

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Osmanabad Airport Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Osmanabad Airport Limited (formerly Osmanabad Airport Private Limited) ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI and specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the

company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply, in material respect, with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.
- (g) With respect to reporting on other matters to be included herein in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, we report that no amount has been paid by the company towards remuneration to its directors, other than directors sitting fees which is within the limits as specified.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would have a material impact its financial position;
 - ii) Based on the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning
 - iii) In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit, the reporting under this clause is not applicable.

**For MKPS & Associates
Chartered Accountants
FRN 302014E**

**NarendraKhandal
Partner
M No. 065025
UDIN :20065025AAAADD5767
Place: Mumbai
Date: April 30, 2020**

**Annexure – I to the Independent Auditors Report
Referred to in our report of even date, to the members of Osmanabad Airport Limited
(formerly Osmanabad Airport Private Limited)for the year ended March 31, 2020**

- i)
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The company doesn't have any land as its fixed assets and hence the reporting requirements under this sub-clause are not applicable.
- ii) In our opinion, and according to the information and explanations given to us, the company has sub-contracted the entire construction / operation related activities and therefore does not carry any inventories. Hence, the reporting requirements under clause (ii) of paragraph 3 of the order are not applicable.
- iii) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) According to the information and explanations provided to us and as represented by the management, the maintenance of cost records have not been specified for the company by the Central Govt., under sub-section (1) of section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014 (as amended). Hence, the reporting requirements under clause (vi) of paragraph 3 of the order are not applicable.
- vii)
 - (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities in India.
According to the information and explanations given to us, there are no undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
- viii) In view of there being no loans from banks / financial institution / government and there being no debentures issued by the company as at the balance sheet date, the reporting requirements under Clause (viii) of paragraph 3 of the order are not applicable.

- ix) In view of no term loans from banks being availed by the company, the reporting requirements under clause (ix) of paragraph 3 of the order are not applicable.
- x) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, the company has not paid any managerial remuneration during the year and hence the reporting requirements under clause (xi) of paragraph 3 of the order are not applicable.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 178 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) According to the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 – IA of the Reserve Bank of India, 1934.

For MKPS & Associates
Chartered Accountants
FRN 302014E

CA NarendraKhandal
Partner
M No. 065025
UDIN :20065025AAAADD5767
Place: Mumbai
Date: April 30, 2020

Annexure – II to the Independent Auditors Report

Referred to in our report of even date, to the members of Osmanabad Airport Limited (formerly Osmanabad Airport Private Limited) for the year ended March 31, 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Osmanabad Airport Limited (formerly Osmanabad Airport Private Limited) (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

**For MKPS & Associates
Chartered Accountants
FRN 302014E**

**CA NarendraKhandal
Partner
M No. 065025
UDIN :20065025AAAADD5767
Place: Mumbai
Date: April 30, 2020**

**OSMANABAD AIRPORT LIMITED (formerly known as
OSMANABAD AIRPORT PRIVATE LIMITED)**

**AUDITED Financial Accounts for the FY 2019-20
As on March 31, 2020**

OSMANABAD AIRPORT LIMITED				
Balance Sheet as at March 31, 2020		(Amount in INR)		
Particulars	Note	As at March 31, 2020	As at March 31, 2019	
ASSETS				
Non-Current Assets				
- Property, Plant and Equipment	2	248,447	271,151	
-Other Intangible assets	3	89,355,065	90,412,342	
Current Assets				
-Inventories				
-Financial Assets				
Trade Receivables	4	280,752	30,400	
Cash and Cash Equivalents	5	14,837	35,818	
Other Current Tax Assets (Net)				
Other Current Assets	6	307,950	545,973	
Total Assets		90,207,051	91,295,684	
EQUITY AND LIABILITIES				
Equity				
-Equity Share Capital	7	7,966,100	7,966,100	
-Other Equity	8	48,188,337	49,523,675	
LIABILITIES				
Non-current liabilities				
- Financial Liabilities	9			
Borrowings		4,914,000	4,914,000	
Current liabilities				
-Financial Liabilities				
Trade Payables	10	281,394	400,582	
Other Financial Liabilities				
-Other Current Liabilities	11	28,857,220	28,491,327	
Provisions				
Current Tax Liabilities (Net)				
Total Equity and Liabilities		90,207,051	91,295,684	
Notes on Accounts 1-25				
Significant Accounting Policies 1				
The Notes referred to above form an integral part of the Financial Statements.				
As per our Report of even date				
For MKPS & Associates		For and on behalf of the Board		
Chartered Accountants				
Regn. No. 302014E				
CA Narendra Khandal		Binu Varghese	Ajay Kumar	
Partner		Director	Director	
Membership No : 065025		DIN- 07046048	DIN- 07824414	
Place : Mumbai		Place : Mumbai		
Date : April 30, 2020		Date : April 30, 2020		

