



Airports Economic Regulatory Authority of India

TO CONSIDER THE ANNUAL TARIFF PROPOSAL (ATP) FOR FY (2019-20) 4th TARIFF YEAR AND FY (2020-21) 5th TARIFF YEAR IN RESPECT OF M/S GMR HYDERABAD AIR CARGO A DIVISION OF GMR AIR CARGO AND AEROSPACE ENGINEERING LTD FORMERLY KNOWN AS HYDERABAD MENZIES AIR CARGO PRIVATE LIMITED FOR PROVIDING CARGO HANDLING SERVICES AT RAJIV GANDHI INTERNATIONAL (RGI) AIRPORT, HYDERABAD.

New Delhi: 10th January, 2020

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi-110003**

1. Brief Background

- 1.1 Hyderabad Menzies Air Cargo Pvt. Ltd. (HMACPL) was providing Cargo Handling Services at Rajiv Gandhi International Airport (HIAL) Hyderabad. The name of the company was changed from HMACPL to M/s GMR Hyderabad Air Cargo and Logistic Pvt. Ltd (GHACLPL) from 05th November, 2018, and become a 100% subsidiary of the GMR Hyderabad International Airport Limited. Subsequently, through composite scheme of arrangement GMR Hyderabad Air Cargo and Logistic Pvt. Ltd (GHACLPL) has merged with GMR Aero Technic Limited (GATL), and, Maintenance, Repair & Overhauling (MRO) business of GATL have been demerged and merged with GMR Aerospace Engineering Limited (GAEL) from 23rd August, 2019. Post-merger of GHACLPL into GAEL and demerger of MRO division of GATL into GAEL, GAEL has two business verticals i.e. (i) development, operation and maintenance of the Air Cargo ,and, (ii) Maintenance Repair and Overhaul (MRO) services to the domestic and international Aircrafts to be called as ‘GMR Hyderabad Air Cargo Division’ and ‘MRO Division’ respectively. Further, the name of GMR Aerospace Engineering Limited (GAEL) has been changed and now known as GMR Air Cargo and Aerospace Engineering Limited” (GACAEL) from 25th September, 2019.
- 1.2 In view of the aforementioned events, GMR Hyderabad Air Cargo and Logistic Pvt. Ltd (GHACLPL) formerly known as Hyderabad Menzies Air Cargo Pvt. Ltd. (HMACPL) is now recognised as the “GMR Hyderabad Air Cargo” a division of GMR Air Cargo and Aerospace Engineering Limited (GACAEL). GACAEL shall continue the business of Operation and Maintenance of the Air Cargo Terminal at Rajiv Gandhi International Airport, Hyderabad in the same manner it used to operate prior to change of shareholders and subsequent merger, and, maintain separate books of accounts pertaining to the said division.
- 1.3 The Authority vide its Multi Year Tariff Order (MYTO) No. 10/2012-13 dated 26.06.2012 had decided to adopt “Light Touch Approach” for determination of tariff for 1st Control Period in respect of Hyderabad Menzies Air Cargo Pvt. Ltd. (HMACPL) as the Cargo Service was assessed as “Material but not Competitive”. As per Form 1 (b) (Competition Assessment) submitted by HMACPL in its Multi Year Tariff Proposal (MYTP), Blue Dart is also providing Cargo handling services at Rajiv Gandhi International Airport, Hyderabad. Blue Dart is handling 21% of Domestic Cargo operation at Hyderabad. However, the service of Blue Dart was not considered as a competition because Blue Dart was a competitor only for domestic business and 85% of Cargo revenue at RGI Airport flow from International Cargo. In view of the lack of competition for international cargo, the Cargo facility at RGI Airport has limited competition and hence, falls under the category of “Material but not Competitive”. The Authority further vide its Order No. 24/2017-18 dated 27.11.2017 again decided to adopt “Light Touch Approach” for determination of tariff for 2nd Control Period w.e.f 01.04.2016 to 31.03.2021. In the same order, the

Authority also determined the tariff for (FY 2016-17) 1st tariff year, (FY 2017-18) 2nd tariff year and (FY 2018-19) 3rd tariff year of the 2nd Control Period.

2. Submissions made by M/s GHACLPL

2.1 M/s GHACLPL which has now become GMR Hyderabad Air Cargo division of GACAEL vide letter dated 29.03.2019 submitted their Annual Tariff Proposal (ATP) towards determination of tariff for (FY 2019-20) 4th tariff year of 2nd Control Period for providing Cargo handling services at Rajiv Gandhi International Airport (RGI) Airport, Hyderabad. M/s GMR Hyderabad Air Cargo further vide letter dated 20.12.2019 submitted Annual Tariff Proposal for the (FY 2020-21) 5th tariff year of the Second Control Period. M/s GMR Hyderabad Air Cargo has not sought any increase in the tariff from the existing tariff as on 31.03.2019, as approved by AERA vide order No. 24/2017-18 dated 27.11.2017. M/s GMR Hyderabad Air Cargo vide letters dated 11th June, 2019, 07th October, 2019 and 13th November, 2019 submitted the following additional information for the determination of Annual Tariff for 4th tariff year and 5th tariff year of the 2nd Control Period.

2.1.1 Audited Profit and loss account and Balance sheet for FY 2016-17, FY 2017-18 and FY 2018-19. **(Annexure-I)**

2.1.2 Audited Annual Compliance Statements for FY 2016-17, FY 2017-18 and FY 2018-19. **(Annexure-II)**

2.1.3 The Concession Agreement and new Key User Agreements with the Airlines. The Concession agreement is valid up to 22nd March, 2023. As per the concession agreement Revenue share payable is 18% and License fee fixed at 48.13 lakhs per month.

