs. 75 per share on face value of Rs. 10/- each.
- (i) Subsequent to the reporting date of Special Purpose Interim IndAS Financial Information, the Board of Directors through circular resolution dated October 20, 2018 have declared preference dividend of 11.97% on Compulsory Convertible Cumulative Preference Shares (Series A and Series B) for the month of September, 2018.

12 Financial liabilities - Borrowings

Particulars	Non - Current borrowings		Current maturities of non current borrowings	
	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018
Term loans				
Intercorporate deposit from related party (unsecured) -- held at amortized cost	30.74	30.74	7.91	5.82
Less : amount disclosed under other current financial liabilities (refer note 13)	-	-	(7.91)	(5.82)
Total	30.74	30.74	-	-

Note :

- (a) The inter-corporate deposit is interest free and is repayable in 15 equal annual instalments of Rs. 1,000,000 each year from April 1, 2009.

13 Other financial liabilities

Particulars	Current	
	As at September 30, 2018	As at March 31, 2018
Current maturities of long term borrowings - held at amortized cost	7.91	5.82
Security Deposit received from customers	52.27	51.07
Payable for purchase of fixed assets	4.77	42.11
Others	29.39	-
Total other financial liabilities	94.34	99.00

14 Provisions

Particulars	Non - Current		Current	
	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018
Provision for employee benefits				
Provision for compensated absences	-	-	120.17	92.54
Provision for gratuity	46.39	14.42	-	-
Total	46.39	14.42	120.17	92.54

15 Deferred tax liabilities/(assets) [net] :

Particulars	As at September 30, 2018	As at March 31, 2018
Deferred tax liability:		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the quarter/year	23.48	37.25
Impact of notional interest on loans	3.31	3.92
Impact of fair value adjustments on Investments in Mutual Funds	52.22	-
Deferred tax asset:		
Impact of notional interest on deposits and loans	(3.85)	(4.04)
Impact of temporary differences due to disallowances of Gratuity and Leave encashment	(48.50)	(31.15)
Net deferred tax liabilities	26.66	5.98

Note:

Minimum Alternate Tax (MAT) Credit entitlement claimed by the Company in the income tax returns aggregating Rs. 3,230.65 lakhs have not been recognised in the books in view of the ongoing disputes/litigations with the tax authorities.

16 Trade Payables

Particulars	As at September 30, 2018	As at March 31, 2018
Trade Payables		
- Related parties	334.10	323.62
- Others	1,535.84	1,518.20
Total	1,869.94	1,841.82

Management has determined that there are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company as at September 30, 2018. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current period.

17 Other current liabilities

Particulars	As at September 30, 2018	As at March 31, 2018
Advances received from customers	266.57	223.99
Statutory liabilities		
TDS payable	34.89	39.08
Other statutory dues	174.38	178.24
Total	475.84	441.31

18 Revenue from operations

	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
Income from cargo operations		
Cargo operations	4,506.18	4,540.49
Improvements to concession asset	255.88	66.01
	<u>4,762.06</u>	<u>4,606.50</u>
Other operating revenue		
Document handling charges	38.97	39.83
Container handling charges	25.60	11.01
Rent	72.86	66.75
Parking income	18.59	18.11
	<u>156.02</u>	<u>135.70</u>
Revenue from operations	<u>4,918.08</u>	<u>4,742.20</u>

19 Other income

	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
Interest income on bank deposits	97.57	147.56
Fair value gain on financial instruments at fair value through profit or loss	179.32	74.40
Profit on sale of Mutual Funds	19.42	29.55
Interest on income tax refund	-	213.00
Interest income on financial assets held at amortised cost	2.09	2.39
Miscellaneous income	10.96	9.87
Total	<u>309.36</u>	<u>476.77</u>

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit and loss.

Particulars	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
In relation to financial assets classified at amortised cost	2.09	2.39
Total	<u>2.09</u>	<u>2.39</u>

20 Employee benefits expense

	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
Salaries, wages and bonus	773.74	651.30
Contribution to provident and other fund	43.32	41.09
Gratuity expenses	16.80	23.90
Staff welfare expenses	43.96	48.67
Total	<u>877.82</u>	<u>764.96</u>

21 Other expenses

	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
Cargo handling charges	186.91	162.10
Power and water charges (net of recoveries)	138.70	150.61
Concessionaire rent	299.14	299.39
Security charges	112.59	158.33
Insurance	40.28	39.42
Repairs and maintenance		
Plant and machinery	108.30	87.00
Buildings	12.48	17.89
Others	33.41	29.65
Advertising and sales promotion	17.30	8.08
Travelling and conveyance	100.94	92.19
Communication costs	11.48	10.81
Printing and stationery	5.35	2.49
Corporate social responsibility expense	29.59	27.71
Legal and professional fees	16.74	12.44
Payment to auditor (excluding Service tax/GST)*		
- Statutory audit fee	4.18	4.18
- Tax audit fee	0.55	0.55
- Out of pocket expense	-	2.11
Rates and taxes	10.43	10.46
Exchange difference (net)	-	1.80
Miscellaneous expenses	65.26	63.46
Total	1,193.63	1,180.67
*net of reimbursements		

22 Amortization expense

	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
Amortization of intangible assets	179.22	149.42
Total	179.22	149.42

23 Finance costs

	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
Interest on financial liabilities held at amortized cost	2.09	2.39
Bank charges	7.84	9.81
Total	9.93	12.20

