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**INDEPENDENT AUDITOR'S REPORT**

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To,  
The Members of,  
HCC Aviation Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of **HCC Aviation Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income) and the cash flow statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**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 standalone IND AS financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone IND AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements is free from material misstatement.

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Paud Road, Pune – 411 038. Phone: + 91 20 2528 0081

## G.D. Apte & Co. Chartered Accountants

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IND AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone IND AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 10 in the IND AS financial a statement which indicates that the Company incurred a net loss of Rs. 335.49 lakhs during the year ended March 31, 2017 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 1575.95 lakhs. These conditions, along with other matters as set forth in Note 10, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.

### Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 25th April, 2016 and 27<sup>th</sup> April 2015 respectively expressed an unmodified opinion on

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those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

- I. 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 Act we give in the Annexure A, a statement on the matters specified in paragraphs 4 and 5 of the Order.
- II. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid standalone financial statements comply 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 written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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, we state that the Company has not undertaken any major activities during the year. However, based on the representation received from Management, in our opinion, the internal financial controls were operating effectively during the period.
  - g) 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 impact its financial position.

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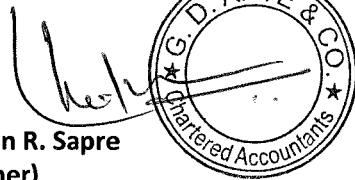
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**G.D. Apte & Co.**  
**Chartered Accountants**

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- ii. The Company does not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The company did not have any holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

For G. D. Apte & Co.  
Chartered Accountants  
(Firm Registration No. 100515W)



Chetan R. Sapre  
(Partner)

ICAI Membership No. 116952

Place: Mumbai

Date: 24<sup>th</sup> April, 20107

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Annexure A to Independent Auditors' Report

**Referred to in paragraph 1 under the heading Report on Other Legal and Regulatory Requirements of our Report of even date of HCC Aviation Ltd. (the Company)**

- (i) The Company does not have any Fixed Assets and accordingly, the provisions of sub clauses (a), (b), (c) of clause (i) of the order are not applicable to the company.
- (ii) The Company does not have any inventories and, accordingly clause (ii) is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of sub clauses (a), (b), (c) of clause (iii) of the order are not applicable to the company.
- (iv) The company has not provided any loans, investments, guarantees and security; accordingly provisions of section 185 and 186 of companies Act, 2013 are not applicable.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) a) During the year there were no employees in the company. Accordingly, the directions relating to Provident Fund and Employee's State Insurance are not applicable to the company. Further, based on our examination of the records maintained during the year, the company is not liable to make any payments towards custom duty, excise duty, cess, sales tax and value added tax. The company has been generally regular in depositing income tax and service tax dues along with cess thereon with appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at 31st March 2017 for a period of more than six months from the date they become payable.  
  
b) According to the information and explanations given to us, there are no disputed statutory due in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax .

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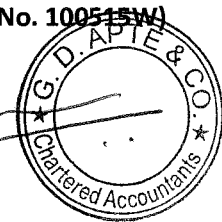
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**G.D. Apte & Co.**  
**Chartered Accountants**

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- (viii) According to the information and explanations given to us, the company has not taken any loans or borrowing from a financial institution, bank, Government or dues to debenture holders.
- (ix) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanation provided by the management, there were no frauds on or by the company noticed or reported during the course of our audit.
- (xi) In absence of managerial personnel, no managerial remuneration is paid and therefore provisions of clause 3 (xi) of the order is not applicable to the company.
- (xii) In our opinion the company is not a Nidhi Company. Therefore provisions of clause 3 (xii) of the order is not applicable to the company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., 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 review and therefore provisions of clause 3 (xiv) of the order is not applicable to the company.
- (xv) The company has not entered into any non cash transactions with the directors or persons connected with him and hence clause 3 (xv) of the order is not applicable to the company.
- (xvi) According to the information and explanation provided by the management, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For G. D. Apte & Co.**  
**Chartered Accountants**  
**(Firm Registration No. 100515W)**

**Chetan R. Sapre**  
**(Partner)**  
**ICAI Membership No. 116952**  
**Place: Mumbai**  
**Date: 24<sup>th</sup> April, 2017**

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**BALANCE SHEET AND STATEMENT PROFIT AND LOSS FOR  
THE YEAR ENDED 31ST MARCH 2017**