2.1.4 Details of the Estimated Capex with capitalisation date for FY 2019-20 and FY 2020-21. **(Annexure-III)**

2.1.5 Current statues of Competition Assessment: the competition assessment statues had been submitted vide Form 1 (b) with Multi Year Tariff Proposal. As per GHACLPL submission the statues of Competition Assessment as on date have not been changed.

2.2 M/s GMR Hyderabad Air Cargo has not submitted any documents of User Consultation Committee meeting. Since, the company has not sought any increase in the tariff, hence no fresh User Consultation Committee Meeting was conducted. The minutes of the last consultation committee meeting was submitted on 30th January 2017.

3. Examination of the proposal by the Authority

- 3.1 The Authority vide Order No. 24/2017-18 dated 27.11.2017 had tentatively decided to adopt "Light Touch Approach" for determination of tariff for the 2nd Control Period w.e.f 01.04.2016 to 31.03.2021. In the same order, the Authority also determined the tariff for (FY 2016-17) 1st tariff year, (FY 2017-18) 2nd tariff year and (FY 2018-19) 3rd tariff year of the 2nd Control Period. Then, in view of the reasonable user agreements as well as consultation process undertaken by the (HMACPL) now GMR Hyderabad Air cargo, the Authority had decided to adopt "light touch approach for determination of the tariff for the 1st Control Period and 2nd Control Period. To avoid any regulatory vacuum the Authority vide interim order No 5/2019-20 dated 22th May, 2019 allowed M/s GMR Hyderabad Air Cargo to continue levy of existing tariff as on 31.03.2019 up to 30.09.2019 or till the date of determination of tariff by AERA whichever is earlier. The Authority further, vide interim order No 8/2019-20 dated 26th September, 2019, allowed M/s GMR Hyderabad Air Cargo to continue levy of existing tariff as on 31.09.2019 up to 31.03.2020 or till the date of determination of tariff by AERA whichever is earlier.
- 3.2 In order to determine the tariff for (FY 2019-20) 4th tariff year and (FY 2020-21) 5th tariff year, the Authority, analysed the revenue, cost, yield per unit and return on average RAB, based on Annual Compliance Statement for FY 2016-17, FY 2017-18 and FY 2018-19 and further submission made by M/s GMR Hyderabad Air Cargo, the Authority observes that the return on average RAB was 139.92% in FY 2016-17, 157.72% in FY 2017-18 & 74.87% in FY 2018-19 (actual), and, projected return on average RAB for FY 2019-20 and FY 2020-21, will be 23.85% and -2.44% respectively. Further, the Authority observed that the Operating profit margin was 23% in FY 2016-17, 24% in FY 2017-18 and 12% in FY 2018-19 (based on actual ACS), and similarly the projected operating profit margin for FY 2019-20 and FY 2020-21 will be 10% and -2% respectively. **The Authority further observes that GMR Hyderabad Air Cargo has not sought any increase in tariff for the FY 2019-20 and FY 2020-21. However, there are few additional clause has been incorporated in the footnotes of the tariff card. The stakeholder may consider these footnotes also before submitting their comments.**
- 3.3 The Authority has considered the revenue related projections submitted by the GMR Hyderabad Air Cargo in which volumes are expected to increase 7% in FY 2019-20, and, decrease 10% in FY 2020-21 from the previous year, based on the current trends and inputs from the Airlines. GMR Hyderabad Air Cargo is expecting marginal reduction in the yield, due to decrease quantities of high yield product like Pharma and increase of low yield product like Perishable as per the current trend. The demurrage revenue is also estimated by GMR Hyderabad Air Cargo to reduce by 5% in FY 2019-20 and 10% in FY 2020-21, based on the current declining trend and high penalties imposed by Customs Department.

- 3.4 The Authority also analysis the estimated capital expenditure for FY 2019-20 & FY 2020-21 and observe that GMR Hyderabad Air Cargo considered Rs 48.25 crore for FY 2019-20 and Rs 53.00 crore for FY 2020-21 as capital expenditure in their RAB. The major cost in the Capex for FY 2019-20 & FY 2020-21 is improvement and expansion of Cargo Terminal building, as the terminal is more than 10 years old requiring major revamp, to handle the increased volumes. The expected commissioning date of the most of the aforesaid Capex is FY 19-20 and FY 20-21, therefore the Authority has also considered these capital expenditure in the RAB.

4 Proposal

The Authority, after careful consideration of Annual Tariff Proposal (ATP) for the (FY 2019-20) 4th tariff year and FY (2020-21) 5th tariff year of 2nd Control Period, makes the following proposal for Stakeholders' Consultation:

- 4.1 Keeping in view the facts as stated at para 3 above, the Authority proposes to allow M/s GMR Hyderabad Air Cargo to continue the levy of existing tariff as on 31.03.2018 for the 4th tariff year (FY 2019-20) and 5th tariff year (FY 2020-21) of the 2nd Control Period as detailed in "Annexure IV".
- 4.2 The Authority shall review its assessment of "light touch approach" at the time of determination of the tariff for the 3rd Control Period base on its regulatory philosophy and approach.
- 4.3 Tariff determined as above will be maximum and demurrage free period shall be as per Government orders issued from time to time. No other charge is to be levied over and above the approved tariff.
- 4.4 M/s GMR Hyderabad Air Cargo should not exceed the tariff charges for its Non-Schedule Operations as approved by AERA for its schedule operations for similar class of aircraft.
- 5 In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 4 above is hereby put forth for Stakeholder Consultation. To assist the Stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed as annexures to the Consultation Paper. For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response here to and by making such decision fully documented and explained in terms of the provisions of the Act.

