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Registered number: 02641437

AIR LIVERY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

AIR LIVERY LIMITED

COMPANY INFORMATION

Directors	Anand Bhaskar Dhanyamraju Michael Peter Schulhof Suresh Kumar Soni Mark Thomas
Company secretary	Mark Thomas
Registered number	02641437
Registered office	Southern House Liberator Road Norwich Norfolk NR6 6EU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB

AIR LIVERY LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activity

The principal activity of the company during the year was that of the painting of aircraft.

Results and dividends

The profit for the year, after taxation, amounted to £517,482 (2017: £542,172).

Company turnover for the year was £16.55m *(2017: £16.90m)* generating a profit before tax of £676k *(2017: £728k)*. EBITDA for the year was £1,192k (2017: £1,200k).

Particulars of dividends paid are declared in note 13 to the financial statements.

Directors

The directors who served during the year were:

Anand Bhaskar Dhanyamraju
Michael Peter Schulhof
Suresh Kumar Soni
Mark Thomas (appointed 18 April 2017)

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Matters covered in the strategic report

The business review and key performance indicators, principal risks and uncertainties, future developments and financial risk management policies and objectives formerly included in the Directors Report have been included in the Strategic Report for the current period.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

M. W. Thomas

Mark Thomas
Director

Date: 16 May 2018

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The directors present their Strategic Report for the year ended 31 March 2018.

Business review

The continuation of the weak GBP against the Euro into the year ended 31 March 2018 has had a favourable effect on results. Market competition continues to be high although a number of airlines have closed their in-house paint shops resulting in more aircraft requiring paint jobs. During the current year the company has experienced a high number of cancellations and delays which has resulted in a lower turnover but EBITDA has been maintained.

Key performance indicators

The directors continue to use both financial and non financial key performance indicators to manage the business. The business maintains a strong management information function which is focused on regular and accurate reporting. Such reporting sees particular focus on project margins and profitability. The financial key performance indicators for the year ended 31 March 2018 with comparatives for the year ended 31 March 2017 are as follows:

	2018	*2017*
	£	*£*
Turnover (£'000)	**16,553**	*16,902*
Gross Profit (£'000)	**6,224**	*6,387*
Gross Margin (%)	**38**	*38*
EBITDA (£'000)	**1,192**	*1,200*
EBITDA (%)	**7**	*7*

The key non financial key performance indicator is staff numbers, which have reduced slightly to 159 *(2017: 172)*.

The business is cyclical due to most European airlines being much busier in the summer. Therefore Air Livery is a full capacity in the winter months and much slower in the summer. The slower summer in 2018 has resulted in a reduction of employees.

Principal risks and uncertainties

The principal risks for the business revolve around the uncertainty in the economy and especially the airline industry. Secondly there is a risk of aircraft not flying due to the closure of airspace for any number of reasons. Finally the fact that the business is cyclical resulting in a slow down over the summer period when all aircraft are flying presents a challenge to the business.

Future developments

The company will continue to put a strong emphasis on customer service and new business generation in order to meet the needs of a very challenging market place. The company will continue to produce a high quality job and strive to grow by primarily adding winter capacity.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Financial risk management policies and objectives

The company's operations expose it to limited financial risks that include credit risk, liquidity risk, currency risk and interest rate risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit risk:
The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Credit insurance is also maintained where available and if not available generally customers are requested to pay prior to completion of the job. Reports are reviewed on a daily basis detailing customers who have exceeded their credit limits or who are late in remitting payments.

Liquidity risk:
The company maintains a mixture of long term and short term external finance that is designed to ensure the company has sufficient available funds for operations.

Currency risk:
The company operates internationally giving rise to exposure from changes in foreign exchange rates, particularly the Euro. The directors use a mixture of forward currency contracts as well as taking advantage of the spot rate when favourable.

Interest rate risk:
The company has minimal external finance therefore the directors do not consider interest rate to be a significant risk.

This report was approved by the board and signed on its behalf.

M.W.Thomas

Mark Thomas
Director

Date: 16 May 2018

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AIR LIVERY LIMITED

Opinion

We have audited the financial statements of Air Livery Limited for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

Grant Thornton

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

GrantThornton

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AIR LIVERY LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Grant Thornton UK LLP.

Stephen Eagling (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Norwich

16 May 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	*2017 £*
Turnover	4	**16,552,676**	*16,902,418*
Cost of sales		**(10,329,163)**	*(10,515,113)*
Gross profit		**6,223,513**	*6,387,305*
Distribution costs		**(3,103,987)**	*(3,038,425)*
Administrative expenses		**(1,966,192)**	*(2,187,197)*
Other operating income	5	**38,500**	*38,500*
Earnings before Interest, Tax, Depreciation and Amortisation		**1,191,834**	*1,200,183*
Depreciation and Amortisation		**(490,328)**	*(366,800)*
Operating profit	6	**701,506**	*833,383*
Interest receivable	10	**18,671**	*22,915*
Interest payable	11	**(44,438)**	*(128,054)*
Profit before tax		**675,739**	*728,244*
Tax on profit	12	**(158,257)**	*(186,072)*
Profit for the financial year		**517,482**	*542,172*

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 12 to 30 form part of these financial statements.

AIR LIVERY LIMITED
REGISTERED NUMBER:02641437

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note		2018 £		2017 £
Fixed assets					
Intangible assets	14		**1,125,373**		*1,243,834*
Tangible assets	15		**1,772,871**		*1,112,106*
Investments	16		**5,169,479**		*5,169,479*
			8,067,723		*7,525,419*
Current assets					
Stocks	17	**777,307**		*826,104*	
Debtors: amounts falling due within one year	18	**3,834,415**		*2,941,269*	
Cash at bank and in hand	19	**270,946**		*218,329*	
		4,882,668		*3,985,702*	
Creditors: amounts falling due within one year	20	**(4,581,806)**		*(3,618,050)*	
Net current assets			**300,862**		*367,652*
Total assets less current liabilities			**8,368,585**		*7,893,071*
Creditors: amounts falling due after more than one year	21		-		*(41,539)*
Provisions for liabilities					
Deferred tax	22		**(71,235)**		*(71,664)*
Net assets			**8,297,350**		*7,779,868*
Capital and reserves					
Called up share capital	23		**6,917,596**		*6,917,596*
Capital redemption reserve	24		**13,125**		*13,125*
Profit and loss account	24		**1,366,629**		*849,147*
			8,297,350		*7,779,868*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M.W. Thomas

Mark Thomas
Director

Date: 16 May 2018

The notes on pages 12 to 30 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	6,917,596	13,125	849,147	7,779,868
Comprehensive income for the year				
Profit for the year	-	-	517,482	517,482
Total comprehensive income for the year	-	-	517,482	517,482
Dividends: Equity capital	-	-	-	-
Total transactions with owners	-	-	-	-
At 31 March 2018	6,917,596	13,125	1,366,629	8,297,350

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	6,917,596	13,125	1,846,975	8,777,696
Comprehensive income for the year				
Profit for the year	-	-	542,172	542,172
Total comprehensive income for the year	-	-	542,172	542,172
Dividends: Equity capital	-	-	(1,540,000)	(1,540,000)
Total transactions with owners	-	-	(1,540,000)	(1,540,000)
At 31 March 2017	6,917,596	13,125	849,147	7,779,868

The notes on pages 12 to 30 form part of these financial statements.

1. General information

Air Livery Limited is a private limited liability company incorporated in England and Wales. The registered office of the company is Southern House, Liberator Road, Norwich, Norfolk, NR6 6EU.

The principal activity of the company during the year was that of the painting of aircraft.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the report of the Directors and the Strategic report.

The company has sufficient financial resources and is expected to continue to generate positive cash flows from its operating activities for the foreseeable future.

As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Exemption from consolidated accounts

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company is consolidated within the consolidated accounts of its parent undertaking Air Works India (Engineering) Pvt. Ltd. These consolidated accounts are prepared in accordance with the EC Seventh Directive and will be filed at the same time as these company only accounts in accordance with the Companies Act 2006 requirements.

2.4 Turnover

The turnover shown in the Statement of Comprehensive Income represents amounts invoiced during the period, exclusive of Value Added Tax. Turnover is recognised when the company has earned the right to the consideration by fulfilling its duties. This is based on completion of each job when the aeroplane is released back to the customer.

2. *Accounting policies (continued)*

2.5 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":
- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;

This information is included in the consolidated financial statements of Air Works India (Engineering) Pvt Ltd as at 31 March 2018.

2.6 Intangible assets

Purchased goodwill is capitalised at cost. Goodwill recognised on the transfer of trade and assets from a subsidiary undertaking is recognised at the fair value of the net assets transferred and the value of the investment is reduced accordingly.

Amortisation is calculated so as to write off the cost of goodwill, less its estimated residual value, over the useful economic life of that asset.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- over the period of the lease
Plant and machinery	- 15% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.8 Fixed asset investments

investments held by the company represent investments in subsidiary undertakings and are recorded at cost, less provision for impairment.

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Invoice discounting

Where debts are invoice discounted the separate presentation is shown with the gross amount of the debts included within trade debtors and the advances received from invoice discounting being shown as a liability included within creditors.

2.14 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2. Accounting policies (continued)

2.14 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Compound instruments comprise both a liability and an equity component. At date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar debt instrument. The liability element is accounted for as a financial liability. The residual is the difference between the net proceeds of issue and the liability component (at time of issue). This residual is the equity component, which is accounted for as an equity instrument.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.16 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'interest payable or receivable'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenditure'.

2.17 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.19 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2. Accounting policies (continued)

2.20 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

To be able to prepare accounts according to generally accepted accounting principles, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial statements. These estimates are based on historical experience and various other assumptions that management and the Board of directors believe are reasonable under the circumstances. The results of this form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

The only material judgement within the financial statements relates to the fire at the Southend hangar and the potential penalties that may arise in respect of this. The directors have concluded that it is not possible to reliably estimate the quantum, if any, of any penalties that may arise in respect of this matter and therefore no provision is included within the financial statements. Further details in respect of this are provided within note 25 to the financial statements.

4. Turnover

The whole of the turnover is attributable to one class of business.