**HCC AVIATION LIMITED**

**HCC AVIATION LTD**

**BALANCE SHEET AS AT 31ST MARCH 2017**

PARTICULARS	Note No.	As At	As At	As At
		31st March 2017	31st March 2016	1st April 2015
		₹	₹	₹
<b>ASSETS</b>				
(1) <b>Current Assets</b>				
(a) <b>Financial Assets</b>				
(i) Trade Receivables	2	-	3,35,14,035	3,35,14,035
(ii) Cash and Cash Equivalents	3	8,14,850	8,50,321	8,86,601
(b) Other Current Assets	4	42,468	39,018	35,785
<b>TOTAL</b>		<b>8,57,318</b>	<b>3,44,03,373</b>	<b>3,44,36,420</b>
<b>EQUITY AND LIABILITIES</b>				
(1) <b>Equity</b>	5			
(a) Equity Share Capital		5,00,000	500000	500000
(b) Other Equity	6	(15,80,94,902)	(12,45,45,370)	(12,45,12,322)
<b>LIABILITIES</b>				
(2) <b>Current Liabilities</b>				
(a) Financial Liability	7	15,84,24,220	15,84,24,220	15,84,24,220
(b) Other Current Liabilities	8	28,000	24,523	24,523
<b>TOTAL</b>		<b>8,57,318</b>	<b>3,44,03,373</b>	<b>3,44,36,420</b>
Significant Accounting Policies and Notes	1			

As per our report of even date

**For G.D.Apte & Co.**

Chartered Accountants

Registration No. 100 515W

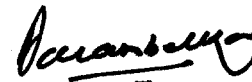


**Chetan R. Sapre**


Partner

Membership No. 116952

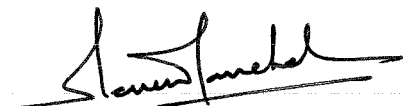
**For HCC Aviation Ltd**



Arun Karambelkar - Director



Praveen Sood - Director



Devendra Manchekar - Director

PLACE : Mumbai

DATED : 24/04/2017

PLACE : Mumbai

DATED : 24/04/2017





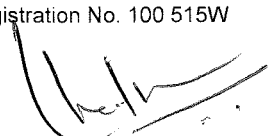
**HCC AVIATION LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2017**

Particulars	Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
		₹	₹
I <b>REVENUE FROM OPERATIONS</b>		-	-
II <b>OTHER INCOME</b>		-	-
<b>Total Income (I+II+III)</b>		-	-
IV <b>EXPENSES</b>			
Other Expenses	9	3,35,49,532	33,048
<b>Total Expenses (IV)</b>		3,35,49,532	33,048
V <b>Profit / (Loss) before exceptional items and Tax</b>		(3,35,49,532)	(33,048)
VI <b>Exceptional Items</b>		-	-
VII <b>Profit Before Tax(IV - V)</b>		(3,35,49,532)	(33,048)
VIII <b>TAX EXPENSE</b> (a) Current Tax (b) Add: Excess / (Short) Provision of Earlier years written back / (Off)			
IX <b>Profit(Loss) for the year from the continuing operations</b>		(3,35,49,532)	(33,048)
X <b>Profit / (Loss) for the year from the discontinuing operations</b>		-	-
XI <b>Tax Expense from discontinuing operations</b>		-	-
XII <b>Profit / (Loss) for the year from the discontinuing operations</b>		-	-
XIII <b>LOSS FOR THE YEAR</b>		(3,35,49,532)	(33,048)
XIV <b>Other comprehensive income net of Tax</b>			
XV <b>Total comprehensive income attributable to Equity shareholders</b>		(3,35,49,532)	(33,048)
Earning per Share (Basic & Diluted) (Face Value of Rs. 10/- per Share)		(670.99)	(0.66)
Significant Accounting Policies and Notes to Accounts	1		

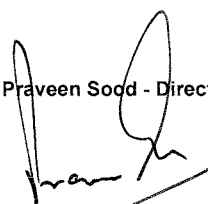
As per our report of even date

For G.D.Apte & Co.  
Chartered Accountants  
Registration No. 100 515W

  
Chetan R. Sapre  
Partner  
Membership No. 116952

For HCC Aviation Ltd

  
Arun Karambelkar - Director

  
Praveen Sood - Director

  
Devendra Manchekar - Director

PLACE :Mumbai

DATED :

24/04/2017

PLACE :Mumbai

DATED :

24/04/2017

HCC AVIATION LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

(Amount in ₹)

Particulars		Year ended 31.03.2017	Year ended 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Loss (Before tax) as per Statement of Profit & Loss		(3,35,49,532)	(33,480)
Adjustment for:			
Trade receivables and work in progress written off (Exceptional item)		3,35,14,035	0
Add Depreciation		-	-
Operating loss before working capital changes		(35,497)	(33,480)
Adjustments for :			
Trade & Other receivable	(3,450)		(3,232)
Current Liabilities	3,477		-
		27	(3,232)
Cash generated from operations		(35,470)	(36,280)
Direct Taxes paid (net of refund)		-	-
<b>Net cash flow from operating activities</b>		(35,470)	(36,280)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		(35,470)	(36,280)
CASH AND CASH EQUIVALENTS AS AT 01/4/2016		8,50,321	8,86,601
CASH AND CASH EQUIVALENTS AS AT 31/03/2017		8,14,850	8,50,321

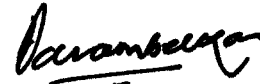
As per our report attached  
For G.D.Apte & Co.  
Chartered Accountants  
Registration No. 100 515W



Chetan R. Sapre  
Partner  
Membership No. 116952

Place: Mumbai  
Date: 24/04/2017

For HCC Aviation Ltd



Arun Karambelkar - Director



Praveen Sood - Director



Devendra Manchekar - Director

Place: Mumbai  
Date: 24/04/2017



# HCC AVIATION LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the period ended 31st March, 2017

Note No 1 :

## 1.1 Basis of Preparation of Financial Statements

The financial statements ("the financial statements") of HCC Aviation Ltd ("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 in respect of Section 133 of the Companies Act, 2013 ("the Act").

