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Independent Auditor's Report

To the Members of HCC Aviation Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **HCC Aviation Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

Material Uncertainty Related to Going Concern

4. We draw attention to Note 16 to the accompanying financial statements which indicates that the Company has incurred a net loss of Rs. 1.01 lakhs during the year ended 31 March 2020, and as of that date, the Company's current liabilities have exceeded its current assets by Rs. 1,578.64 lakhs and has accumulated losses amounting Rs. 1,583.64 lakhs which have resulted in complete erosion of the net-worth of the Company. The above factors indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, basis the support of the holding and group companies and other factors mentioned in aforesaid note to the financial statements, management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Information other than the Financial Statements and Auditor's Report thereon

5. 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.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, 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;

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- 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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;

10. 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.

11. 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.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

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

14. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;

    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 financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matter described in paragraph 4 under the Material Uncertainty Related to Going Concern Paragraph, in our opinion, may have an adverse effect on the functioning of the Company;

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

g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 20 June 2020 as per Annexure B expressed unmodified opinion; and

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 (as amended), 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 litigation which would impact its financial position as at 31 March 2020;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAP6482

Place: Mumbai
Date: 22 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of HCC Aviation Limited, on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) The Company does not have any Property, plant and equipment. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loans to three companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) In absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

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Annexure A (Contd)

(viii) The Company no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Vijay D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAP6482

Place: Mumbai
Date: 22 June 2020

Annexure B to the Independent Auditor's Report of even date to the members of HCC Aviation Limited on the financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of HCC Aviation Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 with reference to financial statements .

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Annexure B (Contd)

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Vijay D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAP6482

Place: Mumbai
Date: 22 June 2020

HCC Aviation Limited
Balance Sheet as at 31 March 2020

Particulars	Note No.	As at 31 March 2020 (Rs. in lakhs)	As at 31 March 2019 (Rs. in lakhs)
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	3	1.66	6.74
Loans	4	4.18	-
Total current assets		**5.84**	**6.74**
TOTAL ASSETS		**5.84**	**6.74**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	5.00	5.00
Other equity		(1,583.64)	(1,582.63)
Total equity		**(1,578.64)**	**(1,577.63)**
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	6	1,584.40	1,584.24
Trade payables	7		
Dues of micro and small enterprises		-	-
Dues of creditors other than micro and small enterprises		0.08	0.13
Total current liabilities		**1,584.48**	**1,584.37**
TOTAL EQUITY AND LIABILITIES		**5.84**	**6.74**

Notes 1 to 20 form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date : 22 June 2020

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Mr. Girish Gangal
Director
DIN No.: 08410087

Place: Mumbai
Date : 22 June 2020

D.S. Mengde

Mr. Dattatray Mengde
Director
DIN No.: 02874705

Place: Mumbai
Date : 22 June 2020

HCC Aviation Limited Mumbai

HCC Aviation Limited

Statement of Profit and Loss account for the year ended 31 March 2020

Particulars	Note No.	Year ended 31 March 2020 (Rs. in lakhs)	Year ended 31 March 2019 (Rs. in lakhs)
Income			
Revenue from operations		-	-
Total income		-	-
Expenses			
Other expenses	8	1.01	0.86
Total expenses		**1.01**	**0.86**
Loss before exceptional items and tax		(1.01)	(0.86)
Exceptional Items		-	-
Loss before tax		**(1.01)**	**(0.86)**
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Loss after tax (A)		**(1.01)**	**(0.86)**
Other comprehensive income/loss for the year, net of tax (B)		-	-
Total comprehensive (loss) for the year, net of tax (A+B)		**(1.01)**	**(0.86)**
Loss per equity share having face value of Rs.10 each Basic and diluted (in Rs.)	10	(2.02)	(1.71)

Notes 1 to 20 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date : 22 June 2020

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

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Director
DIN No.: 08410087

Place: Mumbai
Date : 22 June 2020

D.S. Mengde

Mr. Dattatray Mengde
Director
DIN No.: 02874705

Place: Mumbai
Date : 22 June 2020

HCC Aviation Limited Mumbai

HCC Aviation Limited
Cash Flow Statement for the year ended 31 March 2020

Particulars		Year ended 31 March 2020 (Rs. in lakhs)	Year ended 31 March 2019 (Rs. in lakhs)
Cash flow from operating activities			
Loss before tax		(1.01)	(0.86)
Adjustment for:			
Impairment loss allowance on loans		0.68	-
Operating loss before working capital changes		**(0.33)**	**(0.86)**
Changes in working capital:			
Decrease in trade payables		(0.05)	(0.26)
Decrease in other financial liabilities		-	(0.08)
Operating loss after working capital changes		**(0.38)**	**(1.20)**
Taxes paid (net of refund)		-	-
Net cash used in operating activities	**(A)**	**(0.38)**	**(1.20)**
Cash flow from investing activities			
Increase in loans given		(4.86)	-
Net cash used in investing activities	**(B)**	**(4.86)**	**-**
Cash flow from financing activities			
Proceeds form borrowings		0.16	
Net cash generated from financing activities	**(C)**	**0.16**	**-**
Net decrease in cash and cash equivalents (A+B+C)		**(5.08)**	**(1.20)**
Cash and cash equivalents at the beginning of the year		6.74	7.94
Cash and cash equivalents at the end of the year (Refer note 3)		**1.66**	**6.74**