Analysis of turnover by country of destination:

	2018 £	*2017* *£*
United Kingdom	**6,742,440**	*6,149,234*
Rest of Europe	**9,425,352**	*10,392,711*
Rest of the world	**384,884**	*360,473*
	16,552,676	*16,902,418*

5. Other operating income

	2018 £	*2017* *£*
Net rents receivable	**38,500**	*38,500*

6. Operating profit

The operating profit is stated after charging/(crediting):

	2018 £	*2017* *£*
Depreciation of tangible fixed assets	**371,867**	*248,340*
Amortisation of intangible assets, including goodwill	**118,461**	*118,460*
Profit on disposal on assets	**(180,885)**	*(9,222)*
Exchange differences	**(161,030)**	*(101,786)*
Land and buildings operating lease rentals	**1,170,599**	*1,141,812*
Other operating lease rentals	**12,397**	*20,898*
Defined contribution pension cost	**31,107**	*30,508*

7. Auditor's remuneration

	2018 £	*2017* *£*
The auditing of accounts of associates of the company pursuant to legislation	**15,000**	*13,750*
Services relating to taxation	**4,075**	*2,700*
Services relating to overseas branches	**13,526**	*13,720*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	*2017* *£*
Wages and salaries	**4,865,702**	*5,149,963*
Social security costs	**569,716**	*596,866*
Cost of defined contribution scheme	**31,107**	*30,508*
	5,466,525	*5,777,337*

In addition to the payroll costs disclosed above the company paid a management charge of £247,727 (2016: £275,527) to its parent undertaking for the services of certain employees of Air Works UK Engineering Limited.

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	*2017* *No.*
Production	**135**	*149*
Administrative	**24**	*23*
	159	*172*

9. Directors' remuneration

	2018 £	*2017* *£*
Directors' emoluments	**97,906**	-

No director accrued benefits under company pension schemes *(2017: £Nil).*

The directors emoluments disclosed above relate to a recharge from Air Works UK Engineering Limited for the services of one of the directors of Air Livery Limited.

10. Interest receivable

	2018 £	*2017* *£*
Other interest receivable	**18,671**	*22,915*

11. Interest payable and similar charges

	2018 £	2017 £
Bank interest payable	-	*20,095*
Exchange losses	**33,074**	*95,059*
Other interest payable	**11,364**	*12,900*
	44,438	*128,054*

12. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	**161,494**	*182,264*
Adjustments in respect of previous periods	**(2,808)**	*1,404*
Total current tax	**158,686**	*183,668*
Deferred tax		
Origination and reversal of timing differences	**5,929**	*3,043*
Adjustments in respect of previous periods	**(6,358)**	*(639)*
Total deferred tax	**(429)**	*2,404*
Taxation on profit on ordinary activities	**158,257**	*186,072*

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2017: higher than)* the standard rate of corporation tax in the UK of 19% *(2017: 20%)*. The differences are explained below:

	2018	*2017*
	£	*£*
Profit on ordinary activities before tax	**675,739**	*728,244*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	**128,390**	*145,649*
Effects of:		
Expenses not deductible for tax purposes	**39,730**	*37,796*
Adjustments to tax charge in respect of prior periods	**(9,166)**	*765*
Changes in rates	**(697)**	*1,862*
Total tax charge for the year	**158,257**	*186,072*

During the year Air Livery was charged £158,990 for group relief claimed from Air Works UK Engineering *(2017: £179,864)*.

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 20% to 17% by 1 April 2020 was included in the Finance Act 2016 and has since become substantively enacted. Deferred tax has been provided for at 17% in these financial statements.

13. Dividends

	2018	*2017*
	£	*£*
Ordinary shares	-	*1,540,000*

14. Intangible assets

	Goodwill
	£
Cost	
At 1 April 2017	**2,369,207**
At 31 March 2018	**2,369,207**
Amortisation	
At 1 April 2017	**1,125,373**
Charge for the year	**118,461**
At 31 March 2018	**1,243,834**
Net book value	
At 31 March 2018	**1,125,373**
At 31 March 2017	*1,243,834*

Amortisation of intangible fixed assets is included in administrative expenses.

15. Tangible fixed assets

	Leasehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 April 2017	**918,561**	**2,339,859**	**82,531**	**234,604**	**3,575,555**
Additions	-	**548,677**	**18,173**	**22,394**	**589,244**
Transfers intra group	-	**696,881**	-	-	**696,881**
Disposals	-	**(198,896)**	**(5,665)**	**(26,389)**	**(230,950)**
At 31 March 2018	**918,561**	**3,386,521**	**95,039**	**230,609**	**4,630,730**
Depreciation					
At 1 April 2017	**455,446**	**1,727,308**	**68,176**	**212,519**	**2,463,449**
Charge for the year on owned assets	**44,432**	**313,581**	**4,264**	**9,590**	**371,867**
Transfers intra group	-	**202,799**	-	-	**202,799**
Disposals	-	**(152,044)**	**(1,889)**	**(26,323)**	**(180,256)**
At 31 March 2018	**499,878**	**2,091,644**	**70,551**	**195,786**	**2,857,859**
Net book value					
At 31 March 2018	**418,683**	**1,294,877**	**24,488**	**34,823**	**1,772,871**
At 31 March 2017	*463,115*	*612,551*	*14,355*	*22,085*	*1,112,106*

16. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2017	**5,960,155**
At 31 March 2018	**5,960,155**
Impairment	
At 1 April 2017	**790,676**
At 31 March 2018	**790,676**
Net book value	
At 31 March 2018	**5,169,479**
At 31 March 2017	*5,169,479*

Subsidiary undertakings

The following were subsidiary undertakings of the company
(* denotes held by a subsidiary undertaking):

Name	Class of shares	Holding	Principal activity
Air Livery ATE France	Ordinary & Preference	100 %	Holding company
Aero Technique Espace *	Ordinary	100 %	Aircraft painting
Air Livery India Private Ltd	Ordinary	100 %	Aircraft painting

Air Livery ATE France and Aero Technique Espace are incorporated in France. Air Livery India Private Ltd is incorporated in India.

17. Stocks

	2018 £	*2017 £*
Raw materials and consumables	**774,742**	*637,542*
Work in progress	**2,565**	*188,562*
	777,307	*826,104*

Stock recognised in cost of sales during the year as an expense was £4,124,754 (2017: £3,861,168).

18. Debtors

	2018 £	*2017 £*
Trade debtors	**2,082,744**	*2,133,303*
Amounts owed by group undertakings	**957,295**	*265,339*
Other debtors	**326,574**	*283,012*
Prepayments and accrued income	**467,802**	*259,615*
	3,834,415	*2,941,269*

19. Cash and cash equivalents

	2018 £	*2017 £*
Cash at bank and in hand	**270,946**	*218,329*

20. Creditors: Amounts falling due within one year

	2018 £	*2017 £*
Trade creditors	**2,376,852**	*1,811,901*
Amounts owed to group undertakings	**9,698**	-
Other taxation and social security	**149,962**	*177,897*
Advances from commercial invoice discounting	**635,630**	*467,518*
Other creditors	**53,528**	*63,761*
Accruals and deferred income	**1,356,136**	*1,096,973*
	4,581,806	*3,618,050*

Advances from commercial invoice discounting are secured on the book debts of the company.

21. Creditors: Amounts falling due after more than one year

	2018 £	*2017 £*
Accruals and deferred income	-	*41,539*

22. Deferred taxation

	2018 £
At beginning of year	**(71,664)**
Charged to the profit or loss	**429**
At end of year	**(71,235)**

The provision for deferred taxation is made up as follows:

	2018 £	*2017 £*
Accelerated capital allowances	**(71,235)**	*(71,664)*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

23. Share capital

	2018 £	*2017 £*
Allotted, called up and fully paid		
38,500 Ordinary Shares of £1 each	**38,500**	*38,500*
6,879,096 Preference shares of £1 each	**6,879,096**	*6,879,096*
	6,917,596	*6,917,596*

The rights attached to the different classes of shares are as follows:

Ordinary shares

- Payment of dividends as determined by the company in general meeting.
- One vote per share.
- Residue of assets in the event of a winding up order.

Preference shares

- No entitlement to a dividend.
- No voting rights.
- Distribution of nominal value in the event of a winding up order in preference to other share classes.
- The preference shares can be redeemed, at par, at the option of the company at any time without the requirement to gain the permission of the holders of the shares.

24. Reserves

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve which arose following the redemption of the company's own shares.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

25. Contingent liabilities

During the year there was a fire at the company's Southend hangar which caused extensive damage. An investigation into this incident was carried out by the Health and Safety Executive (HSE) which has identified potential breaches of health and safety legislation. The company has taken appropriate legal advice in respect of this matter and have provided the HSE with written submissions on matters it wishes the HSE to take into account when deciding whether or not to prosecute the company. The directors consider that any potential breaches did not contribute materially to the incident and there was no harm to any individuals as a result of the fire. At the date of signing the financial statements the directors are unable to conclude whether the HSE will seek to take any enforcement action, up to and including prosecution. In the event that further action is taken by the HSE, there is the potential for penalties to be levied against the company, however the directors are currently unable to reliably estimate the quantum of any penalties that may arise. Accordingly, no provision has been included within the financial statements in respect of this matter.

26. Pension commitments

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account in the period in which they accrue and amounted to £31,107 *(2017: £30,508)*. At the period end there were outstanding pension contributions of £1,030 *(2017: £1,709)*.

27. Commitments under operating leases

At 31 March 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	*2017* £
Not later than 1 year	**1,182,996**	*1,171,431*
Later than 1 year and not later than 5 years	**4,164,093**	*4,338,145*
Later than 5 years	**5,174,729**	*5,962,050*
	10,521,818	*11,471,626*

28. *Related party transactions*

Transactions with subsidiary undertakings.
The company has taken advantage of the exemptions available under FRS 102 section 33 whereby wholly owned subsidiary undertakings do not have to disclose transactions with other wholly owned members of that group.

Transactions with parent undertakings
During the year the company paid expenses totalling £31,661 (2017: £40,262) on behalf of and paid dividends totalling £Nil (2017: £1,540,000) to Air Works UK Engineering Limited. The company also made purchases totalling £87,063 (2017: £313,066), sales totalling £410,528 (2017: £Nil), rental charge of £Nil (2017: £146,096) and incurred a management charge of £256,768 (2017: £275,527) to/from Air Works UK Engineering Limited. During the period the company also provided a loan of £426,552 (2017: 1,343,661) with interest of £5,890 (2017: £22,099) being charged. The total amount owed by Air Works UK Engineering Limited at the year end was £131,645 (2017: £375,784 due to parent).

The company has made sales and recharged costs amounting to £39,515 (2017: £127,352) and made purchases of £Nil (2017: £16,096) during the year to Air Works India Engineering Pvt. Ltd and a balance of £19871 (2017: £60,084) remains outstanding at the year end.

Air Works UK Engineering Limited has surrendered tax losses of £836,792 *(2017: £896,320)* to the company. A charge of £158,990 *(2017: £179,264)* was made in relation to this.

Key Management Personnel
The company considers its key management personnel to be its directors, and members of senior management, some of which are employed by the parent company Air Works UK Engineering Limited. It is considered that these individuals have authority and responsibility for planning, directing and controlling the activities of the entity.

The aggregate compensation of key management personnel, comprised of salaries paid by Air Livery Limited, and management charges from Air Works UK Engineering Limited relating to the salaries paid to senior management in that company, amount to £315,389 *(2017: £295,474)*.