The financial statements upto year ended 31 March 2016 were prepared in accordance with the Accounting Standards notified by the Companies (Accounting Standards) rules, read with rule 7 to the Companies (Accounts) Rules, 2014 (as amended) in respect of Section 133 of the Act ("previous GAAP"). These financial statements are the first financial statements of the Company under Ind AS. Refer note no 1.3, for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow.

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

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 Act.

## 1.2 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.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

## 1.3 First-time adoption of Ind-AS

These are the Company's First Financial Statements prepared in accordance with Ind AS.

These financial statements of the Company for the financial year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101-First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles.

## 1.4 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

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

#### i) Financial Assets 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 method.

**ii) Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through other comprehensive income ("OCI") if these financial assets are held within a business model whose objective is 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 asset not measured at amortised cost or at fair value through OCI is carried at fair value through profit or loss.

**iii) Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**iv) 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.

**(b) Equity Instruments and Financial Liabilities**

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

**i) Equity Instruments and Financial Liabilities**

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.

**ii) Financial Liabilities**

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.

**1 Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate 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.

**2 De-recognition of Financial Liabilities**

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/ (losses).

**3 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.

**1.5 Inventory**

Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at cost or net realizable value, whichever is lower.

Cost of land purchased / acquired by the Company includes purchase / acquisition price plus stamp duty and registration charges.

Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

## **1.6 Cash & Cash Equivalents**

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

## **1.7 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.

## **1.8 Finance Cost**

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which it is accrued. Also, the EIR amortisation is included in finance costs.

## **1.9 Revenue Recognition**

### **(a) Revenue from operations**

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11 and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

### **(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.

## **1.10 Taxation**

Tax on Income for the current year is computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted on the Balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. At each balance sheet date, recognized and unrecognized deferred tax assets are reviewed.

## **1.11 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.

## **1.12 Segment Reporting**

The Company's operation is considered under one segment "Real-Estate Development" 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.

## HCG AVIATION LIMITED

## Note no. 5- Equity Share Capital

## STATEMENT OF CHANGES IN EQUITY as on 31ST MARCH 2017

## A) Equity Share Capital

For the period ended 31st March 2017

Balance as at 1 April 2016	Changes in Equity Share	Balance as at 31st March 2017
5,00,000	-	5,00,000

For the year ended 31 March 2016

Balance as at 1 April 2015	Changes in Equity Share	Balance as at 31 March 2016
5,00,000	-	5,00,000

## Note no.6- Other Equity

Particulars	Reserve and surplus							Revaluati on Reserve	Other items of Other Comprehensive Income (specify nature)	Capital contributio n to subsidiary	Total
	Reserve (Forfeited Equity Share Warrants)	Forfeited debenture Accounts	Securities Premium Reserve	Other Reserves -Debenture Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Monetary Translatio n Account				
Balance at the beginning of the reporting period 01.4.2016	-	-	-	-	-	(12,45,45,370)	-	-	-	-	(12,45,45,370)
Addition during the year						(3,35,49,532)					(3,35,49,532)
<b>Balance at the end of 31.03.2017</b>	-	-	-	-	-	<b>(15,80,94,902)</b>	-	-	-	-	<b>(15,80,94,902)</b>
Balance at the beginning of the reporting period 01.04.2015	-	-	-			(12,45,12,322)	-	-	-	-	(12,45,12,322)
Addition during the year						(33,048)					(33,048)
Other Comprehensive Income											-
Fair value on FVOCI financial assets								-			-
Any other change (to be specified) (ref note )											-
<b>Balance at the end of 31.03.2016</b>	-	-	-	-	-	<b>(12,45,45,370)</b>	-	-	-	-	<b>(12,45,45,370)</b>

Note: Any part of the reserves presented under Equity Instruments through Other Comprehensive Income which is realised in cash shall be disclosed separately.