Notes 1 to 20 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For Walker Chandiok & Co. LLP
Chartered Accountants
Firm Registration No.001076N/N500013

Vijay D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date : 22 June 2020

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

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Director
DIN No.: 08410087

Place: Mumbai
Date : 22 June 2020

D.S. Mengde

Mr. Dattatray Mengde
Director
DIN No.: 02874705

Place: Mumbai
Date : 22 June 2020

HCC Aviation Limited Mumbai

HCC Aviation Limited
Statement of Changes in Equity for the year ended 31 March 2020

A) Equity share capital

Particulars	Number	Rs. in lakhs
Equity shares of Rs.10 each issued, subscribed and paid up		
As at 1 April 2018	50,000	5.00
Changes in equity share capital during the year	-	-
As at 31 March 2019	50,000	5.00
Changes in equity share capital during the year	-	-
As at 31 March 2020	**50,000**	**5.00**

B) Other equity

(Rs. in lakhs)

Particulars	Reserve and Surplus	Total equity attributable to equity holders
	Retained earnings	
Balance as at 1 April 2018	**(1,581.77)**	**(1,581.77)**
Total comprehensive loss for the year	(0.86)	(0.86)
Balance as at 31 March 2019	**(1,582.63)**	**(1,582.63)**
Total comprehensive loss for the year	(1.01)	(1.01)
Balance as at 31 March 2020	**(1,583.64)**	**(1,583.64)**

Nature and purpose of reserves

Retained earnings
Retained earnings represents the profits/ losses that the Company has earned/ incurred till date as reduced by dividends or other distributions paid to the shareholders.

Notes 1 to 20 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date : 22 June 2020

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

HCC Aviation Limited Mumbai

For and on behalf of the Board of Directors

Mr. Girish Gangal
Director
DIN No.: 08410087

Place: Mumbai
Date : 22 June 2020

D. S. Mengde

Mr. Dattatray Mengde
Director
DIN No.: 02874705

Place: Mumbai
Date : 22 June 2020

HCC Aviation Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

1 Corporate information

HCC Aviation Limited ('the Company') is a public limited company domiciled in India and is incorporated under the provisions of the erstwhile Companies Act, 1956. The Company is principally engaged in the business of providing consultancy services in aviation security and other aviation related activities. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India. The Company was incorporated on 19 May 2008 (CIN : U63033MH2008PLC182384). The financial statements were authorised for issue in accordance with resolution of the Board of Director on 22 June 2020.

2 Significant accounting policies

i) Basis of preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified by the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and contingent consideration that are measured at fair values, on an accrual basis of accounting.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Companies Act, 2013 ("the Act"). Based on the nature of services, Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

These financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (00,000), except when otherwise indicated.

ii) Accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Contract estimates

The Company prepares budgets in respect of projects to compute project profitability. The major components of contract estimate is 'budgeted costs to complete the contract'. While estimating the component various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred tax assets

In assessing the realisability of deferred income tax assets including Minimum Alternate Tax, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term, if estimates of future taxable income during the carry forward period are reduced.

iii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial assets

Initial recognition

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

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

Financial assets measured at amortised cost
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate (EIR) method. Impairment gains or losses arising on these assets are recognised in the statement of profit and loss.

Financial assets measured at fair value through other comprehensive income (FVTOCI)
Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial assets measured at fair value through profit or loss (FVTPL)
Financial assets are measured at fair value through profit and loss if these does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

De-recognition of financial assets
The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets
In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

b Equity instruments and financial liabilities
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial liabilities

Initial recognition
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Financial liabilities measured at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the terms of a financial liability is re-negotiated and the company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss, measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

Financial liabilities measured at fair value through Profit or Loss (FVPL)
Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

De-recognition of financial liabilities
Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

iv) Income tax
Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current income tax
Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred income tax
Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

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v) Revenue recognition

a Revenue from operations

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue from operations is recognized based on services provided and billed as per the terms of the contracts with the customers provided that the collection is reasonably certain.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

b Interest and other income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. Other income is accounted for on accrual basis. Where the receipt of income is uncertain it is accounted for on receipt basis.