OSMANABAD AIRPORT LIMITED

Statement of Profit & Loss For the Year Ended March 31, 2020

(Amount in INR)

Particulars		NOTE	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
INCOME				
I	Revenue from Operations	12	631,306	691,395
II	Other Income	13	2,391	7,094
III	Total Income (I + II)		633,697	698,489
IV Expenses:				
	Employee Benefits Expense	14	-	20,400
	Finance costs	15	162,946	112,243
	Depreciation and Amortization Expense		1,079,981	1,321,241
	Other Expenses	16	726,108	1,660,220
	Total Expenses(IV)		1,969,035	3,114,104
V	Profit (Loss) Before Tax (III-IV)		(1,335,338)	(2,415,615)
V	Exceptional items		-	-
VI	Profit/ (Loss) before extraordinary items and tax (V - VI)		(1,335,338)	(2,415,615)
VII	Extraordinary items		-	-
VII	Profit (Loss) before tax (VII- VIII)		(1,335,338)	(2,415,615)
VIII	Tax expense:		-	-
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit (Loss) After Tax (V-VI)		(1,335,338)	(2,415,615)
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
X	Profit (Loss) for the year (XI + XIV)		(1,335,338)	(2,415,615)
XI	Earnings per equity share:			
	(1) Basic		(1.68)	(3.03)
	(2) Diluted		(1.68)	(3.03)

Notes on Accounts 1-25

Significant Accounting Policies 1

The Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date

For MKPS & Associates

Chartered Accountants

Regn. No. 302014E

CA Narendra Khandal

Partner

Membership No : 065025

Place : Mumbai

Date : April 30, 2020

For and on behalf of the Board

Binu Varghese

Director

DIN- 07046048

Ajay Kumar

Director

DIN- 07824414

Place : Mumbai

Date : April 30, 2020

OSMANABAD AIRPORT LIMITED**Statement of Changes in Equity**

(Amount in INR)

A. Equity Share Capital

	Note No.	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year		7,966,100	7,966,100
Balance at the end of the year	7	7,966,100	7,966,100

B. Other Equity

	Securities Premium Account	Surplus in the Statement of Profit & Loss
Balance at April 01, 2018	70,794,900	(18,855,610)
Add : Total Comprehensive Income (Loss) for the year	-	(2,415,615)
Balance March 31, 2019	70,794,900	(21,271,225)
Balance at April 01, 2019	70,794,900	(21,271,225)
Add : Total Comprehensive Income (Loss) for the year	-	(1,335,338)
Balance at March 31, 2020	70,794,900	(22,606,563)

As per our attached report of even date

As per our Report of even date

For MKPS & Associates

Chartered Accountants

Regn. No. 302014E

For and on behalf of the Board**CA Narendra Khandal**

Partner

Membership No : 065025

Place : Mumbai

Date : April 30, 2020

Binu Varghese

Director

DIN- 07046048

Place : Mumbai

Date : April 30, 2020

Ajay Kumar

Director

DIN- 07824414

Osmanabad Airport Limited
Cash Flow Statement for the year ended March 31, 2020

(Amount in'000)

	Particulars		Year ended	Year ended
			March 31,2020	March 31, 2019
A.	Cash Flow from/ (used in) Operating Activities			
	Net Profit/ (Loss) after Tax		(1,335,338)	(2,415,615)
	Depreciation and Amortisation Expenses		1,079,981	1,321,241
	Finance Cots		162,946	112,243
	Interest on Term Loan		-	-
	Operating Profit before Working capital changes		(92,412)	(982,131)
	Adjustments for:			
	Trade and Other receivables		(12,329)	(366,397)
	Trade and other liabilities		(199,946)	817,946
	Cash Flow from/ (used in) Operating Activities	[A]	(304,687)	(530,582)
B.	Cash flow from/ (used in) Investing Activities			
	Cash flow from / (used in) Investing Activities	[B]	-	-
C.	Cash flow from/ (used in) Financing Activities			
	Proceeds from Long / Short term Unsecured Loans		300,000	208,714
	Finance Cost Paid		(16,294)	(11,225)
	Net cash generated from/ (used in) Financing Activities	[C]	283,706	197,489
	Net (Decrease)/ Increase in Cash and Cash equivalents	[A+B+C]	(20,981)	(333,093)
	Cash and Cash equivalents as at the commencement of the year		35,818	368,911
	Cash and Cash equivalents as at the end of the year		14,837	35,818
	Net (Decrease)/ Increase in Cash and Cash equivalents		(20,981)	(333,093)

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-(AS 7) on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

Previous year figures have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

As per our Report of even date.