No other transactions took place with key management personnel during the year *(2017: none)*.

29. Controlling party

The company's immediate parent is Air Works UK Engineering Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Air Works India Engineering Pvt Ltd, a company incorporated in India. No one party is considered to have control of Air Works India Engineering Pvt Ltd.

The company is consolidated within the consolidated accounts of its parent undertaking Air Works India (Engineering) Pvt Ltd. These consolidated accounts are prepared in accordance with the EC Seventh Directive and will be filed at the same time as these company only accounts in accordance with Companies Act 2006 requirements.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

4th Floor, Office 405
World Mark - 2, Asset No. 8
IGI Airport Hospitality District, Aerocity
New Delhi - 110 037, India
Tel : +91 11 6122 9500

INDEPENDENT AUDITOR'S REPORT

To the Members of Air Works India (Engineering) Private Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Air Works India (Engineering) Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint controlled entities and associate, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its joint controlled entities and associate in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint controlled entities and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint controlled entities and associate and for preventing and detecting frauds and other irregularities; the 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 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 thereunder. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as

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well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for qualified opinion

The Group has investment in one overseas subsidiary whose total assets as at March 31, 2018 are Rs. 1,680,344 and net assets as at March 31, 2018 are Rs. (2,174,514), investment in one associate and seven jointly controlled entities whose share of loss aggregating to Rs. 75,213,489 has been included in consolidated financial statements based on unaudited financial statements complied by the management. In the absence of audited financial statements of this subsidiary, associate and jointly controlled entities, we are unable to comment upon the consequential effects, if any, on the accompanying consolidated financial statements had the financial statements of this subsidiary, jointly controlled entities and associate had been audited and made available to us.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, jointly controlled entities and associate except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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, of consolidated the state of affairs of the Group, its jointly controlled entities and associate as at March 31, 2018, of their consolidated loss including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements and other financial information, in respect of 12 subsidiaries, whose Ind AS financial statements include total assets of Rs. 8,984,364,544 and net assets of Rs. 3,966,907,118 as at March 31, 2018, and total revenues of Rs. 4,099,556,537 and net cash inflows of Rs. 33,450,110 for the year ended on that date. These financial statement and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 5,491,483 for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of one joint controlled entity, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity is based solely on the report(s) of such other auditors.

Certain of these subsidiaries, jointly controlled entities and associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries or have been consolidated based on unaudited management certified accounts. The Company's management has converted the financial statements of such subsidiaries, jointly controlled entities and associate located outside India from accounting principles generally accepted in their respective countries to accounting

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principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, jointly controlled entities and associate, located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, joint controlled entities and associate, as noted in the 'other matter' paragraph, to the extent applicable, we report that:

(a) Except for the matter described in the Basis for Qualified Opinion paragraph, 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 aforesaid consolidated Ind AS financial statements;

(b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as appears from our examination of those books and the reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, its subsidiaries and subsidiaries of its jointly controlled companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its jointly controlled entity incorporated in India, refer to our separate report in "Annexure 1" to this report;

(h) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries and jointly controlled companies incorporated in India for the year ended March 31, 2018.

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(i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, jointly controlled entities and associate, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its jointly controlled entities and associate – Refer Note 31 to the consolidated Ind AS financial statements;

ii. The Group, its jointly controlled entities and associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and subsidiaries of jointly controlled entities, incorporated in India during the year ended March 31, 2018.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921
Place of Signature: New Delhi
Date: 21\11\2018

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AIR WORKS INDIA (ENGINEERING) PRIVATE LIMTED

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

In conjunction with our audit of the consolidated financial statements of Air Works India (Engineering) Private Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Air Works India (Engineering) Private Limited (hereinafter referred to as the "Holding Company"), which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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

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

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

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditor in terms of their report referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Qualified Opinion

According to the information and explanations given to us, the following material weakness has been identified as at March 31, 2018:

The Holding Company's internal financial control over process of consolidation of unaudited financial statement of overseas subsidiaries, jointly controlled entities and associate in certain cases (refer para basis of qualified opinion in the main report) could result in potential misstatement in the preparation of consolidated financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company, which is incorporated in India, has, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to a jointly controlled entity, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

We also have audited, 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, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated

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S.R. BATLIBOI & CO. LLP
Chartered Accountants

Statement of Profit and Loss, Consolidated Cash Flow Statement and consolidated statement of change in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated November 21, 2018 expressed a Qualified opinion on the consolidated financial statements.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per Anil Gupta
Partner
Membership Number: 87921
Place of Signature: New Delhi
Date: 21/11/2018

Air Works India (Engineering) Private Limited
Consolidated Balance Sheet as at March 31, 2018

Particulars	Note No.	March 31, 2018 INR	March 31, 2017 INR
ASSETS			
Non-current assets			
Property, Plant and Equipments	3	811,869,474	814,285,132
Capital work-in-progress	3	19,982,922	21,542,104
Goodwill on consolidation	4	2,276,614,202	2,265,087,040
Other Intangible assets	4	445,395,303	466,067,297
Intangible assets under development	4	39,496,357	35,058,982
Investments in Associate and joint ventures	5	800,076,615	866,929,315
Financial Assets			
(i) Loans	8.1	1,500,000	136,248
(ii) Other Financial Assets	8.2	74,426,491	41,866,886
Tax Assets	-	245,029,917	184,726,293
Deferred tax assets (net)	9	169,795,059	173,951,354
Other Assets	10	65,141,598	67,037,359
Total Non - Current Assets		**4,949,327,938**	**4,936,688,010**
Current assets			
Inventories	11	316,277,015	281,262,114
Financial Assets			
(i) Trade receivables	6	1,748,082,682	1,903,303,947
(ii) Cash and cash equivalents	12	446,058,641	267,687,444
(iii) Other bank balances	7	450,286,932	497,771,020
(iv) Loans	8.1	4,386,352	4,107,698
(v) Other Financial Assets	8.2	302,850,638	208,756,215
Current Tax Assets		17,342,314	13,803,390
Other Assets	10	202,406,969	144,073,013
Total Current Assets		**3,487,691,543**	**3,320,764,841**
Total Assets		**8,437,019,481**	**8,257,452,851**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	491,500,632	491,500,622
Other Equity			
- Securities Premium	14.1	3,031,473,497	3,031,472,850
- Retained Earnings	14.2	(1,270,692,917)	(1,078,072,609)
- Employee Stock Option Reserve	14.3	214,721,186	256,226,415
- Other comprehensive Income	14.4	44,465,879	15,426,797
Non Controlling interest	14.5	2,754,524	15,836,456
Total equity		**2,514,222,801**	**2,732,390,531**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	15.1		
(ii) Other financial liabilities	17	441,616,928	448,981,474
Deferred tax liabilities (Net)	9	6,500,336	5,833,880
Provisions	18	140,894,367	112,643,675
Other non-current liabilities	19	1,666,667	1,166,667
Total Non - Current Liabilities		**590,678,298**	**568,625,696**
Current liabilities			
Financial Liabilities			
(i) Short term borrowings	15.2	1,334,106,239	762,476,404
(ii) Trade payables	16	1,531,034,760	1,438,107,384
(iii) Other financial liabilities	17	2,094,759,770	2,362,106,344
Provisions	18	177,652,874	174,730,190
Current Tax Liabilities		1,410,608	4,558,442
Other current liabilities	19	193,154,131	214,457,860
Total Current Liabilities		**5,332,118,382**	**4,956,436,624**
Total Equity and Liabilities		**8,437,019,481**	**8,257,452,851**

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Anil Gupta
Partner
Membership no.: 87921

Place: New Delhi
Date: November 21, 2018

S.R. BATLIBOI & CO. LLP
NEW DELHI

For and on behalf of the board of directors of
Air Works India (Engineering) Private Limited

Ravi S. Menon
Executive Director
DIN: 00327180
Place: Mumbai
Date: November 21, 2018

Luv Chhabra
Director
DIN: 00005413
Place: Gurgaon
Date: November 21, 2018

D Anand Bhaskar
Chief Executive Officer
Place: Gurgaon
Date: November 21, 2018

Air Works India (Engineering) Private Limited
Consolidated Statement of Profit and Loss as on March 31, 2018

Particulars	Note No.	March 31, 2018 INR	March 31, 2017 INR
Revenue from operations	20	6,033,314,420	5,938,310,723
Finance Income	21	36,123,822	67,083,566
Other Income	22	141,619,953	119,970,720
Total Revenue		**6,211,058,195**	**6,125,365,009**
EXPENSES			
Cost of materials consumed	23.a	578,728,791	647,308,955
Purchases of traded goods		216,978,563	271,063,871
(Increase) / Decrease in stock of traded goods	23.b	16,085,866	(15,082,822)
Employees benefits expenses	24	2,318,792,934	2,385,081,331
Finance costs	25	311,820,595	400,532,986
Depreciation and amortisation expenses	26	194,381,217	193,884,929
Other expenses	27.a	2,623,652,000	2,646,184,514
Total Expenses		**6,260,439,966**	**6,528,973,764**
Share of loss in associate and Joint Ventures (net)	49	**(69,722,324)**	**(41,306,752)**
(Loss) before tax and exceptional items		**(119,104,095)**	**(444,915,507)**
Exceptional items	27.b	64,658,080	157,340,738
(Loss) before tax		**(183,762,175)**	**(602,256,245)**
Tax Expense			
- Current tax		1,607,342	1,657,088
- Deferred tax charge/(credit)	9	2,261,888	(40,866,524)
- Deferred tax charge for earlier years	9	1,260,235	-
- Income tax adjustments for earlier years (net)		(2,837,858)	7,675,111
Total tax expense		**2,291,607**	**(31,534,325)**
(Loss) for the year after tax		**(186,053,782)**	**(570,721,920)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (loss)		2,661,381	(1,706,535)
Income tax relating to items that will not be reclassified to profit or loss		(597,495)	557,498
Share of (loss)/profit in associate and joint ventures - Remeasurements of the defined benefit (loss)	49	(707,227)	-
Items that will be reclassified to profit or loss			
Net loss on hedge of a loan		18,464,199	(5,494,771)
Exchange differences on translation of foreign entities	14.4	10,354,196	(67,163,993)
Other comprehensive income		**30,175,054**	**(73,807,801)**
Total comprehensive income for the year		**(155,878,728)**	**(644,529,721)**
(Loss) for the year attributable to			
Equity holders of parent		(173,017,221)	(570,267,025)
Non controlling interests (including INR 8,083,807 for earlier years)		(13,036,561)	(454,895)
Other comprehensive income attributable to			
Equity holders of parent		30,115,498	(73,702,401)
Non controlling interests		59,556	(105,400)
Total comprehensive income attributable to			
Equity holders of parent		(142,901,723)	(643,969,426)
Non controlling interests (including INR 8,083,807 for earlier years)		(12,977,005)	(560,294)
Total comprehensive income for the year		**(142,901,723)**	**(643,969,426)**
Earnings per equity share (nominal value of share INR 1 (March 31, 2017: INR 1))	28		
Basic and Diluted			
Computed on the basis of total (loss) for the year		(2.30)	(7.57)
Summary of significant accounting policies	2		