HCC AVIATION LIMITED

NOTES FORMING PART OF BALANCE SHEET AS AT 31st March 2017

	(Amount in ₹) As at	(Amount in ₹) As at	(Amount in ₹) As at
	31ST MARCH 2017	31ST MARCH 2016	1ST APRIL 2015
<b>Financial Assets</b>			
<b>Current Assets</b>			
<b>Note no 2 Trade Receivable</b>			
<u>Unsecured, considered good</u>			
Outstanding over six months	3,35,14,035	3,35,14,035	3,35,14,035
Others	-	-	-
Less : Provision for Doubtful Debts	3,35,14,035	-	-
<b>TOTAL</b>	-	3,35,14,035	3,35,14,035
<b>Note no 3 Cash and cash equivalents</b>			
Current account balance with bank	8,14,850	8,50,321	8,86,601
<b>TOTAL</b>	8,14,850	8,50,321	8,86,601
<b>Note no 4 Other Current Assets</b>			
Balance with government authorities	42,468	39,018	35,785
<b>TOTAL</b>	42,468	39,018	35,785
<b>Note no -5 -Equity Share Capital</b>			
<b>Authorised Capital</b>			
10,000,000 (Previous Year 10,000,000) Equity shares of ₹10/- each	10,00,00,000	10,00,00,000	10,00,00,000
<b>TOTAL</b>	10,00,00,000	10,00,00,000	10,00,00,000
<b>Issued , Subscribed &amp; Paid-Up</b>			
50,000 (Previous Year 50,000) Equity shares of ₹10/- each issued at par	5,00,000	5,00,000	5,00,000
(All the above Equity Shares are held by HCC Real Estate Limited, a Holding Company)			
<b>TOTAL</b>	5,00,000	5,00,000	5,00,000
<b>(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>			
<i>Equity shares</i>			
At the beginning of the period	50,000	50,000	50,000
Issued during the period	-	-	-
Outstanding at the end of the period	50,000	50,000	50,000
<b>(b) Terms/ rights attached to equity shares</b>			
The company has only one class of equity shares having par value of ₹10 per share. Each 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 remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
<b>(c) Shares held by holding company:</b>			
Out of the equity shares issued by the Company, shares held by its holding company are			
HCC Real Estate Ltd, holding company	50,000	50,000	50,000
50,000 equity shares of ₹10 each, fully paid-up			
<b>(d) Details of shareholders holding more than 5% shares in the Company</b>			
HCC Real Estate Ltd, the holding company (100%)	50,000	50,000	50,000
<b>Note no. 7 Current Liabilities</b>			
<b>Financial Liability</b>			
<u>Borrowing</u>			
Loans from Related party	15,84,24,220	15,84,24,220	15,84,24,220
<b>TOTAL</b>	15,84,24,220	15,84,24,220	15,84,24,220
<b>Note no. 8 Other Current Liabilities</b>			
Dues to related parties	5,000	2,500	2,500
Other services payable	23,000	22,023	22,023
<b>TOTAL</b>	28,000	24,523	24,523

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS  
FOR THE QUARTER ENDED 30th SEPTEMBER 2016**

Particulars	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	For the Year 31.03.2017	For the Year 31.03.2016	For the Year 01.04.2015
<b>Note no 9 Other Expenses</b>			
Professional Charges	22,600	15,548	6,500
Rates and Taxes	4,920	2,500	24,268
Old Provision written back	(7,023)	-	-
Provision for Doubtful debt	3,35,14,035	-	-
<b>Auditors Remuneration</b>			
Audit Fees	15,000	15,000	15,000
Tax Audit Fees	-	-	-
Certification Fees	-	-	-
<b>TOTAL</b>	<b>3,35,49,532</b>	<b>33,048</b>	<b>45,768</b>

10. Accumulated losses have exceeded the equity of the Company. On consideration of the long term business outlook and future growth plans, including restructuring of business, the Management is of the view that this erosion in the net worth of the Company is temporary in nature and going concern nature of the business is not adversely affected. The Company is also contemplating merger plans with its parent company.

11. The Micro Small and Medium enterprises, to whom the amount outstanding for more than 30 days is Nil. The information has been complied to the extent they could be identified as small scale and ancillary undertakings on the basis of information available with the Company.

12. During the year, there are no employees on payroll; hence disclosures under Indian Accounting Standard 19 "Employee Benefits" are not applicable.

13. There is no cash in Hand in the books of accounts during the year 2016-17 hence no disclosure required in its financial statement as per Notification G.S.R .307 (E) dated 30th March 2017

14. Taxes on Income

No provision for current tax is made in view of business loss for the year.

15. Other additional information pursuant to the provisions of paragraph 5 of Schedule III to the Companies Act, 2013 is either nil or not applicable.