vi) Provisions, contingent liabilities and contingent assets

a A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. When appropriate, the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

b Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

c Contingent assets are neither recognised nor disclosed in the financial statements.

vii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

viii) Foreign exchange translation and accounting of foreign exchange transactions

a Initial recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of exchange difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

ix) Impairment of non-financial assets

As at each Balance Sheet date, the company assesses whether there is any indication that a non-financial asset may be impaired and also whether there is any indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for any asset is required, the company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:
-In case of an individual asset, at the higher of assets' fair value less cost to sell and value in use; and
-in case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

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In assessing value in use, the estimated future cash flows are discounted to their present value using pre-discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction re taken account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI.For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the company considers there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

x) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xi) Segment reporting

The Company's operation is considered under one segment "Aviation related activities" for internal reporting provided to the chief operating decision maker. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

xii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

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HCC Aviation Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

		As at 31 March 2020 (Rs. in lakhs)	As at 31 March 2019 (Rs. in lakhs)
3	**Cash and cash equivalents**		
	Balances with banks		
	- On current accounts	1.66	6.74
	Total cash and cash equivalents	**1.66**	**6.74**
4	**Loans**		
	Current		
	Loans considered good - unsecured		
	Inter corporate deposits to related parties (refer note 11)	4.86	-
	Less Impairment loss allowance (refer note 11)	(0.68)	-
	Total loans	**4.18**	**-**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

	As at 31 March 2020 (Rs. in lakhs)	As at 31 March 2019 (Rs. in lakhs)
5 Equity share capital		
A) Authorised share capital		
1,000,000 (31 March 2019: 1,000,000) equity shares of Rs.10 each	100.00	100.00
Total	**100.00**	**100.00**
Issued, subscribed and paid up		
50,000 (31 March 2019: 50,000) equity shares of Rs.10 each fully paid up	5.00	5.00
Total	**5.00**	**5.00**

B) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2020		31 March 2019	
	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs
At the beginning of the year	50,000	5.00	50,000	5.00
Issued during the year	-	-	-	-
At the end of the year	**50,000**	**5.00**	**50,000**	**5.00**

C) Details of shareholders holding more than 5% shares of the Company and shares held by holding Company

Particulars	31 March 2020		31 March 2019	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares of Rs.10 each fully paid				
HREL Real Estate Limited	50,000	100%	50,000	100%

D) Rights and restriction attached to equity shareholders

The Company has only one class of equity shares having face value as Rs. 10 each. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company. Any Dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

E) Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

The Company has neither issued any bonus shares, shares issued for consideration other than cash nor has there been any buy back of shares during past 5 years from reporting date.

6 Borrowing		
unsecured		
Inter corporate deposit from holding company * (Refer note 11)	1,584.40	1,584.24
Total borrowings	**1,584.40**	**1,584.24**

*Out of the above, Inter corporate deposit amounting to Rs.1,584.24 are interest free, and the Inter corporate deposit amounting to Rs.0.16 carry 12.5% effective rate of interest. These deposits are due to the holding company and were repayable on 1 April 2020. However, the term of such deposits have been extended for a period of another 12 months by the holding company.

7 Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 14)	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	0.08	0.13
Total trade payables	**0.08**	**0.13**

Trade payables are non interest bearing and are normally settled as per the payment terms attached in the contract.

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HCC Aviation Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

		Year ended 31 March 2020 (Rs. in lakhs)	Year ended 31 March 2019 (Rs. in lakhs)
8	**Other expenses**		
	Legal and professional fees	0.18	0.09
	Rates and taxes	0.10	0.17
	Imparment loss allowance on loans	0.68	-
	Payment to auditors		
	Statutory audit fees	0.05	0.06
	Miscellaneous expenses	-	0.54
	Total other expenses	**1.01**	**0.86**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

9 Contingent liability and commitment
There are no contingencies and commitments as at 31 March 2020 (31 March 2019: Nil).

10 Loss per share:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Loss after tax as per statement of profit and loss (Rs. in lakhs)	(1.01)	(0.86)
Weighted average number of equity shares	50,000	50,000
Loss per share (Basic and diluted) (in Rs.)	(2.02)	(1.72)

11 Disclosure in accordance with IND AS 24 Related party transactions
A) Name of related parties and nature of transaction:
i) Holding Company
HREL Real Estate Limited

ii) Ultimate holding Company
Hindustan Construction Company Limited

iii) Key managerial personnel
Mr. Dattatray Mengde (from 24 April 2018)
Mr. Aditya Pratap Jain (from 15 March 2019)
Mr. Girish Govind Gangal (from 3 April 2019)

B) Transaction and balances with related parties

(Rs. in lakhs)