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Anil Gupta
Partner
Membership no.: 87921

Place: New Delhi
Date: November 21, 2018

For and on behalf of the board of directors of
Air Works India (Engineering) Private Limited

Ravi S. Menon
Executive Director
DIN: 00327180
Place: Mumbai
Date: November 21, 2018

Luv Chhabra
Director
DIN: 00005413
Place: Gurgaon
Date: November 21, 2018

S.R. BATLIBOI & CO. LLP NEW DELHI

D Anand Bhaskar
Chief Executive Officer
Place: Gurgaon
Date: November 21, 2018

Air Works India (Engineering) Private Limited
Statement of Consolidated Cash Flow for the year ended March 31, 2018

	Note No	March 31, 2018 INR	March 31, 2017 INR
Cash flow from operating activities			
(Loss) before tax		**(183,762,175)**	**(602,256,243)**
Adjustments to reconcile (loss)/profit before tax to net cash flows			
Depreciation/ amortization	26	194,381,217	193,884,929
Share in loss of associate and Joint ventures (net)	49	69,722,324	41,306,752
Unrealized foreign exchange (Gain)/Loss		(12,397,874)	(561,125)
(Profit)/loss on disposal of tangible assets	22	(14,589,460)	(996,620)
(Profit) on disposal of intangible assets	22	(3,004,452)	(2,756,823)
Interest on security deposit	22	(2,242,776)	(2,796,040)
Deposit Amortisation expense	27a	4,840,043	5,550,861
Intangible assets under development written off	27a	3,683,230	14,707,152
Fair valuation of financial instruments	27a	-	207,287,397
Provision for inventory	23	(4,198,785)	76,588,543
Net loss/(gain) on Fair value hedges		-	(1,171,839)
Irrecoverable balances earlier written off now recovered	22	(5,834,351)	(12,819,840)
Cash-settled share-based payments	22	-	(15,486,916)
Irrecoverable balances written off	27a	708,457	520,914
Employee stock option expense	24	(41,505,229)	53,125,984
Provision for impairment allowance including provision for doubtful debts	27a	2,702,340	27,356,682
Amortised finance cost	25, 27b	9,117	248,047,708
Interest Income	21	(33,881,045)	(63,388,891)
Unspent liabilities written back	22	(66,232,022)	(16,398,110)
Deferred income on deposits	22	-	(698,634)
Interest cost on deferred lease payments	25	81,940,080	82,892,102
Interest expense	25	216,874,679	220,931,151
Operating profit before working capital changes		**207,213,318**	**452,669,094**
Movements in working capital :			
Increase / (Decrease) in Provisions	18	33,834,757	(478,724)
Increase in Trade payables, financial and other liabilities	16,17,19	133,029,965	245,055,066
(Increase) in Trade receivables	6	157,897,835	(182,236,359)
(Increase) in loans and other financial assets	8.1,8.2	(114,260,142)	(10,378,809)
(Increased)Decrease in other assets	10	(55,366,165)	63,862,210
(Increase) in Inventories	11	(30,816,116)	(35,369,958)
Cash generated from operations		**331,513,452**	**533,122,520**
Direct taxes paid (net of refunds)		(65,759,865)	117,692,290
Net cash from operating activities (A)		**265,753,587**	**650,814,810**
Cash flows (used in) investing activities			
Purchase of property, plant and equipment, including CWIP and capital advances	3,4	(168,580,038)	(141,651,859)
Proceeds from sale of property, plant and equipment and intangible assets	3,4	26,584,368	4,730,670
Purchase of investment	5	(6,484,875)	(462,708,404)
Fixed deposits made during the year	7	(59,577,338)	(576,556,200)
Fixed deposits matured during the year	7	105,565,084	1,097,367,596
Interest received	21	30,962,886	82,012,245
Net cash from/(used in) investing activities (B)		**(71,429,913)**	**3,194,048**
Cash flows from financing activities			
Proceeds from exercise of ESOPs	13,14.1	657	-
Repayment for long-term borrowings	15.1	(258,721,259)	(1,220,916,060)
Proceeds from short-term borrowings	15.1	459,420,912	-
Repayment of short-term borrowings	15.2	(374,071,904)	(369,598,445)
(Repayment) of / Proceeds from short-term borrowings (net)	15.2	486,280,826	225,706,988
Interest cost on finance lease obligation	25	(81,940,080)	(82,892,102)
Interest paid	25	(199,912,164)	(223,686,475)
Dividend paid to non controlling interest	14.2	(20,900,190)	(33,183,224)
Net cash (used in) / from financing activities (C)		**10,156,798**	**(1,704,569,318)**
Net (decrease) / increase in cash and cash equivalents (A + B + C)		**204,480,472**	**(1,050,560,460)**
Cash and cash equivalents at the beginning of the year	12	267,687,444	1,355,044,374
Exchange Fluctuation Translation difference	14.4	(26,109,275)	(36,796,470)
Cash and cash equivalents at the end of the year		**446,058,641**	**267,687,444**
Components of cash and cash equivalents			
Cash on hand	12	14,329,521	16,123,423
Balances with banks:			
– On current accounts	12	228,103,785	229,166,602
– Deposits with original maturity of less than 3 months	12	183,450,053	6,000,000
– On EEFC Account	12	17,900,282	16,397,419
– Cheques in hand	12	2,275,000	-
Total cash and cash equivalents		**446,058,641**	**267,687,444**
Summary of significant accounting policies	2		

Note: Cash Flow from operating activities for the year ended on March 31, 2018 is after considering corporate social responsibility expenditure of INR 60,000 (March 31,2017 : INR 320,000).

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Anil Gupta
Partner
Membership no.: 87921

Place: New Delhi
Date: November 21, 2018

For and on behalf of the board of directors of
Air Works India (Engineering) Private Limited

Ravi S. Menon
Executive Director
DIN: 00327180
Place: Mumbai
Date: November 21, 2018

Luv Chhabra
Director
DIN: 00005413
Place: Gurgaon
Date: November 21, 2018

D Anand Bhaskar
Chief Executive Officer
Place: Gurgaon
Date: November 21, 2018

S.R. BATLIBOI & CO. LLP NEW DELHI

Air Works India (Engineering) Private Limited
Statement of Consolidated Changes in Equity for the year ended March 31, 2018

Statement of changes in Equity

a. Share capital

Amount In INR

	As at March 31, 2018	As at March 31, 2017
Equity Shares of INR 1 each		
No of shares	75,377,379	75,377,379
Equity share capital	75,377,379	75,377,379
Less: Amount recoverable from ESOP Trust (refer note 13)	(13,610,637)	(13,610,647)
Total	**61,766,742**	**61,766,732**
Series A Equity Shares of INR 1 each		
No. of shares	10,000	10,000
Equity share capital	10,000	10,000
Total	**10,000**	**10,000**
0.001% Compulsorily Convertible Preference Shares (CCPS) of INR 10 each		
No. of shares	42,972,389	42,972,389
Preference share capital	429,723,890	429,723,890
Total	**429,723,890**	**429,723,890**
Total	**491,500,632**	**491,500,622**

b. Other Equity

Securities Premium Account	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	**3,655,366,469**	**3,655,366,469**
Less: Amount recoverable from ESOP Trust	(623,892,972)	(623,893,619)
Balance at end of the year	**3,031,473,497**	**3,031,472,850**
Retained Earnings		
Balance at beginning of the year	**(1,078,072,610)**	**(506,761,948)**
(Loss)/Profit for the year	(173,017,221)	(570,267,023)
Dividend paid to non controlling interest of a subsidiary	(20,900,190)	
Other comprehensive Income for the year		
Share of (loss)/profit in associates and joint ventures	(707,227)	
Remeasurements of the defined benefit liabilities / (asset)	2,004,330	(1,043,638)
Balance at end of the year	**(1,270,692,917)**	**(1,078,072,610)**
Employee Stock Option Reserve		
Balance at beginning of the year	256,226,415	203,100,431
Add: created during the year	-	53,125,984
Less: reversed during the year	(41,505,229)	-
Balance at end of the year	**214,721,186**	**256,226,415**
Other comprehensive Income		
Foreign Currency Translation Reserve		
Balance at beginning of the year	20,921,568	88,085,561
Add: created during the year	10,354,196	(67,163,993)
Add: FCTR Loss taken to the statement of profit and loss on sale of investment	220,687	-
Balance at end of the year	**31,496,451**	**20,921,568**
Cash Flow Hedging Reserve		
Balance at beginning of the year	(5,494,771)	-
Add: created during the year	18,464,199	(5,494,771)
Balance at end of the year	**12,969,428**	**(5,494,771)**
Non Controlling Interest		
Balance at beginning of the year	15,836,456	16,396,750
Minority share of profit / (loss) for the year	(12,977,005)	(560,294)
Foreign Currency Translation Reserve	(104,927)	-
Balance at end of the year	**2,754,524**	**15,836,456**
Total	**2,022,722,168**	**2,240,889,907**

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Anil Gupta
Partner
Membership no.: 87921

Place: New Delhi
Date: November 21, 2018

S.R. BATLIBOI & CO. LLP
NEW DELHI

For and on behalf of the board of directors of
Air Works India (Engineering) Private Limited

Ravi S. Menon
Executive Director
DIN: 00327180
Place: Mumbai
Date: November 21, 2018

Luv Chhabra
Director
DIN: 00005413
Place: Gurgaon
Date: November 21, 2018

D Anand Bhaskar
Chief Executive Officer
Place: Gurgaon
Date: November 21, 2018

1. Corporate information

The financial statements comprise consolidated financial statements of Air Works India (Engineering) Private Limited (hereinafter referred to as the "Parent Company" or "Air Works") for the year ended 31 March 2018 along with its subsidiaries (these subsidiaries and the Parent Company hereinafter collectively referred to as the 'Air Works Group' or 'the Group'), joint ventures and its associate. The Parent Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.
The registered office of the Parent Company is located at Mumbai International Airport, Kalina Gate No 8, Santa Cruz (E), Mumbai - 400029, India.
The Group, its joint ventures and associates are principally engaged in providing comprehensive services in the field of Aviation including consultancy for fixed and rotary wing aircraft including airframe, avionics and engine modification, maintenance, repairs and overhaul ("MRO"), aircraft management, aircraft painting, charter services, aircraft and parts sales, aviation staffing and training.
Information on the Group's structure is provided in Note 2.5. Information on other related party relationships of the Group is provided in Note 32.
The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on November 21, 2018.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Group has prepared these consolidated financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act").