Disclosure in accordance with Ind-AS 24 Related Party Transactions

A. Names of Related Parties & Nature of Relationship						
a) Subsidiaries & its Subsidiaries:						
No.	Name of the Company	Country of Incorporation	31.03.2017	31.03.2016	01.04.2015	Subsidiaries of
			% of Holding			
	<b>Hindustan Construction Company Ltd</b>	India				<b>Holding Company</b>
1	Western Securities Limited	India	97.87	97.87	97.87	Hindustan Construction Co Ltd
2	HCC Real Estate Limited	India	100.00	100.00	100.00	Hindustan Construction Co Ltd
3	Panchkur Developers Limited	India	100.00	100.00	100.00	Hindustan Construction Co Ltd
4	HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	100.00	Hindustan Construction Co Ltd
5	HCC Construction Limited	India	100.00	100.00	100.00	Hindustan Construction Co Ltd
6	Highbar Technologies Limited	India	100.00	100.00	100.00	Hindustan Construction Co Ltd
7	HCC Infrastructure Company Limited	India	100.00	100.00	100.00	Hindustan Construction Co Ltd
8	HCC Mauritius Investments Limited	Mauritius	100.00	100.00	100.00	Hindustan Construction Co Ltd
9	Lavasa Corporation Limited	India	68.70	68.70	68.70	HCC Real Estate Ltd
10	HRL (Thane) Real Estate Limited.	India	100.00	100.00	100.00	HCC Real Estate Ltd
11	HRL Township Developers Limited.	India	100.00	100.00	100.00	HCC Real Estate Ltd
12	Nashik Township Developers Limited	India	100.00	100.00	100.00	HCC Real Estate Ltd
13	Maan Township Developers Limited	India	100.00	100.00	100.00	HCC Real Estate Ltd
14	Charosa Wineries Limited	India	100.00	100.00	100.00	HCC Real Estate Ltd
15	Powai Real Estate Developer Limited	India	100.00	100.00	100.00	HCC Real Estate Ltd
16	HCC Realty Limited	India	100.00	100.00	100.00	HCC Real Estate Ltd
17	Pune Paud Toll Road Co. Limited.	India	100.00	100.00	100.00	HCC Real Estate Ltd
18	Highbar Technologies FZLLC (upto 31.01.2016)	Dubai	0	100.00	100.00	Highbar Technologies Ltd
19	HCC Operation and Maintenance Ltd	India	100.00	100.00	100.00	HCC Infrastructure Company Ltd
20	Dhule Palesner Operations & Maintenance Ltd	India	100.00	100.00	100.00	HCC Infrastructure Company Ltd
21	HCC Power Limited	India	100.00	100.00	100.00	HCC Infrastructure Company Ltd
22	HCC Energy Limited (w.e.f 11 August 2015)	India	100.00	100.00	N.A.	HCC Power Limited
23	Dasve Business Hotel Limited	India	100%	100%	100%	Lavasa Corporation Limited
24	Dasve Hospitality Institutes Limited	India	100%	100%	100%	Lavasa Corporation Limited
25	Dasve Convention Center Limited	India	100%	100%	100%	Lavasa Corporation Limited
26	Dasve Retail Limited	India	100%	100%	100%	Lavasa Corporation Limited
27	Full Spectrum Adventure Limited	India	90.91%	90.91%	90.91%	Lavasa Corporation Limited
28	Future City Multiservices Sez Limited	India	100%	100%	100%	Lavasa Corporation Limited
29	Hill City Service Apartments Limited	India	100%	100%	100%	Lavasa Corporation Limited
30	Hill View Parking Services Limited	India	100%	100%	100%	Lavasa Corporation Limited
31	Kart Racers Limited	India	90%	100%	100%	Lavasa Corporation Limited
32	Lakeshore Watersports Company Limited	India	100%	100%	100%	Lavasa Corporation Limited
33	Lakeview Clubs Limited	India	100%	100%	100%	Lavasa Corporation Limited
34	Lavasa Bamboocrafts Limited	India	100%	100%	100%	Lavasa Corporation Limited
35	Lavasa Hotel Limited	India	100%	100%	100%	Lavasa Corporation Limited
36	Mugaon Luxury Hotels Limited	India	100%	100%	100%	Lavasa Corporation Limited
37	My City Technology Limited	India	63%	63%	63%	Lavasa Corporation Limited
38	Nature Lovers Retail Limited	India	100%	100%	100%	Lavasa Corporation Limited
39	Our Home Service Apartments Limited	India	100%	100%	100%	Lavasa Corporation Limited
40	Reasonable Housing Limited	India	100%	100%	100%	Lavasa Corporation Limited
41	Rhapsody Commercial Space Limited	India	100%	100%	100%	Lavasa Corporation Limited
42	Rosebay Hotels Limited	India	100%	100%	100%	Lavasa Corporation Limited
43	Sahyadri City Management Limited	India	100%	100%	100%	Lavasa Corporation Limited
44	Valley View Entertainment Limited	India	100%	100%	100%	Lavasa Corporation Limited
45	Verzon Hospitality Limited	India	100%	100%	100%	Lavasa Corporation Limited
46	Warasgaon Assets Maintenance Limited	India	100%	100%	100%	Lavasa Corporation Limited
47	Warasgaon Infrastructure Providers Limited	India	100%	100%	100%	Lavasa Corporation Limited
48	Warasgaon Power Supply Limited	India	100%	100%	100%	Lavasa Corporation Limited
49	Warasgaon Tourism Limited	India	100%	100%	100%	Lavasa Corporation Limited
50	Warasgaon Valley Hotels Limited	India	100%	100%	100%	Lavasa Corporation Limited
51	Osprey Hospitality Limited	India	0	100%	100%	Lavasa Corporation Limited
52	Highbar Technocrat Limited (previously known as Osprey Hospitality Limited as W.e.f 1.08.2016 upto 12.12.2016)	India	100	0.00	0.00	Highbar Technologies Ltd
53	Sirrah Palace Hotels Limited	India	0	0	100%	Lavasa Corporation Limited
54	Steiner AG	Switzerland	100.00	100.00	100.00	HCC Mauritius Enterprises Ltd 66% HCC Mauritius Investments Ltd 34%
55	Steiner Promotions et Participations SA	Switzerland	100.00	100.00	100.00	Steiner- AG
56	Steiner (Deutschland) GmbH	Germany	100.00	100.00	100.00	Steiner- AG
57	VM + ST AG	Switzerland	100.00	100.00	100.00	Steiner- AG
58	Steiner Leman SAS	France	100.00	100.00	100.00	Steiner- AG
59	SNC Valleiry Route de Bloux	France	100.00	100.00	100.00	Subsidiary of Steiner Leman SAS
60	Eurohotel SA	Switzerland	95.00	95.00	95.00	Steiner- AG
61	Steiner India Ltd	India	100.00	100.00	100.00	Steiner- AG