24 Components of Other Comprehensive Income (OCI)

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

	For Half-Year ended September 30, 2018	For Half-Year ended September 30, 2017
Re-measurement gains/(losses) on defined benefit plan	(15.18)	(6.92)
Deferred tax impact on the above	4.80	-
Total	(10.38)	(6.92)

Hyderabad Menzies Air Cargo Private Limited

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Notes to the Special Purpose Unaudited Interim IndAS Financial Information for Half-Year ended September 30, 2018

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

25 Related Party transactions

Names of Related parties and nature of related party relationships

Description of relationship	Name of the related party
Holding company	GMR Hyderabad International Airport Limited (GHIAL)
GHIAL's holding company	GMR Airports Limited (GAL)
GAL's holding company	GMR Infrastructure Limited
Ultimate holding company	GMR Enterprises Private Limited
Fellow subsidiary companies (where transactions have taken place)	Raxa Security Services Private Limited GMR Aero Technic Limited GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited)
Post-employment benefit plan	Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust
Enterprises having significant influence	Menzies Aviation Cargo (Hyderabad) Limited, Mauritius Menzies Aviation Plc (UK) Menzies Aviation (India) Private Limited
Key management personnel	Gopalakrishna Kishore Surey Chairman Kamesh Rao Peri Director (upto September 15, 2017) Kannan Gopalan Director Charles Brodie Joseph Wyley Director (from September 15, 2017) Rajesh Kumar Arora Director Ravela Srisatya Lakshmi Narsimha Independent Director Bhaskarudu (upto August 28, 2017) Somayajulu Ayyanna Kodukula (upto Independent Director August 28, 2017) Ravinder Bolangdy Chief Executive Officer Srikanth Vetcha Chief Financial Officer

Related Party Transactions

Particulars	For half year ended September 30, 2018	For half year ended September 30, 2017
Equity dividend paid		
GMR Hyderabad International Airport Limited	-	390.15
Menzies Aviation Cargo (Hyderabad) Limited, Mauritius	-	374.85
Preference dividend paid		
GMR Hyderabad International Airport Limited	0.15	0.28
Menzies Aviation Cargo (Hyderabad) Limited, Mauritius	143.64	269.33
Concessionaire rent		
GMR Hyderabad International Airport Limited	299.14	299.39
Concessionaire fee		
GMR Hyderabad International Airport Limited	894.92	929.48
Technical fees		
Menzies Aviation Plc (UK)	401.12	413.10

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Notes to the Special Purpose Unaudited Interim IndAS Financial Information for Half-Year ended September 30, 2018

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

Related Party Transactions (continued)

Particulars	For half year ended September 30, 2018	For half year ended September 30, 2017
Reimbursement of salary cost		
Menzies Aviation (India) Private Limited	-	11.72
Repairs & Maintenance - Buildings		
GMR Hyderabad International Airport Limited	0.21	0.38
Repairs and Maintenance - Plant and machinery		
GMR Hyderabad International Airport Limited	0.14	0.17
Training charges		
GMR Hyderabad International Airport Limited	0.20	-
GMR Airports Limited	7.14	4.78
Reimbursement of property insurance		
GMR Hyderabad International Airport Limited	0.87	0.61
Reimbursement of rates and taxes		
GMR Hyderabad International Airport Limited	10.42	10.42
Security charges		
Raxa Security Services Private Limited	35.32	28.41
Power and water charges		
GMR Hyderabad International Airport Limited	144.55	156.63
Repairs & Maintenance - Others		
Menzies Aviation Plc (UK)	25.78	23.68
GMR Hyderabad International Airport Limited	0.42	0.49
Communication expenses		
Menzies Aviation Plc (UK)	5.03	4.63
Bank charges - Reimbursement		
GMR Hyderabad International Airport Limited	3.75	3.75
Menzies Aviation Plc (UK)	3.75	3.75
Travelling and conveyance		
GMR Hospitality and Retail Limited (formerly GMR Hotels and Resorts Limited)	0.04	0.08
Cargo Handling Charges		
GMR Aero Technic Limited	0.41	-
Reimbursement of Other Expenses		
GMR Airports Limited	32.20	-

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Notes to the Special Purpose Unaudited Interim IndAS Financial Information for Half-Year ended September 30, 2018

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

Related Party Transactions (continued)

Particulars	For half year ended September 30, 2018	For half year ended September 30, 2017
Administrative expenses for maintenance of Gratuity fund		
Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust	1.56	-
Sitting Fees to Independent Directors		
Ravela Srisatya Lakshmi Narsimha Bhaskarudu	-	0.30
Somayajulu Ayyanna Kodukula	-	0.30
Interest on security deposit - Unwinding of discount and changes in the discount rate		
GMR Hyderabad International Airport Limited	2.09	1.19
Amortization of prepaid expense - Unwinding of discount and changes in the discount rate		
GMR Hyderabad International Airport Limited	2.73	1.36
Interest on loan - Unwinding of discount and changes in the discount rate		
Menzies Aviation (India) Private Limited	2.09	1.19
Remuneration to Key Management Personnel (excluding Provision for employee benefits)		
Ravinder Bolangdy	42.94	32.44
Srikanth Vetcha	17.67	18.91
Balance outstanding as of:		
Particulars	As at September 30, 2018	As at March 31, 2018
Trade payables		
GMR Hyderabad International Airport Limited	242.05	256.35
Menzies Aviation Plc (UK)	81.80	66.50
GMR Airports Limited	-	0.06
Raxa Security Services Limited	8.69	-
Hyderabad Menzies Air Cargo Private Limited Employees' Group Gratuity Trust	1.56	-
Advances recoverable in cash or kind		
Raxa Security Services Limited	-	0.04
Prepaid expenses (Unwinding of discount and changes in discount rates)		
GMR Hyderabad International Airport Limited	32.06	27.83
Borrowings		
Menzies Aviation (India) Private Limited	38.65	36.55
Security deposit given		
GMR Hyderabad International Airport Limited	38.65	36.56
Equity Component of Related party loans		
Menzies Aviation (India) Private Limited	58.27	58.27