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

► Derivative financial instruments (refer accounting policy 2.3 (q)) and
► Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in INR and all values are rounded to the nearest rupee, except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries, joint ventures and an associate as at and for the year ended March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over The investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of The Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

In case of dividend declared by subsidiary having terms of put/call option, where in substance the minority shareholders have transferred the risks and rewards of ownership of their shares in the subsidiary company to the Group and accounts of that subsidiary are consolidated as it is wholly owned subsidiary of the group. The fair valuation of put/call option for acquiring stake of minority shareholders is disclosed as deferred consideration towards purchase of shares under other financial liability. Since the minority shareholders are still the legal shareholders, dividend/discretion dividend payments to them are adjusted as appropriation of profit

S.R. BATLIBOI & CO. LLP * NEW DELHI *

Consolidation procedure:

(a) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

(b) The difference between the cost to the Group of investment in subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.

(c) Eliminate in full intra Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra Group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra Group losses may indicate an impairment that requires recognition in the financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra Group transactions.

(d) Non controlling interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the majority shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets and liabilities.

One of the subsidiary obtained its trade license on 12 March 2017 and their first set of financial statements are prepared from 12 March 2017 to 31 March 2018. However, while preparing the consolidated financials for 2017-18, financial information from 1 April 2017 to 31 March 2018 has been considered.

2.3 Summary of significant accounting policies

a. Current versus non-current classification
The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is :
► Expected to be realised or intended to be sold or consumed in normal operating cycle
► Held primarily for the purpose of trading
► Expected to be realised within twelve months after the reporting period, or
► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:
► It is expected to be settled in normal operating cycle
► It is held primarily for the purpose of trading
► It is due to be settled within twelve months after the reporting period, or
► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.
The Group has identified twelve months as its operating cycle.

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b. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates on the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency spot rates of exchange at the reporting date.

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

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

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

c. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

External valuers are involved for significant liabilities. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Group's Board of Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
Sales tax/ value added tax (VAT)/Goods and service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rendering of services

Revenue from maintenance, consultancy and other services contracts are recognized as and when services are rendered. The Group collects service tax/Goods and services tax on behalf of the government and therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. Reimbursement revenue and reimbursement expenses are recognised separately in the statement of profit and loss as revenue and expenses except in one of subsidiary of the company.

Interest income

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

Government Grant
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Competitive employment tax receivable is recognised on a monthly basis as and when the expense of social cost is incurred.

Commission Income

Commission income is recognised on receiving the confirmation of commission from supplier, proportionately over the period between the date of placement of confirmed order by customer and the expected date of consummation of sales transaction.

Export Incentives

Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.
Export benefits under Service exports from India Scheme (SEIS), are accounted for on receipt basis, i.e. in the year of export of services or in the year export benefits are announced by the relevant government authority, to the extent the imports are made during the period considering certainity in the collection of the export proceeds.

e. Taxes

Current income tax
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 in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum alternate tax (MAT)
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is a convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and Service Tax (GST) / Sales/value added taxes paid on acquisition of assets or on incurring expenses
When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f. Property, plant and equipment ("PPE")

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its PPE recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

Items of property, PPE and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
Subsequent expenditure related to an item of PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Leasehold improvements are depreciated over the useful lives of the assets or the unexpired lease period, whichever, is lower.

In case of foreign companies comprised within the Group, depreciation on lease hold improvements is provided over the unexpired period of lease or useful life whichever is lower and depreciation on all other items of PPE is provided using the Straight Line method as per the estimated useful lives of the PPE estimated by the management, which range from 1 to 10 years. [35.26% (March 31 2017: 33.92% of total Net Block of PPE at the Air Works Group as at March 31, 2018 and 46.90% (March 31, 2017: 46.63%) of total depreciation expenses for the Air Works Group for the year ended March 31, 2018].

Depreciation on PPE at other entities within the Group is provided using the Straight Line method as per the estimated useful lives of the PPE estimated by the management, which are equal to the corresponding life prescribed under Schedule II of the Companies Act, 2013 except in case of mobile phones and Aircraft prototype, where lower life has been considered compared to life prescribed under Schedule II of the Companies Act, 2013, based on technical evaluations.

- Mobile phones* : 4 years
- Tools and equipments : 15 years
- Furniture and fixtures : 5 to 10 years
- Office equipment : 2 to 10 years
- Vehicles : 4 to 8 years
- Aircraft Prototype* : 5 years

Computers
- Servers and networks : 6 years
- End user devices, such as, desktops, laptops etc : 2 to 5 years

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*The Group, based on assessment made, depreciates certain items of furniture and fittings; and mobile handsets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

* The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, tool and equipment, aircraft prototype and second hand assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Right to use airport premises are capitalized at present value of amount payable over the period for which the right is available and amortized on a straight line basis over the period of 25 years or useful life whichever is lower.

Computer softwares are amortized over a life of 1 - 6 years.

AME Maintenance Licenses (representing cost of providing technical training to technical staff) are amortized from the date licenses are available for use over the balance bond period as per the bond agreement entered with respective employee. The AME maintenance license cost is fully amortised upon employee leaving the Parent Company.

The Group reviews the cost incurred on AME Maintenance (appearing under Intangible assets under development) at each financial year end and adjusts appropriately.

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h. Investments

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint ventures is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint ventures since the acquisition date. Goodwill relating to the associate or joint ventures is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint ventures, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint ventures are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint ventures equals or exceeds its interest in the associate or joint ventures (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint ventures. If the associate or joint ventures subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and joint ventures is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint ventures and its carrying value, and then recognises the loss as 'Impairment in the value of investments' in an associate and a joint ventures' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint ventures, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Unamortized loan processing fee in respect of long term loan is amortized fully in the year of breach of certain financial covenants of loan. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

j. Leases

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

For arrangements entered into prior to April 1 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that retains substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.
Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 2.2.(i)). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.
Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

► Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
► Stores, spares and consumables are valued at lower of cost and net realizable value. Cost of stores, spares and consumables is determined on a weighted average basis.

► Work-in-progress is valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of operating overheads. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a service category basis, which involves individual businesses considering their service lines and market conditions.

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l. Impairment of non-financial assets

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

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

m. Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

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

n. Retirement and other employee benefits

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

b. The parent company of the Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The liability as at the year end represents the difference between the actuarial valuation of the gratuity liability of employees and the fair value of the plan assets with the Life Insurance Corporation of India (LIC) as at the end of the year. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation

The Group treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose & such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non current liability.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
The date of the plan amendment or curtailment, and
The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
Net interest expense or income

Social security Costs, paid in the overseas subsidiaries, are in the nature of defined contribution schemes. The Group has no obligation, other than the contribution payable.

Two of the overseas subsidiary provides end of service benefits to its employees determined in accordance with labour law of U.A.E. in which the entities are registered. The entitlement to these benefits is based upon the employers salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

One of the overseas subsidiary provides pension benefits to its employees. These benefits are valued based on acturial valuation. These pension benefits are in the form of a defined benefit scheme.

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o. Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. Expenses or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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p. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit 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 Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- ► Debt instruments at amortised cost
- ► Debt instruments at fair value through other comprehensive income (FVTOCI)
- ► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

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Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
► The rights to receive cash flows from the asset have expired, or
► The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
b) Trade receivables or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative consolidated financial statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on:
► Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group 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.

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 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. When estimating the cash flows, an entity is required to consider:

► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

► Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group estimates the provision matrix at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

► Financial assets measured as at amortised cost, : ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.
The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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 profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
This category generally applies to borrowings. For more information refer Note 15.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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q. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

► Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
► Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.
If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses. Refer to Note 48 for more details.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.
If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s. Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker reviews the performance of the Group according to the goods traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

Unallocated items includes general corporate income and expeses which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting consolidated financial statements of the Group as a whole.

t. Treasury Shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.
Own equity instruments are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

u. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4 Recent Accounting pronouncements

Standards issued but not yet effective

The amendments to standards applicable to the Group that are issued, but not yet effective, up to the date of issuance of the Parent Company's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a. Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Parent Company is in process of carrying impact assessment study and plans to adopt the new standard on the required effective date. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the

b. Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any material impact on the Group. The Group is in process of getting impact evaluation done for of above mentioned amendment.

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c. Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group as the presently Group has no property classified as investment property.

d. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration
The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

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2.5) The Air Works Group comprises of the following entities:-

Name of the Company	Principal place of business	% of voting power held as at March 31, 2018	% of voting power held as at March 31, 2017
Subsidiaries			
Mach Air Sales Limited (till 21st september 2017) (j)	Mauritius	-	100%
Airworks MRO Services Private Limited	India	100%	100%
Air Works UK Engineering Limited	UK	100%	100%
SA Air Works India Private Limited	India	51%	51%
Empire Aircraft Management Services Pvt Ltd	India	100%	100%
Air Works France SAS	France	100%	100%
Step Down Subsidiaries			
Air Works Engineering FZE (a)	Dubai	100%	100%
Air Livery Limited (b)	UK	100%	100%
Air Livery India Private Limited (c)	India	100%	100%
Air Works Empire UK Limited (b)	UK	100%	100%
Air Livery ATE SAS (c)	France	100%	100%
Empire Aviation Group FZCO *	Dubai	72%	72%
Aero Technique Espace (d)	France	100%	100%
Empire Aviation LLC (f)	U.S.A.	57.60%	57.60%
Elan Air Charter FZCO (w.e.f. March 12, 2017) (f)	Dubai	72%	72%
Empire Aviation San Marino SARL (f)	San Marino	72%	72%
Associate			
Reignwood Empire Aviation Limited (f)	Hong Kong	35.28%	35.28%
Joint Venture			
Acumen Aviation Europe Limited (g)	Ireland	50.00%	50.00%
Argus International Inc. (g)	U.S.A.	45.00%	45.00%
Subsidiaries of Joint Venture Companies			
Acumen Technical Advisory Pvt. Ltd. (h)	India	50.00%	50.00%
Acumen Aviation Management Consultants (Beijing Limited) (h)	China	50.00%	50.00%
Acumen Aviation Americas, Inc (h)	U.S.A.	50.00%	50.00%
CAMO Support Ireland Limited (w.e.f. March 7, 2017) (h)	Ireland	50.00%	50.00%
EFC Consultancy Limited (w.e.f. February 8, 2017), (subsequently wound up on May 20, 2018) (h)	Ireland	50.00%	50.00%
Unmanned safety Institute (w.e.f. April 22, 2016) (i)	U.S.A.	45.00%	45.00%

The above investments have been accounted at cost.