- 6 The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 4 above, latest by **31st January, 2020** at the following address:

**Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003**

**Email: Chairperson@aera.gov.in
Gita.sahu@aera.gov.in**

**Tel: 011-24695042
Fax: 011-24695039**

(Chairperson)

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Annexure - I

Hyderabad Menzies Air Cargo Private Limited
CIN No: U62100TG2006PTC049243
Special Purpose Balance Sheet as at March 31, 2017
(All amounts in Indian Rupees, unless otherwise stated)

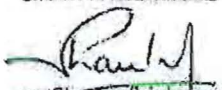
	Notes	March 31, 2017	March 31, 2016
Equity and liabilities			
Shareholders' funds			
Share capital	3	190,387,350	190,387,350
Reserves and surplus	4	675,737,767	475,406,449
		866,125,117	665,793,799
Non-current liabilities			
Long-term borrowings	5	5,000,000	6,000,000
Deferred tax liability	6	7,160,454	5,903,607
Long-term provisions	7	10,805,895	7,873,797
		22,966,349	19,777,404
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	8	185,953,912	120,657,616
Other current liabilities	9	94,713,329	32,576,275
Short-term provisions	7	10,324,064	41,097,571
		230,991,305	194,331,462
TOTAL		1,120,082,771	879,902,665
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	147,459,445	131,865,542
Intangible assets	10	3,034,433	4,110,626
Capital work-in-progress		41,314	6,313,819
Loans and advances	11	285,693,351	287,608,680
		436,228,543	429,898,667
Current assets			
Trade receivables	13	66,810,169	50,653,893
Investments	14	190,000,000	100,000,000
Cash and bank balances	15	408,629,301	277,189,562
Loans and advances	11	11,954,776	7,417,029
Other current assets	12	6,459,982	14,743,514
		683,854,228	450,003,998
TOTAL		1,120,082,771	879,902,665

Summary of significant accounting policies

2.1


The accompanying notes are an integral part of the financial statements.
As per our report of even date.

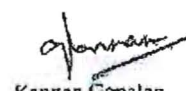
For S.V.GHATALIA & ASSOCIATES LLP
ICAI Firm registration number: 103162W/E300006
Chartered Accountants



per Shankar Srinivasan
Partner
Membership No. 213271




For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited


Rajesh Kumar Arora
Director
DIN No: 03174536


Kannan Gopalan
Director
DIN No: 06457047


Ravinder Bolangdy
Chief Executive Officer


Srikanth Vetha
Chief Financial Officer



Place: Hyderabad
Date: May 10, 2017

Place: Hyderabad
Date: May 10, 2017

Hyderabad Menzies Air Cargo Private Limited
CIN No: U62100TG2006PTC049243
Special Purpose Balance Sheet as at March 31, 2018
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
Equity and Liabilities			
Shareholders' funds			
Share capital	3	190,387,350	190,387,350
Reserves and surplus	4	777,291,759	675,737,767
		967,679,109	866,125,117
Non-current liabilities			
Long-term borrowings	5	4,000,000	5,000,000
Deferred tax liability	6	3,049,167	7,160,454
Long-term provisions	7	1,441,502	10,805,895
		8,490,669	22,966,349
Current liabilities			
Trade payables	8		
Total outstanding dues of creditors other than micro enterprises and small enterprises		184,182,400	185,953,912
Other current liabilities	9	54,448,899	34,713,329
Short-term provisions	7	9,254,048	10,324,064
		247,885,347	230,991,305
TOTAL		1,224,055,125	1,120,082,771
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	150,585,697	147,459,145
Intangible assets		2,233,493	3,034,435
Capital work-in-progress		11,829,514	41,314
Loans and advances	11	175,273,090	285,693,351
		339,921,794	436,228,543
Current assets			
Trade receivables	13	85,679,151	66,810,169
Investments	14	466,214,530	190,000,000
Cash and bank balances	15	319,542,967	408,629,301
Loans and advances	11	9,394,359	11,954,776
Other current assets	12	3,302,324	6,459,982
		884,133,331	683,854,228
TOTAL		1,224,055,125	1,120,082,771

Corporate information & Significant accounting policies

1 & 2

The accompanying notes are an integral part of the Special Purpose Financial Statements,
in terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi

Sumit Trivedi
Partner



Place: Hyderabad
Date: May 02, 2018

For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited

Rajesh Kumar Arora
Rajesh Kumar Arora
Director
DIN No: 06457047

Rohinder Bolangdy
Rohinder Bolangdy
Chief Executive Officer

Anuja Mishra
Anuja Mishra
Company Secretary
M.No. A37810
Place: Hyderabad
Date: May 02, 2018

Kannan Gopalan
Kannan Gopalan
Director
DIN No: 06457047

Srikanth Vetcha
Srikanth Vetcha
Chief Financial Officer



GMR Hyderabad Air Cargo and Logistics Private Limited
 (Formerly known as Hyderabad Menzies Air Cargo Private Limited)
 CIN No: U62100TG2006PTC049243
Special Purpose Unaudited Balance Sheet as at March 31, 2019
 (All amounts in Indian Rupees, unless otherwise stated)

	March 31, 2019	March 31, 2018
Equity and liabilities		
Shareholders' funds		
Share capital	19,03,87,350	19,03,87,350
Reserves and surplus	87,51,18,687	77,72,91,759
	<u>1,06,55,06,037</u>	<u>96,76,79,109</u>
Non-current liabilities		
Long-term borrowings	-	40,00,000
Deferred tax liability	19,29,166	30,49,167
Long-term provisions	9,95,840	-
	<u>29,25,006</u>	<u>70,49,167</u>
Current liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	53,10,583	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,64,71,045	18,41,82,400
Other current liabilities	8,46,59,099	5,44,48,899
Short-term provisions	1,32,07,182	1,06,95,550
	<u>31,96,47,909</u>	<u>24,93,26,849</u>
TOTAL	1,38,80,78,952	1,22,40,55,125
Assets		
Non-current assets		
Fixed assets		
Tangible assets	16,47,70,673	15,05,85,697
Intangible assets	1,30,85,648	22,33,493
Capital work-in-progress	91,44,344	1,18,29,514
Loans and advances	16,16,49,481	17,52,73,090
	<u>34,86,50,146</u>	<u>33,99,21,794</u>
Current assets		
Trade receivables	3,68,37,160	8,56,79,151
Investments	3,00,13,149	46,62,14,530
Cash and bank balances	39,82,51,427	31,95,42,967
Loans and advances	52,66,12,633	93,94,359
Other current assets	4,77,14,437	33,02,324
	<u>1,03,94,28,806</u>	<u>88,41,33,331</u>
TOTAL	1,38,80,78,952	1,22,40,55,125