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

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Notes to the Special Purpose Unaudited Interim IndAS Financial Information for Half-Year ended September 30, 2018

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

26 Commitments and Contingencies

Operating leases:

Company as lessee

Lease payments made under cancellable operating leases amounting to Rs. 299.14 Lakhs (September 30, 2017: Rs. 299.39 Lakhs) have been recognized as an expense in the statement of profit and loss. The entire amount was incurred to be payable to GMR Hyderabad International Airport Limited (GHIAL).

Company as lessor

Lease receipts under cancellable operating leases amounting to Rs. 72.86 Lakhs (June 30, 2017: Rs. 66.75 Lakhs) have been recognized as rental income in the statement of profit and loss.

27 Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for during the period Rs. 5.23 Lakhs (March 31, 2018: Rs. 65.73 Lakhs).

28 Contingent Liabilities

(A) Claims against the Company not acknowledged as debts Rs. Nil (September 30, 2017: Rs. Nil)

(B) Preference dividend

As per the amended and restated joint venture agreement dated November 16, 2010 executed between GMR Hyderabad International Airport Ltd, Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited, Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited, the Company shall pay preference dividends at a coupon rate of 11.97% on the paid up value of compulsorily convertible cumulative preference shares (Series A & B) which is amounting to Rs. 17.97 lakhs and tax thereon for the month ended September 30, 2018. Subsequent to the reporting date of Special Purpose Unaudited Interim IndAS Financial Information, the Board of Directors have approved the declaration of preference dividend for the month ended September 30, 2018 on October 20, 2018 through circular resolution.

Other Litigations

(a) Custom officer's Salary

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

Subsequent to the above order, the Customs Department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Honorable High Court of Andhra Pradesh passed an order for interim suspension of the said order passed by the Honorable Single Judge and the matter is pending. The Management, based on internal assessment, is confident that there is no financial impact of this interim suspension order and accordingly, no provision has been made in these Special Purpose Unaudited Interim Ind AS Financial Information.

(b) Income Tax Matters

(i) The Company had received assessment order during previous years for the assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961 and demanding tax of Rs. 154.18 Lakhs (including interest of Rs 21.64 Lakhs), Rs. 272.51 Lakhs (including interest of Rs 69.52 Lakhs), Rs. 302.70 Lakhs (including interest of Rs.74.38 Lakhs) and Rs. 254.40 Lakhs (including interest of Rs 65.96 Lakhs) for the respective assessment years. The Company had filed an appeal with Commissioner of Income - Tax (Appeals), Hyderabad and had paid Rs. 154.18 Lakhs, Rs. 272.51 Lakhs, Rs. 302.70 Lakhs, and Rs. 254.40 Lakhs for the assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13 respectively under protest. During the previous years, the said appeals were dismissed by the Commissioner of Income - Tax (Appeals), Hyderabad against which the Company had filed an appeal with the Income Tax Appellate Tribunal, Hyderabad.

During the previous year i.e. FY 2016-17, the company has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2009-2010, 2010-2011, 2011-2012 and 2012-13. The department appealed against the ITAT order before High Court in respect of the aforesaid years which is pending. However, based on an internal assessment the management is confident that no liability in this regard would be payable and as such no provision has been made in these Special Purpose Unaudited Interim Ind AS Financial Information.

(ii) The Company had received an order during previous years for the assessment year 2013-14 and 2014-15 respectively, denying the deduction u/s 80-IA of the Income Tax Act, 1961. Per this order the refund receivable to the Company has reduced by Rs. 418.47 Lakhs for A.Y. 2013-14 and Rs. 310.92 Lakhs for A.Y 2014-15. Aggrieved by the reduction in refund and the demand, the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad. During the current year, the Company has received a favourable order from Commissioner of Income -Tax (Appeals), Hyderabad allowing the deduction u/s 80-IA of the Income tax Act, 1961 for the Assessment years 2013-14 and 2014-15. The Department appealed against the CIT order before ITAT in respect of the aforesaid years. During the current period, the company has received a favorable order from Income Tax Appellate Tribunal, Hyderabad allowing the deduction u/s 80 IA of the Income tax Act, 1961 for the Assessment years 2013-2014 and 2014-2015. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these Special Purpose Unaudited Interim Ind AS Financial Information.

Hyderabad Menzies Air Cargo Private Limited

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Notes to the Special Purpose Unaudited Interim Ind AS Financial Information for Half-Year ended September 30, 2018

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

(iii) The Company has received an order during the current year for the assessment year 2015-16 denying the deduction u/s 80-IA of the Income Tax Act, 1961. Subsequently, the company filed for rectification of order u/s 154 of the Income-tax Act, 1961 and as per the rectified order there is a tax demand amounting to Rs. 417.17 Lakhs for AY 2015-16. Aggrieved by the demand the Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad which matter is pending. However, based on an internal assessment the Management is confident that no liability in this regard would be payable and as such no provision has been made in these Special Purpose Unaudited Interim Ind AS Financial Information.