(a) This entity is 100% subsidiary of Airworks MRO Services Private Limited
(b) These entities are 100% subsidiaries of Air Works UK Engineering Limited
(c) These entities are 100% subsidiaries of Air Livery Limited
(d) This entity is 100% subsidiary of Air Livery ATE SAS
(e) This entity is subsidiary of Airworks Empire UK Limited
(f) These entities are subsidiaries / associate of Empire Aviation Group FZCO
(g) These entities are joint venture of Airworks UK Engineering Limited
(h) These entities are 100% subsidiaries of Acumen Aviation Europe Limited
(i) This entity is 51% subsidiary of Argus International Inc.
(j) Mach Air Sales limited has been wound up on September 21, 2017, however reporting of disinvestment is yet to be filed with RBI.

* Under the option agreement, the group has the right to purchase the balance 28% share held by the management shareholder and vice versa, the management shareholder has the right to sell their share to the group.

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Air Works India (Engineering) Private Limited
Notes to consolidated financial statements as at and for the year ended March 31, 2018

Note 3 - Property, Plant and Equipments

Amount in INR

Description of Assets	Freehold Land	Leasehold improvements	Tooling and Equipments	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Aircraft Prototype	Total	Capital work in progress
I. Deemed Cost										
At March 31, 2016	4,079,466	249,384,960	659,398,780	15,678,341	13,564,508	20,234,633	59,765,669	9,056,615	**1,031,162,973**	**9,584,341**
Additions	-	8,031,742	67,919,959	2,961,619	1,519,641	1,399,345	14,672,651	-	**96,504,956**	11,995,613
Disposals	-	(160,473)	(708,577)	(31,394)	(9,871)	(191,755)	(31,739)	-	**(1,133,810)**	
Adjustments/reclassifications	-	-	-	-	-	-	(241,557)	-	**(241,557)**	
Foreign Currency Translation Reserve	(341,331)	(7,440,009)	(26,040,813)	(200,162)	(62,236)	(181,201)	(979,641)	-	**(35,245,394)**	(37,850)
At March 31, 2017	**3,738,135**	**249,816,220**	**700,569,349**	**18,408,403**	**15,012,042**	**21,261,021**	**73,185,383**	**9,056,615**	**1,091,047,168**	**21,542,104**
Additions	-	4,984,252	92,160,343	1,800,501	1,281,669	1,874,798	13,841,356	-	**115,942,919**	4,425,100
Disposals	-	(3,653,436)	(20,952,190)	(1,561,835)	(19,841)	(1,241,920)	(6,894,870)	-	**(34,324,092)**	(6,022,411)
Adjustments/reclassifications	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation Reserve	603,431	5,516,873	37,779,477	360,919	18,012	265,889	826,575	-	**45,371,176**	38,128
At March 31, 2018	**4,341,567**	**256,663,909**	**809,556,979**	**19,007,989**	**16,291,881**	**22,159,787**	**80,958,444**	**9,056,615**	**1,218,037,171**	**19,982,922**
II. Depreciation										
At March 31, 2016	-	24,952,985	83,538,352	5,046,083	3,525,670	5,183,138	17,898,060	4,648,978	**144,793,265**	-
Depreciation for the year	-	23,638,315	84,696,721	4,095,606	2,863,347	4,498,356	17,182,330	4,407,637	**141,382,312**	-
Disposals	-	-	(55,289)	(4,722)	(2,228)	(87,438)	(6,906)	-	**(156,582)**	-
Foreign Currency Translation Reserve	-	(1,021,605)	(7,726,324)	(59,515)	(44,833)	(79,330)	(325,352)	-	**(9,256,958)**	
At March 31, 2017	-	**47,569,694**	**160,453,460**	**9,077,452**	**6,341,956**	**9,514,726**	**34,748,132**	**9,056,615**	**276,762,036**	-
Depreciation for the year	-	22,853,391	90,280,245	3,907,176	2,707,984	3,666,274	16,116,750	-	**139,531,820**	-
Disposals	-	(830,225)	(16,322,653)	(883,697)	(0)	(527,344)	(6,769,718)	-	**(25,333,636)**	-
Foreign Currency Translation Reserve	-	1,212,870	13,476,334	142,417	11,994	67,815	296,048	-	**15,207,477**	-
At March 31, 2018	-	**70,805,730**	**247,887,386**	**12,243,348**	**9,061,934**	**12,721,471**	**44,391,213**	**9,056,615**	**406,167,698**	-
Net block (I-II)										
At March 31, 2018	**4,341,567**	**185,858,178**	**561,669,594**	**6,764,640**	**7,229,947**	**9,438,316**	**36,567,231**	-	**811,869,474**	**19,982,922**
At March 31, 2017	3,738,135	202,246,525	540,115,888	9,330,952	8,670,086	11,746,295	38,437,251	-	814,285,132	21,542,104

1) Capital Work in progress is in relation to

Amount in INR

Particulars	March 31, 2018	March 31, 2017
Leasehold improvements	19,689,715	19,792,307
Vehicle	293,207	-
Tooling and Equipments	-	1,749,797
Total	**19,982,922**	**21,542,104**

2) All moveable fixed assets of the Parent Company are subject to pari passu charge to secure the Group's borrowings. (Refer note 15.1 and 15.2)

3) Pre operative & trial run expenses pending allocation (included under capital work in progress)

Amount in INR

Particulars	March 31, 2018	March 31, 2017
Opening Balance brought forward	**7,468,421**	-
Other expenses		
Electricity and Power consumed	-	702,179
Consultancy Charges	-	500,000
Infrastructure setting up	-	956,101
Rent	2,450,000	4,500,000
Travelling and Conveyance	315,269	-
Miscellaneous Expenses	53,240	810,141
Total	**10,286,930**	**7,468,421**

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NEW DELHI

Note 4 - Other Intangible Assets

Amount in INR

Description of Assets	Goodwill (Purchased)	Right to use Airport Premises (Refer note 1 below)	Computer Software	AME Maintenance License	Total	Intangible assets under development	Goodwill (on Consolidation)	Grand Total
I. Deemed cost								
At March 31, 2016	90,326,434	383,874,122	36,920,397	62,391,934	**573,512,887**	30,688,394	2,314,164,800	2,918,366,081
Additions			1,635,621	6,757,640	**8,393,262**	19,077,740		27,471,002
Adjustments/reclassifications			241,557		**241,557**			241,557
Disposals	-	-	-	(10,179,454)	**(10,179,454)**	(14,707,152)	-	(24,886,606)
Foreign Currency Translation Reserve			(93,022)		**(93,022)**		(49,077,760)	(49,170,782)
At March 31, 2017	**90,326,434**	**383,874,122**	**38,704,553**	**58,970,121**	**571,875,229**	**35,058,982**	**2,265,087,040**	**2,872,021,252**
Additions	-	-	1,752,881	32,410,025	**34,162,906**	23,592,544		57,755,450
Adjustments/reclassifications	-	-	-	-	-	(15,471,939)		(15,471,939)
Disposals	-	-	-	(13,985,997)	**(13,985,997)**	(3,683,230)	-	(17,669,227)
Foreign Currency Translation Reserve	-	-	179,619	-	**179,619**	-	11,527,161	11,706,780
At March 31, 2018	**90,326,434**	**383,874,122**	**40,637,054**	**77,394,148**	**592,231,758**	**39,496,357**	**2,276,614,202**	**2,908,342,317**
								-
II. Amortisation								-
At March 31, 2016	-	21,263,319	10,782,676	31,531,541	**63,577,536**	-	-	63,577,536
Amortisation		21,263,319	10,901,637	20,337,661	**52,502,617**			52,502,617
Disposals				(10,179,454)	**(10,179,454)**			(10,179,454)
Foreign Currency Translation Reserve			(92,767)		**(92,767)**			(92,767)
At March 31, 2017	-	**42,526,638**	**21,591,546**	**41,689,748**	**105,807,932**	-	-	**105,807,932**
Amortisation	-	21,263,319	11,353,968	22,232,110	**54,849,397**			54,849,397
Disposals	-	-	-	(13,985,997)	**(13,985,997)**			(13,985,997)
Foreign Currency Translation Reserve	-	-	165,123	-	**165,123**			165,123
At March 31, 2018	-	**63,789,957**	**33,110,637**	**49,935,861**	**146,836,455**	-	-	**146,836,455**
								-
Net block (I-II)								-
At March 31, 2018	**90,326,434**	**320,084,165**	**7,526,417**	**27,458,287**	**445,395,303**	**39,496,357**	**2,276,614,202**	**2,761,505,862**
At March 31, 2017	90,326,434	341,347,484	17,113,007	17,280,373	466,067,297	35,058,982	2,265,087,040	2,766,213,320

Notes:

1) The Group has the right to use the Airport Hangar and office premises (including the underlying land) for 25 years.

2) Intangible assets under development : Balance as on March 31, 2018 includes AME Maintenance license yet to be capitalised worth INR 39,496,357 (March 31, 2017 INR 35,058,982).

3) Break up of additions under AME maintenance license and intangible assets under development

Amount in INR

Particulars	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	AME Maintenance License		Intangible assets under development	
Additions				
Training	16,242,760	3,276,249	14,133,772	10,102,583
Salary	8,170,260	1,320,163	5,693,441	4,919,788
Travel	7,997,004	2,161,227	3,765,331	4,055,369
Total	**32,410,025**	**6,757,640**	**23,592,544**	**19,077,740**

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Note - 5
Investments in associate and joint ventures

Amount in INR

Particulars	March 31, 2018	March 31, 2017
Investments in joint venture companies (valued at cost, unless otherwise stated)		
Investments in Equity Instruments (unquoted)*		
107,536 equity shares of EUR 0.001 each (March 31, 2017: 107,536 equity shares of EUR 0.001 each) fully paid up in Acumen Aviation Europe Limited (including goodwill of INR 98,249,609 (March 31, 2017: INR 97,156,712)	178,561,238	177,657,131
Less: Share of (loss) in Joint Venture **	(64,563,583)	(19,208,328)
	113,997,655	**158,448,803**
73,500 (March 31,2017: 73,500) equity shares in Argus International Inc.(including deferred consideration of INR 42,363,750 in respect of 5,200 equity shares and INR 6,517,500 paid in respect of 800 shares (March 31,2017: INR 48,633,750 and INR Nil)) Out of 73,500 *shares, share certificates of 6000 shares are yet to be transferred in the name of the Group.* (including goodwill of INR 383,216,949 (March 31, 2017:INR 381,276,617))	526,616,607	523,950,193
Less: Share of (loss) in Joint Venture **	(70,945,543)	(51,545,154)
	455,671,064	**472,405,039**
Preference Shares (unquoted)		
3,104,861,800 (March 31, 2017: 3,104,861,800) 3% cumulative compulsorily convertible preference shares of EUR 0.001 each fully paid up in Acumen Aviation Europe Limited. These shares are compulsorily convertible into class 'A' equity shares at the expiry of 10 years from the date on which they were issued.	227,678,187	226,525,386
	227,678,187	**226,525,386**
Investments in associate company (valued at cost, unless otherwise stated)		
147,000 (Previous year: 147,000) equity shares in Reignwood Empire Aviation Limited	9,588,516	9,550,087
Less: Share of (loss) in Associate **	(6,858,807)	-
	2,729,709	**9,550,087**
Total	**800,076,615**	**866,929,315**