Particulars	31 March 2020	31 March 2019
Transactions during the year		
Inter corporate deposits given		
HRL (Thane) Real Estate Limited	4.18	-
Nasik Township Developers Limited	0.43	-
Powai Real Estate Developers Limited	0.25	-
Inter corporate deposits taken		
HREL Real Estate Limited	0.16	-
Inter corporate deposits provided for		
Nasik Township Developers Limited	0.43	-
Powai Real Estate Developers Limited	0.25	-
Balances at the year end		
Included in current borrowings		
HREL Real Estate Limited	1,584.40	1,584.24
Inter corporate deposits receivable		
HRL (Thane) Real Estate Limited	4.18	-
Nasik Township Developers Limited	0.43	-
Powai Real Estate Developers Limited	0.25	-

12 Financial instruments by category
The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:
(a) Fair value of cash, borrowings, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

The carrying value and the fair value of financial instruments by each category as at 31 March 2020

(Rs. in lakhs)

Particulars	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Cash and cash equivalents	1.66	-	-	1.66	1.66
Loans	4.18	-	-	4.18	4.18
Liabilities					
Borrowings	1,584.40	-	-	1,584.40	1,584.40
Trade payables	0.08	-	-	0.08	0.08

The carrying value and the fair value of financial instruments by each category as at 31 March 2019

(Rs. in lakhs)

Particulars	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Cash and cash equivalents	6.74	-	-	6.74	6.74
Loans	-	-	-	-	-
Liabilities					
Borrowings	1,584.24	-	-	1,584.24	1,584.24
Trade payables	0.13	-	-	0.13	0.13

13 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Company, market risk comprises of interest rate risk. Major financial instruments affected by market risk includes loans and borrowings.

ii Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by cash and cash equivalents. Bank balances are held with only high rated banks.

(Rs. in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	1.66	6.74
Loans (net of loss allowance)	4.18	-
Total	**5.84**	**6.74**

iii Liquidity Risks

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity analysis of financial instruments:

As at 31 March 2020

(Rs. in lakhs)

Particulars	Carrying amount	Contractual cash flows			Total
		Repayable On demand	0-12 Months	Above 1 years	
Borrowings	1,584.40	-	1,584.40	-	1,584.40
Trade payables	0.08	-	0.08	-	0.08
Total	**1,584.48**	**-**	**1,584.48**	**-**	**1,584.48**

As at 31 March 2019

(Rs. in lakhs)

Particulars	Carrying amount	Contractual cash flows			Total
		Repayable On demand	0-12 Months	Above 1 years	
Borrowings	1,584.24	-	1,584.24	-	1,584.24
Trade payables	0.13	-	0.13	-	0.13
Total	**1,584.37**	**-**	**1,584.37**	**-**	**1,584.37**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

14 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

There are no micro and small enterprises to whom the Company owes dues and which are outstanding as at 31 March 2020.This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act (MSMED) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no interest paid or payable during the year.

15 Capital management
For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim of the Management is to maintain an optimal capital structure and minimise cost of capital.

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 return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted).Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debt.

Particulars	As at 31 March 2020 In Rs. lakhs	As at 31 March 2019 In Rs. lakhs
Total debts	1,584.40	1,584.24
Total equity	(1,578.64)	(1,577.63)
Total debt to equity ratio (Gearing ratio)	**(1.00)**	**(1.00)**

16 The Company has incurred net loss of Rs. 1.01 lakhs during the year ended 31 March 2020 and as at that date, it's current liabilities have exceeded its current assets by Rs. 1,578.64 lakhs and has accumulated losses amounting Rs. 1,583.64 lakhs which have resulted in complete erosion of the net-worth of the Company. The business of the Company is dependent on the business of holding company. The Company is in the process of reassessing its business plan in view of expected growth opportunities and intends to expand its business operations going forward. The management of the Company, considering the financial support from the holding company in the form of deferment of payables for a period of forthcoming twelve months from the balance sheet date, have prepared the above financial statements on a 'Going Concern' basis.

17 The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities.On 11 March 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organisation.On 24 March 2020, the Indian Government had announced a strict 21 day lockdown which was been further extended upto 31 May 2020.
At this stage, based on the assessment carried out by the management, the impact of COVID-19 on business and financial position is limited. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

18 The Company is principally engaged in a single business segment i.e. Aviation related activites.

19 The Company is presently evaluating and has not yet elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Based on Management assessment, there is no impact of the new tax rate on the financial statements for the current year.

20 Recent Indian Accounting Standards (Ind AS)
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April 2020.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

Vijay. D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date : 22 June 2020

For and on behalf of the Board of Directors

Mr. Girish Gangal
Director
DIN No.: 08410087

Place: Mumbai
Date : 22 June 2020

D.S. Mengde

Mr. Dattatray Mengde
Director
DIN No.: 02874705

Place: Mumbai
Date : 22 June 2020