For GMR Hyderabad Air Cargo And Logistics Pvt. Ltd.

Srikanth Vetcha
 Chief Financial Officer



GMR Hyderabad Air Cargo Division
(A division of GMR Air Cargo and Aerospace Engineering Limited)
(Formerly known as GMR Aerospace Engineering Limited)
CIN No: U45201TG2008PLC067141
Unaudited Special Purpose Balance Sheet as at March 31, 2019
(All amounts in Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
Equity and liabilities			
Shareholders' funds			
Head Office		1,06,55,06,037	96,76,79,109
Non-current liabilities			
Long-term borrowings	3	-	40,00,000
Deferred tax liability	4	19,29,166	30,49,167
Long-term provisions	5	9,95,840	14,41,502
		<u>29,25,006</u>	<u>84,90,669</u>
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		53,10,583	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6	21,64,71,045	18,41,82,400
Other current liabilities	7	8,46,59,099	5,44,48,899
Short-term provisions	5	1,32,07,182	92,54,048
		<u>31,96,47,909</u>	<u>24,78,85,347</u>
TOTAL		1,38,80,78,952	1,22,40,55,125
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	8	16,47,70,673	15,05,85,697
Intangible assets	8	1,30,85,648	22,33,493
Capital work-in-progress		91,44,344	1,18,29,514
Loans and advances	9	16,16,49,481	17,52,73,090
		<u>34,86,50,146</u>	<u>33,99,21,794</u>
Current assets			
Trade receivables	11	3,68,37,160	8,56,79,151
Investments	12	3,00,13,149	46,62,14,530
Cash and bank balances	13	39,82,51,427	31,95,42,967
Loans and advances	9	52,66,12,633	93,94,359
Other current assets	10	4,77,14,437	33,02,324
		<u>1,03,94,28,806</u>	<u>88,41,33,331</u>
TOTAL		1,38,80,78,952	1,22,40,55,125
Summary of significant accounting policies		1 & 2	

The accompanying notes are an integral part of the Unaudited Special Purpose Financial Statements

For and on behalf of the board of directors of
GMR Hyderabad Air Cargo Division
(A division of GMR Air Cargo and Aerospace Engineering Limited)


Srikanth Vetcha
Authorised Signatory

Place: Hyderabad
Date: November 01, 2019



Hyderabad Menzies Air Cargo Private Limited

CIN No: U62100TG2006PTC049243

Special Purpose Statement of profit and loss for the year ended March 31, 2017

(All amounts in Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations (net)	16	851,901,212	838,137,341
Other income	17	33,650,774	33,755,869
Total revenue (i)		885,551,986	871,893,210
Expenses			
Employee benefits expense	18	129,257,898	104,156,682
Other expenses	19	472,077,188	436,152,807
Total (ii)		601,335,086	540,309,489
Earnings before interest, tax, depreciation and amortisation (EBITDA) [(i) - (ii)]		284,216,900	331,583,721
Depreciation and amortisation expense	20	24,081,213	19,963,812
Finance costs	21	1,569,768	1,570,980
Profit before tax		258,565,919	310,048,929
Tax expenses			
Current tax		56,977,754	66,169,402
Deferred tax expense / (credit)		1,256,847	766,183
Total tax expense		58,234,601	66,935,585
Profit for the year		200,331,318	243,113,344
Earnings per share	22		
Basic and diluted		170.95	212.90
Nominal value of share		10	10
Weighted average number of equity shares		1,020,000	1,020,000
Summary of significant accounting policies	2.1		


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

As per our report of even date.

For S.V.GHATLIA & ASSOCIATES LLP

ICAI Firm registration number: 103162W/E300006

Chartered Accountants


per Shankar Srinivasan
Partner
Membership No. 213271



Place: Hyderabad
Date: May 10, 2017

For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited


Rajesh Kumar Arora
Director
DIN No: 03174536


Kannan Gopalan
Director
DIN No: 06487047


Ravinder Bolangdy
Chief Executive Officer


Srikanth Vetha
Chief Financial Officer



Place: Hyderabad
Date: May 10, 2017

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. REVENUE			
Revenue from operations	18	9,485.76	8,905.09
Other income	19	884.75	457.70
Total Revenue (I)		10,370.51	9,362.70
II. EXPENSES			
Operations and maintenance expenses		294.54	385.99
Employee benefits expense	20	1,576.27	1,286.24
Amortization expense	22	307.72	271.23
Finance costs	23	21.18	21.01
Concession fee		1,815.17	1,622.35
Technical fee		806.74	721.05
Other expenses	21	2,358.05	2,382.84
Total expenses (II)		7,179.67	6,690.71
III. Profit before tax		3,190.84	2,671.99
IV. Tax expense:	25		
Current Tax		681.65	569.78
Deferred Tax charge / (credit)		(39.84)	0.54
Tax expense		641.81	570.32
V. Profit for the year (III-IV)		2,549.03	2,101.67
VI. Other comprehensive income			
i. Items that will not be reclassified to profit or loss	24		
Re-measurement gains / (losses) on defined benefit plans		(5.00)	(6.33)
Income tax relating to items that will not be reclassified to profit or loss		1.46	-
Total other comprehensive income		(3.54)	(6.33)
VII. Total comprehensive income for the year (V + VI)		2,545.49	2,095.34
VIII. Earnings per equity share of par value of Rs.10 each :			
Basic and diluted (Rs. Per share)	26	224.45	180.60
Corporate Information & Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the Financial Statements.
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi

Sumit Trivedi
Partner



Place: Hyderabad
Date: May 02, 2018

For and on behalf of the board of directors of
Hyderabad Menzies Air Cargo Private Limited

Rakesh Kumar Arora
Rakesh Kumar Arora
Director
DIN No: 03174536

Ravinder Bolangdy
Ravinder Bolangdy
Chief Executive Officer

Anuja Mishra
Anuja Mishra
Company Secretary
M.No. A37810
Place: Hyderabad
Date: May 02, 2018.

Kannan Gopalan
Kannan Gopalan
Director
DIN No: 06457047

Srikanth Vetcha
Srikanth Vetcha
Chief Financial Officer



GMR Hyderabad Air Cargo and Logistics Private Limited
 (formerly known as Hyderabad Menzies Air Cargo Private Limited)
 CIN No: U62100TG2006PTC049243

Special Purpose Unaudited Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Indian Rupees, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue		
Revenue from operations (net)	92,91,11,116	91,91,22,085
Other income	10,31,98,077	6,80,20,430
Total revenue (i)	1,03,23,09,193	98,71,42,515
Expenses		
Employee benefits expense	18,19,23,728	15,81,26,667
Concession fee	18,00,41,937	18,15,17,390
Technical fees	4,68,73,030	8,06,74,396
Depreciation and amortisation expense	3,08,42,674	2,67,87,674
Finance costs	17,19,980	16,40,155
Other expenses	41,07,49,035	23,52,86,244
Total (ii)	85,21,50,384	68,40,32,526
Profit before tax	18,01,58,809	30,31,09,989
Tax expenses		
Current tax	5,74,50,000	6,81,65,000
Deferred tax expense / (credit)	(11,20,001)	(41,11,287)
Total tax expense	5,63,29,999	6,40,53,713
Profit for the year	12,38,28,810	23,90,56,276
Earnings per share		
Basic and diluted	95.91	208.92

For GMR Hyderabad Air Cargo And Logistics Pvt. Ltd.

Srikanth Vetcha
 Chief Financial Officer



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GMR Hyderabad Air Cargo Division

(A division of GMR Air Cargo and Aerospace Engineering Limited)

(Formerly known as GMR Aerospace Engineering Limited)

CIN No: U45201TG2008PLC067141

Unaudited Special Purpose Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Indian Rupees, unless otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations (net)	14	92,91,11,116	91,91,22,085
Other income	15	10,31,98,077	6,80,20,430
Total revenue (i)		1,03,23,09,193	98,71,42,515
Expenses			
Employee benefits expense	16	18,19,23,728	15,81,26,667
Concession fee		18,00,41,937	18,15,17,390
Technical fees		4,68,73,030	8,06,74,396
Depreciation and amortisation expense	18	3,08,42,674	2,67,87,674
Finance costs	19	17,19,980	16,40,155
Other expenses	17	41,07,49,035	23,52,86,244
Total (ii)		85,21,50,384	68,40,32,526
Profit before tax		18,01,58,809	30,31,09,989
Tax expenses			
Current tax		5,74,50,000	6,81,65,000
Deferred tax expense / (credit)		(11,20,001)	(41,11,287)
Total tax expense		5,63,29,999	6,40,53,713
Profit for the year		12,38,28,810	23,90,56,276

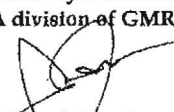
Summary of significant accounting policies**1 & 2**

The accompanying notes are an integral part of the Unaudited Special Purpose Financial Statements

For and on behalf of the board of directors of

GMR Hyderabad Air Cargo Division

(A division of GMR Air Cargo and Aerospace Engineering Limited)


Srikanth Vetcha
Authorised Signatory

Place: Hyderabad

Date: November 01, 2019



GMR Hyderabad Air Cargo and Logistics Private Limited
(Formerly known as Hyderabad Menzies Air Cargo Pvt. Ltd.)
Form F16: Performance Report of Tariff Year 2016-17 (ref: Section AI.9 of Appendix 1)

Details	Actual for tariff year under consideration	Forecast as per Multi Year tariff Order
	2016-17	2016-17
Total Revenue from Regulated Services (1)	825,692,619	675,313,151
- Cargo Handling revenue	570,791,421	545,397,557
- Demurrage Collection	254,901,198	129,915,595
Total Revenue from services other than Regulated Services (2)	59,859,367	44,284,911
Operating Expenditure (3)	661,139,455	611,308,723
Depreciation (4)	24,081,213	30,852,501
Total Expenditure (3)+(4) = (5)	685,220,668	642,161,224
Regulatory Operating Profit (1) - (2) - (5) = (6)	80,612,584	(11,132,984)
Capital Expenditure (7)	38,598,923	146,700,000
Opening RAB (8)	135,976,168	150,377,251
Disposal / Transfers (9)	-	-
Closing RAB (8) + (7) - (9) - (4)	150,493,878	266,224,749
Average RAB (8) + (10) / 2 = (11)	143,235,023	208,301,000
Return on average RAB (6) / (11)	56%	-5%
Total volume (cargo) (12)	111,011	120,605
Actual yield per unit (1) / (12)	7,438	5,599
Return on Average RAB after adjusting for excess Demurrage Revenue	-31%	

BASIS OF OUR CERTIFICATION:

- (a) The information with regard to the actual figures contained in this form is taken from the audited financial statements and other records submitted by GMR Hyderabad Air Cargo and Logistics Private Limited.
- (b) With respect to the forecasted figures, our certification is purely based on the information provided by the Management.