(iv) During previous years the Company has received an order from Deputy Commissioner of Income Tax, Hyderabad for the reopening of the assessment year 2008-09 disallowing an item of expense amounting to Rs. 84.98 Lakhs. The Company has filed an appeal with the Commissioner of Income - Tax (Appeals), Hyderabad on May 5, 2015 and based on an internal assessment, the Management is of the opinion that the said order is time barred and will not be sustainable under law.

(c) Service Tax

i) The Company had rendered cargo handling services for export cargo during the period March 2008 to June 2010 on which the Company had not paid service tax in view of the exemption available under cargo handling services. The Company had received a show cause notice from the Office of Commissioner of Customs & Central Excise requiring the Company to show cause as to why the services rendered during March 2008 to June 2010 should not be classified under "Airport Services" and "Storage and Warehousing Services" ("Taxable Service").

On May 3, 2013, the Company had received an order from Commissioner of Customs, Central Excise and Service tax. As per the said order, the commissioner had concurred with the departments view and classified the services of cargo handling for export cargo as Taxable Service. As a result of which, there was a demand levied of Rs. 188.64 Lakhs as service tax for the period March 2008 to June 2010 under Airport Services and Rs. 107.35 Lakhs as service tax for the period March 2008 to June 2010 on Storage and Warehousing Services along with applicable interest and penalty.

Subsequently, the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in its stay order dated October 25, 2013 has mentioned that X-ray Screening, Terminal Storage and Processing, Unitization and Demurrage would be incidental and ancillary in relation to cargo handling service. As a result, there shall be a waiver of pre deposit of the dues and stay against recovery during pendency of the appeal.

Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these Special Purpose Unaudited Interim Ind AS Financial Information.

ii) The Company has received a show cause notice from the Office of Commissioner (Audit) Central tax requiring the Company to show cause as to why CENVAT credit of Rs. 64.86 Lakhs along with applicable interest and penalty should not be reversed/demanded on certain exempted services. The Company has filed a reply to the Show Cause notice with the Office of Commissioner (Audit) Central tax on October 10, 2017. Subsequently, AC has passed an order dated March 28, 2018 levying a demand of Rs. 64.86 Lakhs along with penalty of Rs. 63.19 Lakhs. Further, the company has filed an appeal against the aforesaid order with Commissioner (Appeals), Central tax during the current period.

Based on an internal assessment, Management is confident that no liability in this regard would be payable and as such no provision has been made in these Special Purpose Unaudited Interim Ind AS Financial Information.

29 Transfer pricing

The Company has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the international and domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

30 Bureau of Civil Aviation (BCAS), through its order dated April 28, 2010, decided that there shall be a Sterile Cargo Holding Area at the airports. The access to cargo processing area will be regulated by airport entry permits issued by BCAS. Accordingly, Central Industrial Security Force (CISF) personnel were deployed as per the instructions of BCAS and the security charges includes accrual of security cost of CISF personnel amounting to Rs. 77.27 Lakhs (September 30, 2017: Rs. 129.92 Lakhs). The Management is confident that there would be no additional liability other than the amount accrued in the books of account.

31 In accordance with the provisions of the amended and restated Joint Venture agreement (JVA) dated November 16, 2010 executed between GMR Hyderabad International Airport Ltd (GHIAL), Menzies Aviation Plc, Menzies Aviation Cargo (Hyderabad) Limited, (Mauritius) (MACL), Menzies Aviation (India) Private Limited and Hyderabad Menzies Air Cargo Private Limited, GHIAL exercised its Buy Back Rights to buy the shares held by MACL in Hyderabad Menzies Air Cargo Private Limited (HMACPL). MACL disputed GHIAL's position as regards exercise of the Buy Back Rights. In view of the above dispute, GHIAL invoked Arbitration and post conclusion of proceedings the Arbitral Tribunal issued the Final Award on 29th January 2018 concluding that, since the Reference Firm did not determine Fair Market Value as per the requirement of JVA, GHIAL has not exercised its buy back rights validly and hence dismissed the claims of GHIAL with costs.

However, in parallel both the shareholders have reached amicable settlement and are in the process of executing necessary agreements for buy back. The management believes that there shall be no impact on the continuity in the business operations of the Company post the Final Award.

32 Fair values

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

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at		As at	
	September 30, 2018	March 31, 2018	June 30, 2018	March 31, 2018
Financial assets				
Valued at fair value through profit and loss				
Investments	5,900.88	4,979.29	5,900.88	4,979.29
Valued at amortized cost				
Trade receivables	576.40	856.79	576.40	856.79
Other financial assets	419.35	70.18	419.35	70.18
Cash and cash equivalents and Other bank balances	3,276.80	3,195.43	3,276.80	3,195.43
Total	10,173.43	9,101.69	10,173.43	9,101.69
Financial liabilities				
Valued at amortized cost				
Borrowings	30.74	30.74	30.74	30.74
Trade payables	1,869.94	1,841.82	1,869.94	1,841.82
Other financial liabilities	94.34	99.00	94.34	99.00
Total	1,995.02	1,971.56	1,995.02	1,971.56

The management assessed that cash and cash equivalents, short-term borrowings, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

33 Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at September 30, 2018 :

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets#	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets					
Investments held at fair value through profit and loss	September 30, 2018	5,900.88	5,900.88	-	-

There have been no transfers between Level 1 and Level 2 during the period ending September 30, 2018.