For MKPS & Associates
Chartered Accountants
Regn. No. 302014E

For and on behalf of the Board

CA Narendra Khandal
Partner
Membership No : 065025

Binu Varghese
Director
DIN- 07046048

Ajay Kumar
Director
DIN- 07824414

Place : Mumbai
Date : April 30, 2020

Place : Mumbai
Date : April 30, 2020

Osmanabad Airport Limited

Notes annexed to and forming part of the financial statements

Note 1 Significant Accounting Policies

INTRODUCTION:

Osmanabad Airport Limited is a Special Purpose Vehicle incorporated by Reliance Airport Developers Limited and Reliance Infrastructure Limited. The Company was incorporated on September 29, 2009 in the state of Maharashtra, India.

The Company has entered into Lease Agreement with Maharashtra Industrial Development Corporation ("the MIDC") on November 3, 2009 to Design, Develop, Upgrade, Finance, Operate, Maintain and Manage the Airport at Osmanabad. Pursuant to the terms and conditions of the Agreement, the company has been assigned and conveyed the exclusive lease rights of the immovable and movable property for a period of 95 years.

2 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The Financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") to be read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Financial statements have been prepared in accordance with the requirements of the information and disclosure mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulations.

(ii) Basis of Measurement

The Financial Statement have been prepared on the historical cost basis except for certain financial instrument that are measured at amortised cost at the end of each reporting period.

3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

4 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company and its subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that 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 recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transition 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 extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively

5 Financial Instruments

a) Financial Assets

I) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised costs.

II) Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:

- i) Financial assets at fair value
- ii) Financial assets at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Where assets are measured at fair value, gains or loss are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss) or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

All other financial assets is measured at fair value through profit and loss.

III) Impairment of Financial Assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

IV) Derecognition of Financial Assets

A financial asset is derecognised only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

b) Financial Liabilities

I) Initial recognition and measurement

All financial liabilities are recognised at fair value. The Company financial liabilities includes Trade and other Payables.

II) Subsequent Measurement

III) Derecognition of Financial Liabilities

6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Provisions are not recognised for future operating losses.

7 Contingent Liabilities and Contingent Assets

Contingent liabilities are possible obligation that arise from past events and whose existence will only be confirmed by that occurrence or non occurrence of one or more future events not wholly within the control of the company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgement of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are neither recognised nor disclosed in the financial statements.

8 Cash and cash equivalents:

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

9 Earnings Per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Ind AS 33 on Earnings per Share.

10 **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The estimated useful life of Property, Plant and Equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Property, Plant and Equipment are depreciated under the reducing balance method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

11 **Intangible Assets**

Intangible assets are stated at cost of acquisition net of tax/duty credits availed, if any, less accumulated amortisation / depletion/impairment. Cost includes expenditure directly attributable to the acquisition of asset and amortised over the period of useful life

12 **Revenue Recognition Policy:**

In respect of our Business, revenue is recognised on accrual basis when services are rendered and is net of taxes.

OSMANABAD AIRPORT LIMITED

Note 2

Notes on accounts to Balance Sheet and Statement of Profit and Loss as on March 31, 2020

Property, Plant and Equipment

(Amount in INR)

Particulars	Leasehold Improvement	Office Equipment	Plant & Machinery	Furniture and Fixtures	Vehicles	Total
Gross carrying value						
As at April 01, 2019	1,688,001	-	466,883	6,400	-	2,161,283
As at March 31, 2020	1,688,001	-	466,883	6,400	-	2,161,283
Accumulated Depreciation						
As at April 01, 2019	1,687,984	-	195,749	6,400	-	1,890,133
Depreciation for the year	-	-	22,703	-	-	22,703
As at March 31, 2020	1,687,984	-	218,453	6,400	-	1,912,837
Closing net carrying value as at March 31, 2020	17	-	248,430	-	-	248,447
Particulars	Leasehold Improvement	Office Equipment	Plant & Machinery	Furniture and Fixtures	Vehicles	Total
Gross carrying value						
As at April 01, 2018	1,688,001	-	466,883	6,400	-	2,161,283
As at March 31, 2019	1,688,001	-	466,883	6,400	-	2,161,283
Accumulated Depreciation						
As at April 01, 2018	1,447,147	-	173,070	6,400	-	1,626,617
Depreciation for the year	240,837	-	22,679	-	-	263,516
As at March 31, 2019	1,687,984	-	195,749	6,400	-	1,890,133
Closing net carrying value as at March 31, 2019	17	-	271,133	-	-	271,151