Aggregate amount of unquoted investments	800,076,615	866,929,315

* Refer Note 49
** Including foreign exchange difference

Amount in INR

Reconciliation of share of (loss) in Joint Ventures	March 31, 2018	March 31, 2017
Acumen Aviation Europe Limited		
As per last accounts	(19,208,327)	(7,565,410)
For the year (Loss)	(44,756,132)	(12,210,786)
Add: Foreign Currency Translation Reserve	(599,124)	567,869
Total	**(64,563,583)**	**(19,208,327)**
Argus International Inc		
As per last accounts	(51,545,154)	(23,927,446)
For the year Profit/(Loss)	(18,925,909)	(29,095,966)
Add: Foreign Currency Translation Reserve	(474,480)	1,478,258
Total	**(70,945,543)**	**(51,545,154)**
Reignwood Empire Aviation Limited		
As per last accounts	-	-
For the year Profit/(Loss)	(6,747,509)	-
Add: Foreign Currency Translation Reserve	(111,298)	-
Total	**(6,858,807)**	-

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Note - 6
Trade receivables

Amount in INR

Particulars	March 31, 2018	March 31, 2017
Trade receivables		
(a) Secured, considered good	16,940,423	25,730,230
(b) Unsecured, considered good	1,922,082,622	2,058,264,330
(c) Doubtful	24,866,470	32,418,936
Less: Impairment Allowance including provision for Doubtful Debts	(215,806,833)	(213,109,549)
TOTAL	**1,748,082,682**	**1,903,303,947**

Movement in the impairment allowance including provision for doubtful debts

Particulars	March 31, 2018	March 31, 2017
Balance at beginning of the year	213,109,549	187,324,159
Amounts provided during the year as uncollectible	5,956,713	31,276,147
Amounts written back/recovered during the year	(3,254,372)	(3,919,465)
Bad debt during the year	(93,133)	-
Foreign currency translation reserve	88,076	(1,571,292)
Balance at end of the year	**215,806,833**	**213,109,549**

Trade Receivables breakup

Particulars	March 31, 2018	March 31, 2017
Of the above, trade receivables from:		
- Related Parties (Refer Note 32)	23,169,261	15,356,606
- Others	1,724,913,421	1,887,947,341
Total	**1,748,082,682**	**1,903,303,947**
Current	**1,748,082,682**	**1,903,303,947**
Non Current	-	-

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Note-7
Other bank balances

Amount in INR

Particulars	March 31, 2018		March 31, 2017	
	Non-current	Current	Non-current	Current
Other bank balances				
Deposits with remaining maturity for more than 12 months	6,381,903	-	4,985,562	-
Deposits with remaining maturity for more than 3 months but less than 12 months	-	450,286,932	-	497,771,020
less: disclosed under other non-current financial assets (refer note 8.2)	(6,381,903)	-	(4,985,562)	-
	-	**450,286,932**	-	**497,771,020**

Fixed deposits given as security

a. Fixed deposits with a carrying amount of INR 11,053,479 (March 31, 2017 INR 10,756,328) are pledged against bank guarantees with the banks.

b. Fixed deposits with a carrying amount of INR 322,427,967 (March 31, 2017 INR 305,874,601) are pledged with banks against stand by letter of credit issued by the bank.

c. Fixed deposits with a carrying amount of INR 6,294,219 (March 31, 2017 INR 6,356,772) are pledged with Airport Authority of India.

d. Fixed deposits with a carrying amount of INR 116,393 (March 31, 2017 INR 107,375) are pledged with Sales Tax Authorities.

e. Fixed deposits with a carrying amount of INR 2,500,000 (March 31, 2017: INR Nil) are pledged against the overdraft facility.

f. Fixed deposit with a carrying amount of INR 10,840,589 (AED 611,599) (March 31, 2017: INR 29,617,040 (AED 1,677,639))are pledged against credit cards liability.

g. Fixed deposits with a carrying amount of equivalent to INR 28,904,271 (AED 1,630,706) (March 31,2017: INR 32,473,439 (AED 1,839,438)) are pledged with Statutory Authority DAFZA.

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Note - 8.1
Loans

Amount in INR

Particulars	March 31, 2018		March 31, 2017	
	Non- Current	Current	Non- Current	Current
Loan to Employees	1,500,000	4,386,352	136,248	4,107,698
	1,500,000	**4,386,352**	**136,248**	**4,107,698**
GRAND TOTAL	**1,500,000**	**4,386,352**	**136,248**	**4,107,698**

Loans breakup

Particulars	March 31, 2018	March 31, 2017
Of the above, Loans from:		
- Related Parties (Refer Note 32)	-	-
- Others	5,886,352	4,243,946
Total	**5,886,352**	**4,243,946**
Current	**4,386,352**	**4,107,698**
Non Current	**1,500,000**	**136,248**

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Note - 8.2
Other financial assets

Amount in INR

Particulars	March 31, 2018		March 31, 2017	
	Non- Current	Current	Non- Current	Current
Other bank balances				
Deposits with remaining maturity for more than 12 months	6,381,903	-	4,985,562	-
TOTAL (A)	6,381,903	-	4,985,562	-
Security Deposits				
- Unsecured, considered good	52,608,672	66,778,516	36,881,324	43,557,520
TOTAL (B)	52,608,672	66,778,516	36,881,324	43,557,520
Interest Receivable				
Interest accrued on bank deposits	-	5,590,324	-	3,322,534
TOTAL (C)	-	5,590,324	-	3,322,534
Others				
- Unsecured, considered good				
Accrued Revenue	-	207,148,373	-	131,283,599
Marked to Market asset on derivative instrument	-	12,969,428	-	-
Competitive employment tax receivable from government	15,435,916	253,126	-	22,281,284
Other receivable	-	10,110,871	-	8,311,278
TOTAL (D)	15,435,916	230,481,798	-	161,876,161
GRAND TOTAL (A+B+C+D)	74,426,491	302,850,638	41,866,886	208,756,215

Other financial assets breakup

Particulars	March 31, 2018	March 31, 2017
Of the above, other financial assets from:		
- Related Parties (Refer Note 32)	-	-
- Others	377,277,129	250,623,100
Total	377,277,129	250,623,100
Current	302,850,638	208,756,215
Non Current	74,426,491	41,866,886

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Note - 9: Current Tax and Deferred Tax

(a) Tax Expense/(Credit)

Amount in INR

Particulars	March 31, 2018	March 31, 2017
Deferred Tax Charge / (Credit)		
In respect of current year origination and reversal of temporary differences	2,261,888	(40,866,524)
Current Tax	1,607,342	1,657,088
Deferred tax adjustment for earlier years	1,260,235	-
Income tax adjustments for earlier years (net)	(2,837,858)	7,675,111
Total Tax Charge / (credit) reported in the statement of profit or loss	**2,291,607**	**(31,534,325)**
OCI Section		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on remeasurement of defined benefit plans	(597,495)	557,498
Income Tax charged to OCI	**(597,495)**	**557,498**
Total Tax credited to Total comprehensive income	**1,694,112**	**(30,976,826)**

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for March 31, 2018 and March 31, 2017

Amount in INR

Particulars	March 31, 2018	March 31, 2017
Profit/(Loss) before tax	**(183,762,175)**	**(602,256,243)**
Less -		
(Loss)/ Profit on which deferred tax is not created	141,566,640	15,887,392
(Loss) before tax	**(325,328,815)**	**(586,368,850)**
Income Tax using the Parent Company's domestic Tax rate 27.82% (March 31, 2017: 33.06%)	(90,445,073)	(193,871,133)
Income tax effect on -		
Interest paid on statutory payments	125,062	815,781
Due to different tax rates in a subsidiary	19,665,935	49,813,782
Corporate Social Responsibility Expenses	16,692	105,802
Fair Valuation of Employee stock options	(11,546,755)	17,565,044
Deferred tax for earlier years	1,260,235	
Expenses not deductible for tax purposes	1,856,282	1,451,527
Group Taxation Relief	15,491,416	-
Fair valuation of a derivative in subsidiary	-	41,457,479
Unrelieved tax losses carried forward	62,206,588	33,072,000
Effects of difference in tax rate from base rate	16,625,424	8,535,411
Income exempt for tax	(10,138,056)	-
Other Adjustment	11,715	1,844,872
Adjustment for		
- Income tax adjustments for earlier years (net)	(2,837,858)	7,675,111
At the effective income tax rate of -1.25% (March 31, 2017: -5.24%)	**2,291,608**	**(31,534,325)**
Income tax expense reported in the statement of profit and loss	2,291,607	(31,534,325)

S.R. BATLIBOI & CO. LLP NEW DELHI

(c) Movement of Deferred Tax Assets

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Tax effect of items constituting deferred tax assets				
Accelerated depreciation for tax purposes		-	-	-
Prepaid notional rent on security deposits	5,740,716	6,041,530	(300,814)	910,826
Provision for impairment allowance including provision for doubtful debts	57,287,154	68,844,196	(11,557,042)	8,943,596
Deferred lease payments	35,859,232	37,650,535	(1,791,303)	5,281,552
Property, Plant and Equipment	142,372	102,529	39,843	31,615
Employee benefit provisions	30,650,422	28,022,836	2,627,586	11,234,472
Provision for obsolescence in inventory	20,138,831	25,322,470	(5,183,639)	25,322,470
Business losses and unabsorbed depreciation	39,317,602	27,579,776	11,737,826	(8,791,888)
Others	5,944,018	6,778,356	(834,338)	(1,697,773)
Total deferred tax assets	**195,080,347**	**200,342,228**	**(5,261,880)**	**41,234,871**
Tax effect of items constituting deferred tax liabilities				
Accelerated amortization on intangibles for tax purposes	18,626,782	17,304,961	1,321,821	(3,044,915)
Interest on Income tax refund	102,863	-	102,863	-
Accelerated depreciation in the books	6,555,643	9,085,913	(2,530,270)	2,645,117
	25,285,288	**26,390,874**	**(1,105,585)**	**(399,798)**
Total	**169,795,059**	**173,951,354**	**(4,156,295)**	**41,634,669**
Net loss/(gain) on remeasurement of defined benefit plans reclassified to OCI	-	-	597,495	(557,498)
Net Deferred Tax Asset	**169,795,059**	**173,951,354**	**(3,558,800)**	**41,077,170**

(d) Movement of Deferred Tax Liability

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Tax effect of items constituting deferred tax liabilities				
Accelerated capital allowances	6,500,336	5,833,880	(36,677)	(754,270)
	6,500,336	**5,833,880**	**(36,677)**	**(754,270)**
Adjustment for foreign currency translation reserve			703,134	964,917
Net Deferred Tax Liability	**6,500,336**	**5,833,880**	**666,457**	**210,647**

Note:

Deferred tax assets are recognised when:

(a) the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences;

(b) the Group has suffered loss in the current and preceding period in the tax jurisdiction to which the deferred tax asset relates;

The Group has recognised deferred tax assets as on March 31, 2018: INR 169,795,059 (March 31, 2017: INR 173,951,354) basis the future projections, for which the management is reasonably certain that the future taxable profits shall be sufficient to utlise the deferred tax assets recognised in the financial statements.