#The mutual funds are valued using the closing NAV.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets#	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets					
Investments held at fair value through profit and loss	March 31, 2018	4,979.29	4,979.29	-	-

There have been no transfers between Level 1 and Level 2 during the year ending March 31, 2018.

#The mutual funds are valued using the closing NAV.

Hyderabad Menzies Air Cargo Private Limited

Sd/
Srikanth Vetcha
Chief Financial Officer

M REVATHI PARVATHA VARDHINI
Chartered Accountant

H. No: 1-1-385 , Plot No: 402 , B -Block
Bhargavi Enclave, Purushotam Residency
Beside Gandhi Nagar, Hyderabad-500080
Mobile No: 9490999196

December 06, 2018

**The Board of Directors of
GMR Hyderabad International Airport Ltd.
GMR Aero Towers,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad – 500 108**

**The Board of Directors of
GMR Hyderabad Air Cargo And Logistics Pvt. Ltd.
Air Cargo Terminal,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad – 500 108**

**The Board of Directors of
GMR Aerospace Engineering Ltd.
Plot No.1, GMR Hyderabad Aviation SEZ Ltd.,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad – 500 108**

Valuation Report

of

GMR Hyderabad Air Cargo And Logistics Pvt. Ltd.

&

GMR Aerospace Engineering Ltd.

Background

GMR Hyderabad Air Cargo And Logistics Private Limited ('GHACLPL' – formerly known as 'Hyderabad Menzies Air Cargo Private Limited') is 100% owned by GMR Hyderabad International Airport Limited ('GHIAL'). Presently GHACLPL is responsible to develop, operate and maintain the Cargo Terminal to facilitate the cargo movements through the terminal.

GHIAL now proposes to merge GHACLPL with its another wholly owned subsidiary, GMR Aerospace Engineering Limited ('GAEL') in order to derive operational synergy and efficiency by bringing together the common functions under one umbrella.

GMR Hyderabad International Airport Ltd. has approached us to carry out the valuation of its two wholly owned subsidiaries, viz., GMR Hyderabad Air Cargo And Logistics Pvt. Ltd. and GMR Aerospace Engineering Ltd. for the purpose of determination of share exchange ratio ("Swap Ratio") as part of the composite scheme of arrangement. This valuation report is submitted for this limited purposes. Apart from the Board of Directors of GMR Hyderabad International Airport Ltd., GMR Hyderabad Air Cargo And Logistics Pvt. Ltd. and GMR Aerospace Engineering Ltd., this report can be used for onward submission to National Company Law Tribunal together with filing of the composite scheme of arrangement.

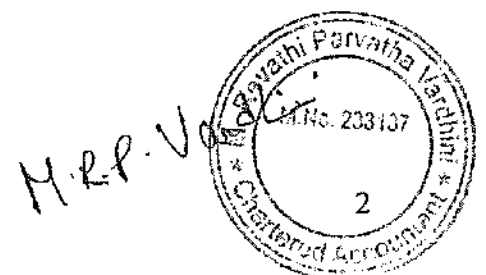
Transaction

In order to determine the swap ratio arising out of the proposed merger, we have been appointed by GHIAL to carry out the valuation of GHACLPL and GAEL. Since both the entities are under common control of GHIAL, the valuation for this purpose is carried out based on the book value of shares of the companies as on September 30, 2018 (provisional financial of both GHACLPL and GAEL).

Information Relied Upon

We have relied upon the following information and submission:

- a. Business profile of GHACLPL and GAEL;
- b. Draft composite scheme of arrangement amongst GHACLPL (being the Transferor Company), GAEL (being the Transferee / Resulting Company) and GATL (being the Demerged Company) and their respective shareholders and creditors, for the merger of GHACLPL with GAEL and the demerger of the MRO business undertaking of GATL and merger of the same with GAEL;



- c. Audited Financial Statements of GHACLPL and GAEL for the year ended March 31, 2017 and March 31, 2018;
- d. Provisional Financial Statements of GHACLPL and GAEL as on September 30, 2018;
- e. Information and explanations given by management of GHIAL.

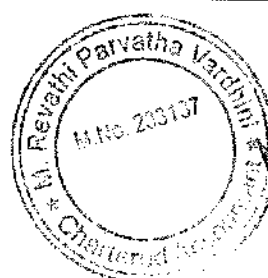
In the report we have used financial and other information as provided by GHIAL and our conclusions are dependent on such information being complete and accurate in all material respects. However, we have not examined such information and accordingly, do not express an opinion or any other form of assurance thereon.

Methodology Adopted

We have used Net Asset Approach in order to determine the book value of both GHACLPL and GAEL. Since both GHACLPL and GAEL are wholly owned subsidiary of GHIAL, we have carried out the valuation based on book value as on September 30, 2018 based on the provisional financial of GHACLPL and GAEL respectively.