OSMANABAD AIRPORT LIMITED

Note 3

Notes on accounts to Balance Sheet and Statement of Profit and Loss as on March 31, 2020

Intangible assets

(Amount in INR)

Particulars	Upfront Premium	Total
Gross carrying value		
As at April 01, 2019	100,452,750	100,452,750
As at March 31, 2020	100,452,750	100,452,750
Accumulated amortisation		
As at April 01, 2019	10,040,408	10,040,408
Amortisation for the year	1,057,277	1,057,277
As at March 31, 2020	11,097,685	11,097,685
Closing net carrying value as at March 31, 2020	89,355,065	89,355,065
Particulars	Upfront Premium	Total
Gross carrying value		
As at April 01, 2018	100,452,750	100,452,750
As at March 31, 2018	100,452,750	100,452,750
Accumulated amortisation		
As at April 01, 2018	8,983,131	8,983,131
Amortisation for the year	1,057,277	1,057,277
As at March 31, 2019	10,040,408	10,040,408
Closing net carrying value as at March 31, 2019	90,412,342	90,412,342

OSMANABAD AIRPORT LIMITED

Notes on accounts to the Balance Sheet and Statement of Profit and Loss as on March 31, 2020

Particulars	(Amount in INR)	
	As at March 31, 2020	As at March 31, 2019
NOTE 4 Trade Receivables		
Unsecured		
Considered Good	280,752	30,400
Total	280,752	30,400
NOTE 5 Cash and Cash Equivalents		
Cash on hand	7,170	-
Balance with Bank	7,667	35,818
Total	14,837	35,818
NOTE 6 Other Current Assets		
Advance Income Tax		197,690
Balances with Government Authorities	297,950	207,071
Prepaid Expenses	-	131,212
Advances to Vendors	10,000	10,000
Total	307,950	545,973

OSMANABAD AIRPORT LIMITED

Notes on accounts to the Balance Sheet and Statement of Profit and Loss as on March 31, 2020

(Amount in INR)

	As at March 31, 2020	As at March 31, 2019		
NOTE 7 Equity Share Capital				
Share Capital				
Authorised				
Equity Shares Rs. 10 par value	8,000,000	8,000,000		
	<u>8,000,000</u>	<u>8,000,000</u>		
Issued, Subscribed and Paid up:				
Equity Shares Rs. 10 each fully paidup (All Shares are held by Reliance Infrastructure Limited and Reliance Airport Developers Limited)	7,966,100	7,966,100		
	<u>7,966,100</u>	<u>7,966,100</u>		
a) Shares held by Holding Company				
	No. of Shares	No. of Shares		
Ordinary Shares				
- Ultimate Holding Company (M/s Reliance Infrastructure Limited)	207,121	207,121		
- Its Holding Company (M/s Reliance Airport Developers Limited)	5 89 489	5 89 489		
	<u>796,610</u>	<u>796,610</u>		
b) Details of shares held by shareholders holding more than 5% of shares in the Company				
	As at March 31, 2020	As at March 31, 2019		
Ordinary Shares	% of Holding	No. of Shares	% of Holding	No. of Shares
- Ultimate Holding Company (M/s Reliance Infrastructure Limited)	26%	207,121	26%	207,121
- Its Holding Company (M/s Reliance Airport Developers Limited)	74%	5 89 489	74%	5 89 489
	100%	<u>796,610</u>	100%	<u>796,610</u>
c) Terms/ rights attached to equity shares				
Ordinary Shares				
The Company has Ordinary Shares (shares) having a par value of Rs. 10 each per share and each holder of Ordinary Shares is entitled to one vote				
	As at Mar 31, 2020	As at March 31, 2019		
Preference Shares (Holding Pattern)	% of Holding	No. of Shares	% of Holding	No. of Shares
- Ultimate Holding Company (M/s Reliance Infrastructure Limited)	39%	189,380	39%	189,380
- Its Holding Company (M/s Reliance Airport Developers Limited)	61%	302,020	61%	302,020
	100%	<u>491,400</u>	100%	<u>491,400</u>
NOTE 8 Other Equity				
Share Premium Account				
Opening Balance	70,794,900	70,794,900		
Add: Shares issued during the year	-	-		
Closing Balance	<u>70,794,900</u>	<u>70,794,900</u>		
Surplus in retained earnings				
Opening Balance	(21,271,225)	(18,855,610)		
Add: (Loss) for the year	<u>(1,335,338)</u>	<u>(2,415,615)</u>		
Closing Balance	<u>48,188,337</u>	<u>49,523,675</u>		