For Chindia & Associates

Chartered accountants

RAMA MOHAN RAO CHINDIA

Proprietor

M.NO : 228163

FRN : 019151S

Date : 18/05/2019

Place : Hyderabad

Udin : 19228163AAAAA3312

For GMR Hyderabad Air Cargo and Logistics Private Limited
 (Formerly known as Hyderabad Menzies Air Cargo Pvt Limited)

Saurabh Kumar

Saurabh Kumar

Chief Executive Officer

GMR Hyderabad Air Cargo and Logistics Private Limited
(Formerly known as Hyderabad Menzies Air Cargo Pvt. Ltd.)
Form F16: Performance Report of Tariff Year 2017-18 (ref: Section AI.9 of Appendix 1)

Details	Actual for tariff year under consideration	Forecast as per Multi Year tariff Order
	2017-18	2017-18
Total Revenue from Regulated Services (1)	891,401,066	641,896,956
- Cargo Handling revenue	651,389,024	519,659,329
- Demurrage Collection	240,012,042	122,237,626
Total Revenue from services other than Regulated Services (2)	95,741,449	45,618,410
Operating Expenditure (3)	721,298,565	593,855,745
Depreciation (4)	26,787,674	42,011,372
Total Expenditure (3)+(4) = (5)	748,086,239	635,867,117
Regulatory Operating Profit (1) - (2) - (5) = (6)	47,573,378	(39,588,571)
Capital Expenditure (7)	29,453,976	29,300,000
Opening RAB (8)	150,493,878	266,224,749
Disposal / Transfers (9)	(340,990)	-
Closing RAB (8) + (7) - (9) - (4)	152,819,190	253,513,378
Average RAB (8) + (10) / 2 = (11)	151,656,534	259,869,063
Return on average RAB (6) / (11)	31%	-15%
Total volume (cargo) (12)	125,061	116,723
Actual yield per unit (1) / (12)	7.128	5.499
Return on Average RAB after adjusting for excess Demurrage Revenue	-46%	

BASIS OF OUR CERTIFICATION:

- (a) The information with regard to the actual figures contained in this form is taken from the audited financial statements and other records submitted by GMR Hyderabad Air Cargo and Logistics Private Limited.
- (b) With respect to the forecasted figures, our certification is purely based on the information provided by the Management.

For Chinda & Associates
 Chartered Accountants
 RAMA MOHAN RAJU CHINDA
 Proprietor
 M.NO : 228163
 FRN : 019151S
 Date : 18/05/2019
 Place : Hyderabad
 UDIN : 19228163AAAAAB5282

For GMR Hyderabad Air Cargo and Logistics Private Limited
 (Formerly known as Hyderabad Menzies Air Cargo Pvt Limited)

Saurabh Kumar
 Saurabh Kumar
 Chief Executive Officer

GMR Hyderabad Air Cargo
(A division of GMR Air Cargo & Aerospace Engineering Limited)
Form F16: Performance Report of Tariff Year 2018-19 (ref: Section A1.9 of Appendix 1)

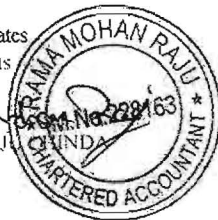
Details	Actual for tariff year under consideration	Forecast as per Multi Year tariff Order
	2018-19	2018-19
Total Revenue from Regulated Services (1)	897,696,620	486,274,369
- Cargo Handling revenue	689,128,132	393,969,437
- Demurrage Collection	208,568,488	92,304,932
Total Revenue from services other than Regulated Services (2)	134,612,573	44,892,119
Operating Expenditure (3)	877,637,709	551,607,256
Depreciation (4)	30,842,674	45,917,845
Total Expenditure (3)+(4) = (5)	908,480,383	597,525,101
Regulatory Operating Profit (1) - (2) - (5) = (6)	(145,396,336)	(156,142,851)
Capital Expenditure (7)	56,624,230	40,500,000
Opening RAB (8)	152,819,190	253,513,378
Disposal / Transfers (9)	(744,424)	
Closing RAB (8) + (7) - (9) - (4)	177,856,322	248,095,532
Average RAB (8) + (10) / 2 = (11)	165,337,756	250,804,455
Return on average RAB (6) / (11)	-88%	-62%
Total volume (cargo) (12)	135,987	116,723
Actual yield per unit (1) / (12)	6,601	4,166
Return on Average RAB after adjusting for excess Demurrage Revenue	-158%	

BASIS OF OUR CERTIFICATION:

- (a) The information with regard to the actual figures contained in this form is taken from the unaudited financial statements certified by management and other records submitted by GMR Hyderabad Air Cargo Division of the GMR Air Cargo and Aerospace Engineering Limited
- (b) With respect to the forecasted figures, our certification is purely based on the information provided by the Management

For Chinda & Associates
Chartered Accountants

Rama Mohan Raju
RAMA MOHAN RAJU
Proprietor
M NO: 228163
ERN 0191515
Date: 05/11/2019
Place: Hyderabad
UDIN: 19228163 AAAABA2619



For GMR Hyderabad Air Cargo
(A division of GMR Air Cargo & Aerospace Engineering Limited)