Calculation of Book Value of GHACLPL as on Sep 30, 2018:

Details of Share Capital	Amount Rs. in Crores
Equity Share Capital [10,20,000 equity shares of Rs.10 each]	1.0200
General Reserves	13.2774
Retained Earnings	74.6703
Equity component of related party loan	0.5827
Book value attributed to equity shareholders (A)	89.5504
Value per equity share	Rs.877.9451
18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares of Rs.10,000 each	18.00
18,735, 11.97% Series B Compulsorily Convertible Cumulative	0.0187



M. R. P. Vardhini
3

Details of Share Capital	Amount Rs. in Crores
Preference Shares of Rs.10 each	
Book value attributed to Preference shareholders (B)	18.0187
Total book value (A+B)	107.5691

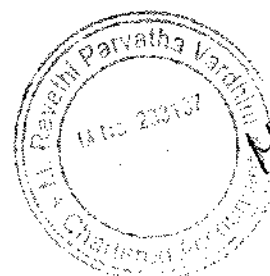
Calculation of Book Value of GAEL as on Sep 30, 2018:

Details of Share Capital	Amount Rs. in Crores
Equity Share Capital [33,84,00,000 equity shares of Rs.10 each]	338.40*
Retained Earnings	(8.6832)
Book value attributed to equity shareholders (A)	329.7168
Value per equity share	9.7434

*including share application money of Rs.6 crores which subsequently got allotted on Nov 17, 2018

Computation of Share Swap Ratio

Valuation	GHACLPL – value per equity share	GAEL- value per equity share	Swap Ratio
Net Asset Approach	Rs.877.9451	Rs.9.7434	90.11 (GAEL needs to issue 90.11 number of equity shares to GHIAL for each equity share held in GHACLPL)



M.R.P. Vardhini

M REVATHI PARVATHA VARDHINI
Chartered Accountant

H . No: 1-1-385 , Plot No: 402 , B -Block
Bhargavi Enclave, Purushotam Residency
Beside Gandhi Nagar, Hyderabad-500080
Mobile No: 9490999196

Further, GAEL shall issue 18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares of Rs.10,000 each and 18,735, 11.97% Series B Compulsorily Convertible Cumulative Preference Shares of Rs.10 each to GHIAL as part of the proposed merger of GHACLPL with GAEL.

Conclusion

In our opinion Fair Value of equity shares of GHACLPL as on September 30, 2018 is Rs.89.5504 Crores and the Swap Ratio for proposed merger with GAEL is 90.11:1

For the purpose of proposed merger, GAEL shall issue equivalent number of compulsorily convertible cumulative preference shares (both Series A & series B) as it existed in the books of GHACLPL as on September 30, 2018.

The above Swap Ratio is calculated based on net asset approach basis, hence there is no loss to the existing shareholder of GAEL & GHACLPL on account of the proposed Swap Ratio.



M.R. Parvathi
M Revathi Parvatha Vardhini
Chartered Accountant
Membership No: 233137

Place: Hyderabad
Date: 06.12.2018

The Board of Directors of
GMR Hyderabad International Airport Ltd.
GMR Aero Towers,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad - 500 108

The Board of Directors of
GMR Hyderabad Air Cargo And Logistics Pvt. Ltd.
Air Cargo Terminal,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad - 500 108

The Board of Directors of
GMR Aerospace Engineering Ltd.
Plot No.1, GMR Hyderabad Aviation SEZ Ltd.,
Rajiv Gandhi International Airport,
Shamshabad, Hyderabad - 500 108

FAIRNESS OPINION REPORT

On Swap ratio Valuation report provided by

M REVATHI PARVATHA VARDHINI

(Chartered Accountant)

On

Proposed merger of

GMR Hyderabad Air Cargo and Logistics Pvt. Ltd. with GMR Aerospace Engineering Ltd.

BY

M/s SPA CAPITAL ADVISORS LTD.

25, C-Block, Community Centre,

Janak Puri, New Delhi.

Tel: 011-45675585/011-45675558

Fax: 25572763, Website: www.spacapital.com

December 07, 2018

RE: Fairness Opinion on Swap Ratio Valuation Report provided by M Revathi Parvatha Vardhini (Chartered Accountant) on the proposed Merger of GMR Hyderabad Air Cargo And Logistics Pvt. Ltd. with GMR Aerospace Engineering Ltd.

PURPOSE

SPA Capital Advisors Limited (hereinafter referred to as "We" or "SPA") understand that GMR Hyderabad Air Cargo And Logistics Private Limited (hereinafter referred to as "GHACLPL" - formerly known as 'Hyderabad Menzies Air Cargo Private Limited') having its registered office at Air Cargo Terminal Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500108 is in process of proposed merger with GMR Aerospace Engineering Limited (hereinafter referred to as "GAEL") having its registered office at Plot No.1, GMR Hyderabad Aviation SEZ Limited, Rajiv Gandhi International Airport, Shamshabad, Hyderabad, Rangareddi - 500108, under Section 230 to 232 of the Companies Act, 2013 and this is with reference to our engagement letter dated 05th December, 2018 wherein we have been engaged to give Fairness Opinion on Swap ratio valuation report provided by M Revathi Parvatha Vardhini, Chartered Accountant (hereinafter referred to as "M Revathi Parvatha Vardhini," or the "Valuer") on the proposed Merger of GHACLPL with GAEL, as part of the composite scheme of arrangement. This fairness opinion is submitted for this limited purposes. Apart from the Board of Directors of GMR Hyderabad International Airport Ltd., GMR Hyderabad Air Cargo And Logistics Pvt. Ltd. and GMR Aerospace Engineering Ltd., this report can be used for onward submission to National Company Law Tribunal together with filing of the composite scheme of arrangement.