OSMANABAD AIRPORT LIMITED**Notes on accounts to the Balance Sheet and Statement of Profit and Loss as on March 31, 2020**

Particulars	(Amount in INR)	
	As at March 31, 2020	As at March 31, 2019
Non-current liabilities		
NOTE 9 Borrowings		
6% Non Cumulative Non Convertible Preference Share Capital @Rs10 par value (Pref Shares Nos- 491,400 shares @ Rs.10 per share)	4,914,000	4,914,000
Total	4,914,000	4,914,000

Terms of Redemption:

- The NCNCRPS shall be redeemed at issue price.
- The NCNCRPS shall be redeemed at the end of 20 (Twenty) years from the date of allotment.
- Early redemption at the option of the allottee of the NCNCRPS will be at issue price:

(a) out of the proceeds of a fresh issue of shares made for the purposes of redemption of the NCNCRPS, at any time after 5 years from the date of allotment of NCNCRPS; and

(b) out of profits, at any time after 10 years from the date of allotment of NCNCRPS.

NOTE 10 Trade Payables-Current

Dues to Creditors other than micro enterprises and small enterprises	281,394	400,582
Total	281,394	400,582

NOTE 11 Other Financial liabilities-Current

Employee Payable	-	-
Statutory dues Payable	16,294	97,053
Deposits from Customer	368,400	368,400
Other Current Liabilities	-	-
Inter Company Deposits received	28,224,856	27,924,856
Interest Accrued	247,670	101,018
Total	28,857,220	28,491,327

OSMANABAD AIRPORT LIMITED**Notes on accounts to the Balance Sheet and Statement of Profit and Loss as on December 31, 2019**

(Amount in INR)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
NOTE 12 Revenue from Operations		
Aeronautical Income	296,686	427,311
Non-Aeronautical Income	334,620	264,084
Total	631,306	691,395
NOTE 13 Other Income		
Miscellaneous Income	2,391	7,094
Total	2,391	7,094
NOTE 14 Employee Benefits Expense		
Contribution to Provident, Gratuity and Superannuation Fund	-	20,400
Total	-	20,400
NOTE 15 Finance Cost		
Interest on ICD	162,946	112,243
Total	162,946	112,243
NOTE 16 Other Expenses		
Rent	-	-
Insurance	131,212	117,827
Rates and Taxes	8,670	6,124
Legal and Professional Fees	16,800	23,200
Audit Fees		
- Statutory Audit	15,000	15,000
- Out of Pocket Expenses	-	-
Travelling & Conveyance Expenses	-	7,360
Communication	-	941
Repairing & Maintances	2,727	223,015
Power, Fuel and Water	26,830	35,490
Printing & Stationery	-	896
Security Expenses	516,376	1,197,736
Miscellaneous	8,492	32,631
Total	726,108	1,660,220

Osmanabad Airport Limited**Notes annexed to and forming part of the financial statements****Note 17 Earnings per Share**

The company has adopted Indian Accounting Standard (Ind AS) -33 "Earning per Share" issued by The Institute of Chartered Accountant of India for calculation of EPS and the disclosure in this regard are given below:-

(Amount in'Rs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Basic / Diluted Earning Per Share:		
Profit after taxation as per Profit and Loss Account	(1,335,338)	(2,415,615)
Number of Equity Shares Outstanding	7 96 610	7 96 610
Basic Earning Per Share	(1.68)	(3.03)
Nominal value of equity share	10.00	10.00

Note 18 Related Party Disclosures

As per Indian Accounting Standard (Ind AS) – 24 "Related party disclosure" as prescribed by Companies (Accounting Standards) Rules, 2006, the

- a. Details of Related parties, where control exists:

Holding Company	Reliance Airport Developers Limited
Ultimate Holding Company	Reliance Infrastructure Limited