**b) Joint Venture**

1	Dhule Palesner Tollway Ltd.(29 October 2015)	India	0	0.00	37.00	(HCC-26% H-Con 11%)
2	Bona Sera Hotels Limited	India	26%	26%	26%	Lavasa Corporation Ltd
3	Green Hills Residences Limited	India	60%	60%	60%	Lavasa Corporation Ltd
4	Spotless Laundry Services Limited	India	76.02%	76.02%	76.02%	Lavasa Corporation Ltd
5	Starlit Resort Limited	India	26%	26%	100%	Lavasa Corporation Ltd
6	Whistling Thrush Facilities Services Limited	India	51%	51%	51%	Lavasa Corporation Ltd
7	Apollo Lavasa Health Corporation Limited	India	49%	49%	62.5	Lavasa Corporation Ltd
8	Ecomotel Hotel Limited	India	51%	51%	27.26	Lavasa Corporation Ltd

**c) Jointly Controlled Entities (JCE)**

	HCC Concession Ltd	India	85.45	85.45	85.45	HCC Infrastructure Company Ltd
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**d) Subsidiary of Jointly Controlled Entity**

1	Narmada Bridge Tollway Ltd	India	100.00	100.00	100.00	HCC Concession Ltd
2	Badarpur Faridabad Tollway Ltd	India	100.00	100.00	100.00	HCC Concession Ltd
3	Nirmal Bot Ltd (upto 23 December 2015)	India	0	0.00	100.00	HCC Concession Ltd
4	Baharampore-Farakka Highways Ltd	India	100.00	100.00	100.00	HCC Concession Ltd 74%, Hindustan Construction Co Ltd 26%
5	Farakka-Raiganj Highways Ltd	India	100.00	100.00	100.00	HCC Concession Ltd 74%, Hindustan Construction Co Ltd 26%
6	Raiganj-Dalkhola Highways Ltd	India	100.00	100.00	100.00	HCC Concession Ltd 90%, Hindustan Construction Co Ltd 10%

**e) Associates & Other Related Parties**

Warasgaon Lake View Hotels Limited

1) (Previously known as Lavasa Star Hotel Limited)	8) Vikhroli Corporate Park Pvt Ltd ( upto 10 July 2015)
2) Andromeda Hotels Limited	9) Nirmal Bot Ltd ( w.e.f. 23 December 2015)
3) Knowledge Vistas Limited	10) Gulabchand Foundation (formed under section 25 of Companies' Act, 1956)
5) Evostate AG	11) Hincon Holdings Ltd.
6) MCR Managing Corp. Real Estate	12) Hincon Finance Ltd.
7) Projektentwicklungsges. Parking Kunstmuseum A	13) Highbar Technocrat Ltd (W.e.f 12.12.2016)

**B. Key Management Personnel and Relative of Key Management Personnel**

i) Shri Ajit Gulabchand	Chairman & Managing Director
ii) Shri Rajgopal Nogja	Group Chief Operating Officer & Whole Time Director
iii) Ms. Shalaka Gulabchand Dhawan	Whole time director (from 01.05.2015)
iv) Shri Arun Karambelkar	President & Chief Executive Officer-E & C
v) Shri Praveen Sood	Group Chief Financial Officer
vi) Shri V. P. Kulkarni	Company Secretary (upto 30 July 2015)
vii) Shri Sangameshwar Iyer	Company Secretary (w.e.f. 31 July 2015)
i) Shri Arjun Dhawan	Relative of Key Management Personnel

**16 Transactions with Related Parties i.e. Parent Company & Fellow Subsidiary and Other Related Parties.**

(Amount in ₹)