Fairness Opinion on Valuation Report of M Revathi Parvatha Vardhini (Chartered Accountant), By: SPA Capital Advisors Limited



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BACKGROUND

GMR Hyderabad Air Cargo And Logistics Private Limited ('GHACLPL') is 100% owned by GMR Hyderabad International Airport Limited ('GHIAL'). Presently GHACLPL is responsible to develop, operate and maintain the cargo terminal to facilitate the cargo movements through the terminal.

GHIAL now proposes to merge GHACLPL with its another wholly owned subsidiary GMR Aerospace Engineering Limited ('GAEL') in order to derive operational synergy and efficiency by bringing together the common functions under one umbrella.

TRANSACTION

We have been appointed to give the fairness opinion on swap ratio determined by M Revathi Parvatha Vardhini, Chartered Accountant on the proposed merger of GHACLPL with GAEL.

INFORMATION RELIED UPON

We have prepared the Fairness Opinion Report on the basis of the information provided to us and inter-alia the following:

- a. Business profile of GHACLPL and GAEL;
- b. Draft composite scheme of arrangement amongst GHACLPL (being the Transferor Company), GAEL (being the Transferee / Resulting Company) and GATL (being the Demerged Company) and their respective shareholders and creditors, for the merger of GHACLPL with GAEL and the demerger of the MRO business undertaking of GATL and merger of the same with GAEL;

- c. Swap Ratio Valuation Report provided by M Revathi Parvatha Vardhini, Chartered Accountant;
- d. Audited financial statement of GHACLPL and GAEL for the year ended March 31, 2017 and March 31, 2018;
- e. Provisional financial statement of GHACLPL and GAEL as on Sept 30, 2018;
- f. Information and explanations given by management of GHIAL.

VALUATION APPROACH USED BY VALUER

The valuer has used Net Asset Approach in order to determine the book value of both GHACLPL and GAEL. Since both GHACLPL and GAEL are wholly owned subsidiary of GHIAL, it has carried out the valuation based on book value as on September 30, 2018 based on the provisional financials of GHACLPL and GAEL respectively.

COMPUTATION OF SHARE SWAP RATIO BY VALUER

Valuation	GHACLPL - value per equity share	GAEL-value per equity share	Swap Ratio
Net Asset Approach	Rs.877.9451	Rs.9.7434	90.11 (GAEL need to issue 90.11 number of equity shares to GHIAL for each equity share held in GHACLPL)

Further, GAEL shall issue 18,000, 11.97% Series A Compulsorily Convertible Cumulative Preference Shares of Rs.10,000 each and 18,735, 11.97% Series B Compulsorily Convertible Cumulative Preference Shares of Rs.10 each to GHIAL as part of the proposed merger of GHACLPL with GAEL.

CONCLUSION

Basis of the valuation report of M Revathi Parvatha Vardhini, Chartered Accountant ("Valuer") and other information as provided by the management of GHAIL, we are of the view that the Swap Ratio as recommended by the Valuer in relation to the proposed merger of GHACLPL with GAEL is fair

For SPA Capital Advisors Limited



(Sourabh Garg)

Sr. Vice President



(Khushboo Tanwar)

Asst. Vice President

***Disclaimer:** The Final Report has been prepared for the internal and exclusive use of the Board of Directors of GHIAL, GHACLPL & GAEL (the "Board of Directors"). Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorized in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, the truthfulness, accuracy and completeness of the information and the financial data provided by GHIAL. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which GHIAL, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which GHIAL, GHACLPL & GAEL intends to consummate the Transaction. We have not conducted any evaluation of the solvency or fair value of the company, under any laws relating to bankruptcy, insolvency or similar matters. In addition we have not assumed any obligation to conduct any physical inspection of the properties or facilities of GHIAL, GHACLPL & GAEL. In addition, this fairness report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of GHIAL, GHACLPL & GAEL. The Final Report and the Opinion concern exclusively on the purpose of proposed merger and do not constitute an opinion by SPA as to the absolute value of the shares of GHACLPL and GAEL. We don't accept any liability to any third party in relation to the issuance of this Fairness Opinion Report. SPA has not carried out any due diligence independently in verifying the accuracy or veracity of data provided by GHACLPL and GAEL and /or the Valuer and SPA assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by GHAIL and/or valuer. SPA has assumed that the business continues normally without any disruptions. Neither SPA and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue, or lost profits that may arise from or in connection with the use of this document. Future services regarding this subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of SPA or any of its employees unless previous arrangements have been made in writing.*

The Final Report and the Opinion are necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us. It is understood that subsequent developments may affect the conclusions of the Final Report and of the Opinion and that, in addition, SPA has no obligation to update, revise, or reaffirm the Opinion. In addition, SPA is expressing no opinion as to the price at which any securities of GHIAL, GHACLPL & GAEL will trade on the stock market at any time. Other factors after the date hereof may affect the value of the businesses of GHACLPL and GAEL or its business units. It is understood that SPA or certain SPA affiliates, in the ordinary course of their activities, may actively trade, for their own account or for the account of customers, the equity and debt securities of GHACLPL and GAEL or companies directly or indirectly controlled by, affiliated with GHACLPL and GAEL or in GHACLPL and GAEL holds securities, and, accordingly, may at any time hold long or short positions in such securities. It also remains understood that SPA or certain SPA affiliates may currently have and may in the future have commercial banking, investment banking, trust and other relationships and/or engagements with Counterparties which may have interests with respect to GHIAL, GHACLPL & GAEL, or companies directly or indirectly controlled by, affiliated with GHIAL, GHACLPL & GAEL or in which GHIAL, GHACLPL & GAEL holds securities. Finally, it remains understood that SPA or certain SPA affiliates may have fiduciary or other relationships and engagements whereby SPA or certain SPA affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of GHIAL, GHACLPL & GAEL or companies directly or indirectly controlled by, affiliated with GHIAL, GHACLPL & GAEL, or in which GHIAL, GHACLPL & GAEL holds securities, or other parties with an interest in the Transaction.