Saurabh Kumar
Saurabh Kumar
Chief Executive Officer



Annexure 1

S.No.	Name of the project	Estimated Amount (in Crs)	Estimated Capitalisation Date
1	Ready for Carriage shed	2.0	Q4 FY 20
2	Truck Dock Extension	3.0	Q4 FY 20
3	Pharma Zone improvement	5.0	Q3 FY 20
4	Fork Lifts	0.7	Completed
5	Buy out and improvements to Cargo Terminal Building	35.0	Q4 FY 20
6	Canopy Extension Airside	1.0	Q4 FY 20
7	Replacement of High Reach Landoll	1.0	Q4 FY 20
8	Weight & Volume	1.0	Q3 FY 20
9	Other Capex	1.6	Completed
	Total	48.3	

Estimated Capex FY 21

S.No.	Name of the project	Estimated Amount (in Crs)	Estimated Capitalisation Date
1	Lift and Run upgrade	12.0	Q4 FY 21
2	Courier Terminal	4.0	Q3 FY 21
3	Expansion of existing terminal	18.0	Q4 FY 21
4	Perishable Terminal	5.0	Q3 FY 21
5	X-ray machine Dual View	3.0	Q1 FY 21
6	Furniture, workstations and Cabins, Civil improvements,	2.0	Q2 FY 21
7	Fork Lifts	2.0	Q2 FY 21
8	New administrative Building	4.0	Q4 FY 21
9	New CCTV cameras	1.0	Q1 FY 21
10	Servers and other Hardware	1.0	Q2 FY 21
11	IT Initiatives and Apps	1.0	Q1 FY 21
	Total	53.0	
	Total Capex for FY 20 & 21	101.3	



M/S GMR HYDERABAD AIR CARGO
A DIVISION OF (GMR AIR CARGO AND AEROSPACE ENGINEERING LTD.)
MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO

S.N.	LIST OF CHARGES	FOR FY 2019-20 & FY 2020-21		
		4th & 5th tariff year		
		MINIMUM RATE in INR	Unit	RATE PER KG in INR
A) INTERNATIONAL CARGO				
EXPORT CARGO				
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) – (per shipping Bill)			
a)	General Cargo	120	AWB	1.00
b)	Special Cargo (AVI)	200	AWB	1.40
c)	PER/DGR/VAL cargo	230	AWB	2.43
d)	Fruits & Vegetable (No Cold Room Usage)	75	AWB	0.65
e)	Meat Products	200	AWB	1.10
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)			
a)	General Cargo	200	AWB	1.00
b)	Special Cargo (AVI)	200	AWB	1.40
c)	PER/DGR/VAL cargo	250	AWB	2.43
3	COURIER HANDLING CHARGE	120	AWB	1.20
4	PACKING / REPACKING/STRAPPING CHARGE	5/-	Package	-
5	RETURN CARGO CHARGE	500	AWB	-
6	WEIGHT / VOLUME MIS-DECLARATION CHARGE			
a)	2% - 5% variation	120	AWB	2 times of differential weight
b)	More than 5% variation	120	AWB	5 times of differential weight
7	Bonded Trucking (Loading Charges)	120	AWB	1.00
A) INTERNATIONAL CARGO				
IMPORT CARGO				
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) – (per Bill of entry)			
a)	General Cargo	120	AWB	4.75
b)	Unaccompanied Baggage	200	AWB	4.75
c)	Special Cargo (AVI)	200	AWB	8.89
d)	PER/DGR/VAL cargo	250	AWB	9.50
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)			
a)	General Cargo/Unaccompanied Baggage	Overall minimum 295/BOE		
i)	From Actual Time of Arrival of Flight (ATA) upto 48 hours	No Charge		No Charge
ii)	Cargo cleared between 48 hours and 120 hours	-		1.30
iii)	Cargo cleared between 120 hours and 720 hours	-		2.60
iv)	Cargo cleared after 720 hours	-		3.90
b)	Special Cargo (AVI)	Overall minimum 580/BOE		
i)	From Actual Time of Arrival of Flight (ATA) upto 48 hours	No Charge		No Charge
ii)	Cargo cleared between 48 hours and 120 hours	-		2.60
iii)	Cargo cleared between 120 hours and 720 hours	-		5.20
iv)	Cargo cleared after 720 hours	-		7.80
c)	PER/DGR/VAL cargo	Overall minimum 1160/BOE		
i)	From Actual Time of Arrival of Flight (ATA) upto 48 hours	No Charge		No Charge
ii)	Cargo cleared between 48 hours and 120 hours	-		5.20
iii)	Cargo cleared between 120 hours and 720 hours	-		10.40
iv)	Cargo cleared after 720 hours	-		15.60
3	COURIER HANDLING CHARGE	200	AWB	4.90
4	TRANSHIPMENT CHARGE - International to Domestic			

a)	General Cargo	125		1.80
b)	PER/DGR/VAL/AVI Cargo	235		1.80
5	Documentation charges	100	AWB	-
6	MERCHANT OVERTIME CHARGE (beyond customs working hours)*			
a)	General Cargo	215	BOE	-
b)	VAL cargo	1000	AWB	-
7	Bonded Truck (Breakdown/Unloading)	200		0.65
8	PACKING /REPACKING/STRAPPING CHARGE	5	PACKAGE	-

Note: Applicable for international and domestic handling

(1) Consignments of Human Remains, Coffins including Unaccompanied Baggage of the deceased and Human Eyes will be exempted from the purview of the TSP and Demurrage charges.

(2) The Charges will be levied on "Gross Weight" or Chargeable Weight" whichever is higher. Wherever there is a mis declaration of the Gross or Chargeable weight on the AWB, the actual Chargeable weight will be used for the charges which ever is higher.

(3) Free period:*

Export Cargo - 12 hrs for examination/ processing by Shipper's on 'Per Kg Per day'.

Import Cargo- Shall be 48 hours from the Actual time of arrival of flight. For the next 72 hours, demurrage will be charged at " Per Kg Per Day" on non cumulative basis, provided the consignment is cleared within 120hrs. If the clearance is effected after 120 hrs (from the time of landing) demurrage will accrue for the entire period from the Actual time of arrival of flight.