Particulars of Transaction	Relationship	2016-17	2015-16	2014-15
<b>1 Outstanding Payables</b>				
1 HCC Real Estate Limited	Holding Company	<b>15,84,24,220</b>	15,84,24,220	15,84,24,220
2 Hindustan Construction Company Limited	Ultimate Holding company	<b>5,000</b>	2,500	2,500
<b>2 Outstanding receivables</b>				
1 Lavasa Corporation Limited	Fellow Subsidiary	-	2,34,60,379.00	2,34,60,379.00
2 HCC Concession Limited	Fellow Subsidiary	-	1,00,53,656.00	1,00,53,656.00

**17 Earnings per Share**

	Particulars	2016-17	2015-16
i.	Net Profit as per Statement of Profit & Loss available for Equity Shareholders (₹)	<b>(3,35,49,532)</b>	(33,048)
ii.	No. of Shares of Equity Shares for EPS Computation	<b>50,000</b>	50,000
iii.	EPS (Basic & Diluted) (₹)(Face Value of ₹ 10/- each)	<b>(670.99)</b>	(0.66)

**18** Previous year figures have been regrouped / re-classified wherever necessary.

## Ajustments to Statement of Cash Flows

### Note no.19

There were no material differences between the Statement of Cash Flow, presented under Ind AS and the previous GAAP.

#### I. Summary of Equity :

Sr. No	Particulars	31st March 2016	01st April 2015
1	Equity Share Capital	5,00,000	5,00,000
2	(+) Securities Premium	-	-
3	(+) Retained Earning	(12,45,45,370)	(12,45,12,322)
4	Share Application Money	-	-
5	<b>Total Equity under local GAAP (1+2+3+4)</b>	<b>(12,40,45,370)</b>	<b>(12,40,12,322)</b>
6	Transition cost on ICD amortised, using fair valuation method of Interest-free Deposits	-	-
7	Finance Cost (Interest) due to amortisation of ICD received from HREL	-	-
8	<b>Total Ind AS Adjustments (6+7)</b>	<b>-</b>	<b>-</b>
9	<b>Total Equity under Ind AS (5+8)</b>	<b>(12,40,45,370)</b>	<b>(12,40,12,322)</b>
10	<b>Total Equity under Ind AS (As Per Financials)</b>	<b>(12,40,45,370)</b>	<b>(12,40,12,322)</b>
11	<b>Difference (9-10)</b>	<b>-</b>	<b>-</b>

#### II. Profit Before Tax :

Sr. No	Particulars	31st March 2016
1	PBT as per I-GAAP	(33,048)
2	Finance Cost (Interest) due to amortisation of ICD received from HREL	-
3	<b>PBT under Ind AS</b>	<b>(33,048)</b>
4	<b>PBT under Ind AS (As Per Financials)</b>	<b>(33,048)</b>
5	<b>Difference (3-4)</b>	<b>-</b>

**HCC AVIATION LTD**

**Notes Forming Part of Financial Statements As On 31st March, 2017**

(All amounts are in INR Rupees, unless stated otherwise)

**Note 20 - Fair value measurements**

**(a) Significance of financial instruments :**

**Classification of financial instruments**

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Financial Assets</b>			
<b>At Amortised Cost</b>			
Trade Receivables	-	-	-
Cash and Cash equivalent	8,14,850	8,50,321	8,86,601
Other bank balances	-	-	-
<b>At Fair Value through Profit &amp; Loss</b>			
	-	-	-
<b>Total of Financial Assets</b>	<b>8,14,850</b>	<b>8,50,321</b>	<b>8,86,601</b>
<b>Financial Liabilities</b>			
<b>At Amortised Cost</b>			
Borrowings - Inter corporate deposit	15,84,24,220	15,84,24,220	15,84,24,220
Other Financial Liabilities - Interest on ICD	-	-	-
<b>Total of Financial Liabilities</b>	<b>15,84,24,220</b>	<b>15,84,24,220</b>	<b>15,84,24,220</b>

**Note 21 - Fair Value Hierarchy :**

**(a) Fair value hierarchy - Recurring fair value measurements**

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Financial Assets</b>			
<b>At Fair Value through Profit &amp; Loss</b>			
<u>Level - 1</u>	-	-	-
<b>Total of Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Financial Assets</b>			
<u>Level - 2</u>	-	-	-
<b>Total of Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>			
<u>Level - 3</u>			
Inter corporate deposit	15,84,24,220	15,84,24,220	15,84,24,220
Other Financial Liabilities - Interest on ICD	-	-	-
<b>Total of Financial Liabilities</b>	<b>15,84,24,220</b>	<b>15,84,24,220</b>	<b>15,84,24,220</b>

**Recognised fair value measurements**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**HCC AVIATION LIMITED****Notes Forming Part of Financial Statements As On 31st March, 2017**

(All amounts are in INR Rupees, unless stated otherwise)

**Note 22 - Financial risk management**

The companies 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, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — foreign exchange	-	-	-
Market risk — interest rate	-	-	-
Liquidity risk	Borrowings, Trade Payables 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 foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

**(a) Credit Risk**

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost.