- b. Following are the transactions with related parties during the year and outstanding balances as at the end of the year:

Balance Sheet Items

(Amount in'000)

Nature of Transactions	Name of the related party	Balance as on	Transactions during the Year	Balance as on
		01 April 2019		31st March 2020
Interest Payable	Reliance Infrastructure Limited	1 01 018	146,652	2 47 670
Preference Share Capital	Reliance Airport Developers Limited	3,020,200.00		30 20 200
	Reliance Infrastructure Limited	1,893,800.00		18 93 800
Inter Corporate Deposits Received	Reliance Airport Developers Limited	2 65 82 142	-	2 65 82 142
	Reliance Infrastructure Limited	1,342,714	300,000	1,642,714

Profit and Loss Items

Finance Cost	Reliance Infrastructure Limited	2019-20	2018-19
		162,946	112,243

Osmanabad Airport Limited
Notes annexed to and forming part of the Financial Statements

Note 19 – Financial risk management

The Company activities exposes it to market risk, liquidity risk and credit risk.
This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Actively Managed
Market risk — interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Company's risk management is carried out by a project finance team and central treasury team (group treasury) under policies approved by board of directors. Group treasury identifies, evaluates and hedges financial risk in close co-operation with the group's operating units. The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

Commodity risk:

The Project SPV requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. For which, the Project SPV entered into fixed price contract with the EPC contractor and O&M Contractor so as to manage our exposure to price increases in raw materials. Hence, the sensitivity analysis is not required.

Market risk — interest rate risk

The Bank loans follows floating rates with resets defined under agreements. While interest rate fluctuations carry a risk on financials, the project SPV earn toll income which is linked to WPI thus providing a natural hedge to the interest rate risk.

a) Interest rate risk exposure

Particulars	As at March 31, 2020	As at March 31, 2019
Variable Rate Borrowings	-	-
Fixed Rate Borrowings	28,224,856	27,924,856
Total	28,224,856	27,924,856

b) Sensitivity analysis

Profit or loss is sensitive to higher/lower interest income from borrowings as a result of changes in interest rates.

Impact on profit/loss after tax	As at March 31, 2020	As at March 31, 2019
Interest rates (increase) by 1 basis points	-	-
Interest rates decrease by 1 basis points	-	-

Osmanabad Airport Limited**Notes annexed to and forming part of the Financial Statements****Note 20 - Capital risk management**

The Company objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company capital management, capital includes issued equity capital, share premium, sub-debts and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue interest free sub-ordinate debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

In order to achieve this overall objective, the Company capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital for year ended March 31, 2017 and March 31, 2016.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt including total borrowings (net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

The Company strategy is to maintain a debt to equity ratio within 1 to 0. The gearing ratios at March 31, 2019

Particulars	As at March 31, 2020	As at March 31, 2019
Net debt (a)	28,224,856	27,924,856
Equity (b)	7,966,100	7,966,100
Net debt to equity ratio (a) / (b)	3.54	3.51

Particulars	As at March 31, 2020	As at March 31, 2019
Net debt (a)	28,224,856	27,924,856
Equity (b)	7,966,100	7,966,100
Net debt plus Equity (c = a+b)	36,190,956	35,890,956
Gearing ratio (a) / c	0.78	0.78

Osmanabad Airport Limited

Notes annexed to and forming part of the financial statements

Note 21 Micro and small enterprises as defined under the MSMED Act, 2006

There are no amount due to Micro & Small Enterprise as defined under the Micro Small and Medium Enterprise Development Act, 2006. This information is based upon the extent to which the details are taken from the suppliers by the company.

Note 22 Segment Reporting

The Company operates in a single segment namely "Operation, Maintenance and Management of Airports" and there are no other reportable segments under Indian Accounting Standard (Ind AS) – 108 'Operating Segment' issued by ICAI.

Note 23 In the opinion of the management, the Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realised / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

Note 24 In view of carried forward losses, the company has not recognised Deferred tax considering prudence

Note 25 Previous year figures have been regrouped and re-arranged wherever necessary to correspond to current year's classification.

As per our report of even date

For M K P S & Associates
Firm Registration No.: 302014E
Chartered Accountants

For and on behalf of the Board

CA Narendra Khandal
Partner
Membership No. : 065025

Binu Varghese
Director
DIN- 07046048

Ajay Kumar
Director
DIN- 07824414

Place : Mumbai
Date : April 30, 2020

Place : Mumbai
Date : April 30, 2020