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT HYDERABAD**

CA(CAA)No.45/230/HDB/2019

In the matter of the Companies Act, 2013

[Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read
with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

And

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT

Amongst

GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

(‘APPLICANT’/ ‘TRANSFEROR COMPANY’)

And

GMR AERO TECHNIC LIMITED

(‘APPLICANT’ / ‘DEMERGED COMPANY’)

And

GMR AEROSPACE ENGINEERING LIMITED

(‘APPLICANT’ / ‘TRANSFeree’ / ‘RESULTING COMPANY’)

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

GMR Hyderabad Air Cargo And Logistics Private Limited, (CIN: U62100TG2006PTC049243)
having its registered office at Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad,
Hyderabad – 500 108

... Transferor Company

PROXY FORM – FOR UNSECURED CREDITORS

Name of the Unsecured Creditor :	
Registered Address	
E mail Id :	

I / We, being the Unsecured Creditor(s) of the Transferor Company, named above, do hereby appoint

(1) Name	
Address	
E mail Id	
Signature	

Or failing him / her

(2) Name	
Address	
E mail Id	
Signature	

Or failing him / her

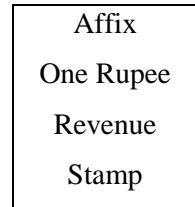
(3) Name	
Address	
E mail Id	
Signature	

as my / our proxy, to attend, act and vote (on a poll) for me /us and on my / our behalf at the National Company Law Tribunal directed meeting of the Unsecured Creditors of the Transferor Company to be held on Saturday, the 23rd day of March 2019 at 11.00 A.M., at Auditorium, GMR HIAL Airport Office, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana and at any adjournment thereof, in respect of the resolution for the matter mentioned below:

For the merger of GMR Hyderabad Air Cargo And Logistics Private Limited with GMR Aerospace Engineering Limited and demerger of the MRO (Maintenance, Repair and Overhauling) Business of GMR Aero Technic Limited into GMR Aerospace Engineering Limited, as laid out in the Composite Scheme of Arrangement amongst the said companies and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Signed this _____ day of _____, 2019

Signature of Unsecured Creditor: _____



Signature of Proxy Holder (s): _____

Notes:

- 1. This form of proxy in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Transferor Company, not later than 48 hours before the commencement of the meeting.**
2. Please affix revenue stamp before signing.
3. Alterations, if any, made in the Form of Proxy should be initialled.
4. A proxy need not be an Unsecured Creditor of the Transferor Company.
5. The submission by an Unsecured Creditor of this form of Proxy will not preclude such Unsecured Creditor from attending in person and voting at the Meeting. In the event both the Unsecured Creditor and the Proxy Holder attend the meeting the proxy granted by the Unsecured Creditor will stand automatically cancelled and the Unsecured Creditor alone will be eligible to participate in the poll.
6. The Proxy-holder should prove his / her identity at the time of attending the meeting.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT HYDERABAD**

CA(CAA)No.45/230/HDB/2019

In the matter of the Companies Act, 2013

[Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

And

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT

Amongst

GMR HYDERABAD AIR CARGO AND LOGISTICS PRIVATE LIMITED

(‘APPLICANT’ / ‘TRANSFEROR COMPANY’)

And

GMR AERO TECHNIC LIMITED

(‘APPLICANT’ / ‘DEMERGED COMPANY’)

And

GMR AEROSPACE ENGINEERING LIMITED

(‘APPLICANT’ / ‘TRANSFEREE’ / ‘RESULTING COMPANY’)

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

GMR Hyderabad Air Cargo And Logistics Private Limited, having its registered office at Air Cargo Terminal, Rajiv Gandhi International Airport, Shamshabad, Hyderabad – 500 108

... Transferor Company

ATTENDANCE SLIP

**MEETING OF THE UNSECURED CREDITORS OF THE
TRANSFEROR COMPANY DIRECTED TO BE CONVENED BY THE
HON’BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH
ON 23rd MARCH 2019 AT 11.00 A.M.**

Unsecured Creditor's Name & Address	
Amount Due (In Rs)	
Proxy's Name (To be filled in if the proxy attends instead of the Unsecured Creditor)	

I hereby record my presence at the meeting of the Unsecured Creditors of the Transferor Company held on Saturday, the 23rd day of March 2019 at 11.00 A.M., at Auditorium, GMR HIAL Airport Office, Rajiv Gandhi International Airport, Shamshabad, Hyderabad - 500 108, Telangana.

(Signature of the Unsecured Creditor / Proxy attending the meeting)

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall.

Route Map for the venue of the Meeting

Venue: Auditorium, GMR HIAL Airport Office, Rajiv Gandhi International Airport, Shamshabad, Hyderabad-500108