**(b) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**(i) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

**As At March-2017**

	Less than 3 months	3 months to 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
<b>Non-derivatives</b>						
Borrowings	-	15,84,24,220	-	-	-	15,84,24,220
Other Financial Liabilities	-	-	-	-	-	-
Other Current liabilities	-	-	-	-	-	-
Total non-derivatives	-	15,84,24,220	-	-	-	15,84,24,220
<b>Derivatives (N.A)</b>						
	-	15,84,24,220	-	-	-	15,84,24,220

As At March-2016

	Less than 3 months	3 months to 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
<b>Non-derivatives</b>						
Borrowings	-	15,84,24,220	-	-	-	15,84,24,220
Other Financial Liabilities	-	-	-	-	-	-
Other Current liabilities	-	-	-	-	-	-
Total non-derivatives	-	15,84,24,220	-	-	-	15,84,24,220
<b>Derivatives (N.A)</b>						
	-	15,84,24,220	-	-	-	15,84,24,220

As At April-2015

	Less than 3 months	3 months to 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
<b>Non-derivatives</b>						
Borrowings	-	15,84,24,220	-	-	-	15,84,24,220
Other Financial Liabilities	-	-	-	-	-	-
Other Current liabilities	-	-	-	-	-	-
Total non-derivatives	-	15,84,24,220	-	-	-	15,84,24,220
<b>Derivatives (N.A)</b>						
	-	15,84,24,220	-	-	-	15,84,24,220

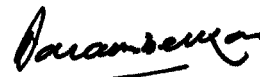
As per our report attached  
For G.D.Apte & Co.  
Chartered Accountants  
Registration No. 100 515W



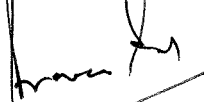
Chetan R. Sapre  
Partner  
Membership No. 116952

Place: Mumbai  
Date: 24/04/2017

For HCC Aviation Ltd



Arun Karambelkar - Director



Praveen Sood - Director



Devendra Manchekar- Director

Place: Mumbai  
Date: 24/04/2017



**HCC AVIATION LIMITED**

Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards

	Particulars	As per IGAAP	Gaap Differnce	As per IND-AS
		31.03.2016		31.03.2016
		₹		₹
I	<b>REVENUE FROM OPERATIONS</b>	-	-	-
II	<b>OTHER INCOME</b>	-	-	-
	Total Income (I+II+III)	-	-	-
IV	<b>EXPENSES</b>			
	Other Expenses	33,048	-	33,048
	Total Expenses (IV)	33,048	-	33,048
V	Profit / (Loss) before exceptional items and Tax	(33,048)	-	(33,048)
VI	Exceptional Items	-	-	-
VII	Profit Before Tax(IV - V)	(33,048)	-	(33,048)
VIII	<b>TAX EXPENSE</b>			
	(a) Current Tax			
	(b) Add: Excess / (Short) Provision of Earlier years written back / (Off)			
IX	Profit(Loss) for the year from the continuing operations	(33,048)	-	(33,048)
X	Profit / (Loss) for the year from the discontinuing operations	-	-	-
XI	Tax Expense from discontinuing operations	-	-	-
XII	Profit / (Loss) for the year from the discontinuing operations	-	-	-
XIII	<b>LOSS FOR THE YEAR</b>	(33,048)	-	(33,048)
XIV	Other comprehensive income net of Tax			
XV	Total comprehensive income attributable to Equity shareholders	(33,048)	-	(33,048)



**HCC AVIATION LTD**

**Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards**

PARTICULARS	31st March 2016		31st March 2016	31st March 2015		1st April 2015
	IGAAP	Gaap Differnce	Ind-AS	IGAAP	Gaap Differnce	Ind-AS
<b>ASSETS</b>						
<b>Current Assets</b>						
<b>Financial Assets</b>						
(i) Trade Receivables	3,35,14,035	-	3,35,14,035	3,35,14,035	-	3,35,14,035
(ii) Cash and Cash Equivalents	8,50,321	-	8,50,321	8,86,601	-	8,86,601
Other Current Assets	39,018	-	39,018	35,785	-	35,785
	<b>3,44,03,373</b>		<b>3,44,03,373</b>	<b>3,44,36,420</b>		<b>3,44,36,420</b>
<b>EQUITY AND LIABILITIES</b>						
<b>(1) Equity</b>						
(a) Equity Share Capital	500000	-	500000	500000	-	500000
(b) Other Equity	(12,45,45,370)	-	(12,45,45,370)	(12,45,12,322)	-	(12,45,12,322)
<b>LIABILITIES</b>						
<b>(3) Current Liabilities</b>						
(a) Financial Liability	15,84,24,220	-	15,84,24,220	15,84,24,220	-	15,84,24,220
(b) Other Current Liabilities	24,523	-	24,523	24,523	-	24,523
	<b>3,44,03,373</b>	-	<b>3,44,03,373</b>	<b>3,44,36,420</b>	-	<b>3,44,36,420</b>