*Demurrage Free Period shall be as per Government orders issued from time to time.

(4) 50% of the General Cargo Charges will be applicable to the Newspapers (Daily) TV Reels, applicable to domestic cargo.

(5) All bills will be rounded off to the next INR 5 as per rules.

(6) VAL Cargo consists of Gold Bullion, Currency Notes, Shares Shares Coupons, Traveller's Cheques, Diamonds (Incl Diamonds for Industrial Use), Diamond Jewellery, Watches made of Silver, Gold, Platinum and items valued at USD

(7) For Consolidation TP Cargo-TSP Charges will be levied to all types of cargo, in addition to Transhipment charges

(8) All charges above are excluding GST and GST will be charged as per rules.

M/S GMR HYDERABAD AIR CARGO
A DIVISION OF (GMR AIR CARGO AND AEROSPACE ENGINEERING LTD.)
MAXIMUM RATES TO BE PAID BY FREIGHT FORWARDER DOMESTIC CARGO

S.N.	LIST OF CHARGES	FOR FY 2019-20 & FY 2020-21		
		4th & 5th tariff year		
		MINIMUM RATE in INR	UNIT	RATE PER KG in INR
A) DOMESTIC CARGO-OUTBOUND				
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP)			
a)	General Cargo	100	AWB	0.65
b)	Special Cargo (AVI)	200	AWB	2.05
c)	PER/DGR/VAL cargo	200	AWB	2.05
d)	Postal Dept. Mails	232	Flight	0.75
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day beyond 24 hours)			
a)	General Cargo	125	AWB	0.65
b)	Special Cargo (AVI)	200	AWB	2.05
c)	PER/DGR/VAL cargo	200	AWB	2.05
3	COURIER HANDLING CHARGE	100	AWB	0.75
4	PACKING / REPACKING/STRAPPING CHARGE	5/-	package	-
5	RETURN CARCO CHARCE	100	AWB	-
6	AIR WAY BILL AMENDMENT CHARGE	100	AWB	-
7	WEIGHT / VOLUME MIS-DECLARATION CHARGE			
a)	2-5% variation	120	AWB	2 times of differential weight
b)	More than 5% variation	120	AWB	5 times of differential weight
A) DOMESTIC CARGO-INBOUND				
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP)			
a)	General Cargo/Unaccompanied Baggage	125	AWB	1.10
b)	Special Cargo (AVI)	200	AWB	2.10
c)	PER/DGR/VAL cargo	200	AWB	2.10
d)	Postal Dept. Mails	348	Flight	1.28
2	DEMURRAGE / STORAGE CHARGE (rate per Kg per day beyond 24 hours)			
a)	General Cargo	200	AWB	1.25
b)	Special Cargo (AVI)	250	AWB	2.20
c)	PER/DGR/VAL cargo	250	AWB	2.20
3	COURIER HANDLING CHARGE	125	AWB	1.20
4	PACKING / REPACKING/STRAPPING CHARGE	5	PACKAGE	-

M/S GMR HYDERABAD AIR CARGO
A DIVISION OF (GMR AIR CARGO AND AEROSPACE ENGINEERING LTD.)

MAXIMUM CHARGES PAYABLE BY AIRLINES-INTERNATIONAL CARGO

MAXIMUM CHARGES PAYABLE BY AIRLINES-INTERNATIONAL CARGO				
S.N.	LIST OF CHARGES	FOR FY 2019-20 & FY 2020-21		
		4th & 5th tariff year		
		MINIMUM RATE in INR	UNIT	RATE PER KG in INR
International-Export Cargo				
1	Unitization/Build-up/Palletisation	338	Flight	1.42
2	Courier/Mail Charges	338	Flight	1.42
3	DEMURRAGE/STORAGE CHARGE (Rate per kg per day beyond 48 hours)			
a)	General Export Cargo	175	AWB	2.00
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.	303	AWB	4.02
4	X-Ray Screening charges	117	AWB	2.39
International-Import Cargo				
1	De-unitization/Break-down/De-palletisation	338	Flight	1.42
2	DEMURRAGE/STORAGE CHARGE (Rate per kg per day)			
a)	General Export Cargo	175	AWB	2.00
b)	Valuable/Perishable/Hazardous Cargo/Live Animals etc.	338	AWB	5.34
3	Transshipment charges-International to International			
	General Cargo	338	Flight	2.12
4	Transshipment charges-International to Domestic			
	General Cargo	338	Flight	2.12

MAXIMUM CHARGES PAYABLE BY AIRLINES-DOMESTIC CARGO

Domestic Cargo-Outbound				
1	Unitization/Build-up/Palletisation	259	Flight	1.06
2	Courier/Mail Charges	259	Flight	1.11
3	X-Ray Screening charges	129	AWB	1.64
Domestic Cargo-Inbound				
1	De-unitization/Break-down/De-palletisation	259	Flight	1.06
2	Courier/Mail Charges	323	Flight	1.11
3	Transshipment charges-Domestic to Domestic/International			
a)	General Cargo	155	Flight	1.06
b)	Special Cargo	203	Flight	1.11

Note:

(1) User agreements (Airlines or their agents) shall have the rates subject to maximum specified above. The agreements are in line with the IATA, AHM 810 Standard Ground Handling Agreement 2004/2008/2013 (SGHA) as amended from time to time.

(2) The rates with each Airline are based on negotiations and as agreed between the Service Provider (GMR Hyderabad Air Cargo) and the Airline depending on the specific service levels agreed such as Usage of equipment, credit period, indemnity/ insurance, and other services necessary thought fit by the Airline.

(3) Demurrage Free Period shall be as per Government orders issued from time to time.