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Note-10
Other assets

Amount in INR

Particulars	March 31, 2018		March 31, 2017	
	Non- Current	Current	Non- Current	Current
Balances with government authorities	2,985,386	48,754,641	2,964,598	24,904,209
	2,985,386	**48,754,641**	**2,964,598**	**24,904,209**
Others				
Accrued Export Benefits	-	8,851,476	-	11,000,000
Prepaid Lease Rentals	55,863,726	6,199,703	58,286,674	5,550,863
Other Prepayments	1,458,655	90,107,268	1,608,660	62,193,324
Capital Advances	4,833,831	-	4,177,427	-
Interest accrued on Income tax refund	-	395,626	-	-
Advance to suppliers	-	48,098,255	-	40,424,617
	62,156,212	**153,652,328**	**64,072,761**	**119,168,804**
TOTAL	**65,141,598**	**202,406,969**	**67,037,359**	**144,073,013**

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Note - 11 Inventories
(At lower of cost and net realisable value)

Amount in INR

Particulars	March 31, 2018	March 31, 2017
Work-in-progress	234,097	15,350,097
Traded Goods including in transit INR Nil (March 31, 2017 : Nil)	-	184,159
Stores, spares & consumables including in transit INR 1,214,675 (March 31, 2017 : 1,463,572)	316,042,918	265,727,858
Total	**316,277,015**	**281,262,114**

The value of inventories above is stated after impairment of INR 72,389,758 (March 31, 2017: 76,588,543) for write-downs to net realisable value and provision for slow moving and obsolete items.

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Note - 12 Cash and cash equivalents

Amount in INR

Particulars	**March 31, 2018**	**March 31, 2017**
Cash and cash equivalents		
Balances with banks		
(I) In Current Accounts	228,103,785	229,166,602
(ii) In EEFC Account	17,900,282	16,397,419
(iii) Deposits with original maturity of less than 3 months	183,450,053	6,000,000
Cash in hand	14,329,521	16,123,423
Cheques on hand	2,275,000	-
Total Cash and cash equivalents	**446,058,641**	**267,687,444**

Current accounts with banks other than the deposits do not earn interest.

Changes in liabilities arising from financing activities: **Amount in INR**

Particulars	**As at April 1, 2017**	**Cash flows**	**Foreign exchange movement**	**As at March 31, 2018**
Other Financial Liabilities (refer note 17)	1,614,640,500	(258,721,259)	5,316,761	1,361,236,002
Short term borrowings (refer note 15)	762,476,404	571,629,833	-	1,334,106,239

a. Fixed deposit with a carrying amount of INR 19,009,763 (AED 1,072,483) (March 31, 2017: Nil) are pledged against credit cards liability.

b. Fixed deposits with a carrying amount of equivalent to INR 4,006,981 (AED 226,064) (March 31,2017: Nil) are pledged with Statutory Authority DAFZA.

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Note - 13 E[redacted] Share Capital

[redacted] Particulars	March 31, 2018		March 31, 2017	
	No. of shares	Amount in INR	No. of shares	Amount in INR
Authorised				
Equity Shares of INR 1 ea[redacted]rch 31, 2017 - Equity Shares of INR 1 each)	80,000,000	80,000,000	80,000,000	80,000,000
Series A Equity Shares of [redacted] each (March 31, 2017 - Equity Shares of INR 1 each)	20,000	20,000	20,000	20,000
0.001% Compulsorily Con[redacted]e Preference Shares (CCPS) of INR 10 each (March 31, 2017 -0.001%[redacted]ulsorily Convertible Preference Shares of INR 10 each)	44,000,000	440,000,000	44,000,000	440,000,000
	124,020,000	520,020,000	124,020,000	520,020,000
Issued, subscribed and [redacted] paid-up shares				
Equity Shares of INR 1 ea[redacted]rch 31, 2017 - Equity Shares of INR 1 each)	75,377,379	75,377,379	75,377,379	75,377,379
Less: Amount recovera[redacted]om ESOP Trust	(13,610,637)	(13,610,637)	(13,610,647)	(13,610,647)
Equity Shares of INR 1 e[redacted]rch 31, 2017 - Equity Shares of INR 1 each)				
Series A Equity Shares of [redacted] each (March 31, 2017 - Equity Shares of INR 1 each)	10,000	10,000	10,000	10,000
0.001% Compulsorily Co[redacted]e Preference Shares (CCPS) of INR 10 each (March 31, 2017 -0.001%[redacted]ulsorily Convertible Preference Shares of INR 10 each)	42,972,389	429,723,890	42,972,389	429,723,890
Total	104,749,131	491,500,632	104,749,121	491,500,622

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(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Equity Shares of INR 1 each (March 31, 2017 - Equity Shares of INR 1 each)

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	Amount in INR	No. of shares	Amount in INR
At the beginning of the year	75,377,379	75,377,379	75,377,379	75,377,379
Issued during the year	-	-	-	-
Outstanding at the end of the year	**75,377,379**	**75,377,379**	**75,377,379**	**75,377,379**

Series A Equity Shares of INR 1 each (March 31, 2017 - Series A Equity Shares of INR 1 each)

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	Amount in INR	No. of shares	Amount in INR
At the beginning of the year	10,000	10,000	10,000	10,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**10,000**	**10,000**	**10,000**	**10,000**

0.001% Compulsorily Convertible Preference Shares of INR 10 each (March 31, 2017 -0.001% Compulsorily Convertible Preference Shares of INR 10 each)

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	Amount in INR	No. of shares	Amount in INR
At the beginning of the year	42,972,389	429,723,890	42,972,389	429,723,890
Issued during the year	-	-	-	-
Outstanding at the end of the year	**42,972,389**	**429,723,890**	**42,972,389**	**429,723,890**

(ii) Terms/ rights attached to Equity Shares

Equity Shares

Equity Shares have par value of Re. 1 each (Previous year of Re. 1 each). Each holder of Equity Shares is entitled to one vote per share. The Parent Company will pay dividend in Indian Rupees, if declared. The dividend, if proposed by the Board of Directors, will be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of Equity Shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

Restriction on transfer of shares:

Subject to compliance with certain formalities, the Founders (excluding Mr. Raghudev Menon, Mr. Ravi Menon and Mr. Sahadev Menon) have the right to freely transfer their Equity Shares inter-se.

NEA FVCI Limited's prior approval will be required to be sought by each member of the Founders and GTI AW I if either of them intends to transfer the Equity Shares or any rights or obligations contained therein (which consent shall not be unreasonably with-held). Tusk Investments 1 Limited, Elephant India Finance Pvt. Ltd. & GTI Capital Delta Pvt. Ltd. shall be informed by the Founders or GTI AW I, as the case may be, of the details regarding proposed transfer of Equity Shares by them. Punj Lloyd Aviation Limited now has the right to sell its Equity Shares and is not required to obtain NEA FVCI Limited's prior written consent provided that it shall comply with the terms of Article 6 of the Articles of Association of the Company and NEA FVCI Limited shall be entitled to exercise a Right of First Refusal in respect of the Equity Shares proposed to be sold by Punj Lloyd Aviation Limited in priority to and exclusion of all all other shareholders of the Parent Company, in terms of Articles of Association of the Parent Company.

NEA FVCI Limited, Tusk Investments 1 Ltd , Elephant India Finance Pvt Ltd and GTI Capital Delta Pvt Ltd shall not be permitted to transfer their respective Securities to any of the competitors of Punj Lloyd Aviation Limited listed in Article 6.1.5 of the Articles of Association of the Company.Other than the restrictions on Transfer to a competitor of Punj Lloyd Aviation Ltd as listed in Article 6.1.5 of the Articles of Association of the Company , NEA FVCI Ltd is free to transfer in any manner all or any of the Securities held by it to any Person at any time ; subject only to the provisions of Article 6 of the Articles of Association of the Company.Tusk Investments 1 Ltd, Elephant India Finance Pvt Ltd and GTI Capital Delta Pvt Ltd are not permitted to transfer any of their respective securities in the Parent Company without consent of the Board of Directors, which consent shall not be unreasonably withheld.

No shareholder may transfer any of its Securities without first offering the said Securities to the other shareholders in the manner laid down in Article 6.2 of the Articles of Association of the Parent Company.

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Exit: Within a period of 5 years from the date of First Closing, which was May 16, 2011, the Parent Company and the Promoter Group were required to provide the Investors an exit in the form of a QIPO of the Company. As the Qualified Initial Public Offering (as defined in the Articles of Association of the Company) has not taken place within the Exit Period (i.e., within a period of 5 years from the First Closing Date), NEA FVCI Limited, Punj Lloyd Aviation Limited, GTI AW I, Tusk Investments 1 Ltd, Elephant India Finance Pvt. Ltd. and GTI Capital Delta Pvt. Ltd. were entitled to alternative exit options, i.e. Buy back and Strategic Sale at the end of the Exit Period. Pursuant to termination of Appointment Agreement dated 3 July 2010 as amended, Vivek Narayan Gour was not entitled to alternative exit options.

Valuation Reset: In terms of Articles of Association of the Parent Company, as the QIPO did not take place within 5 years of the First Closing (i.e., by May 16, 2016), the Current Round Investors and the Third Round Investors were entitled to reset their shareholding, in the manner laid down therein. While GTI AW I is not entitled to Valuation Reset benefit on the shares alloted to it prior to the year 2011, RI Round Investors are not entitled to Valuation Reset in respect of their RI Round Securities. The Founders and Punj Lloyd Aviation Limited are not entitled to Valuation Reset right in respect of their respective complete shareholdings. During the financial year 2016-17, the Parent Company had received notices from Vivek Narayan Gour, Elephant India Finance Private, NEA FVCI Limited and GTI Capital Delta Pvt. Ltd. to reset their respective shareholdings and the same have been given effect to in accordance with those notices and the terms of Articles of Association of the Company. However, Vivek Narayan Gour has not yet subscribed to aditional 155,358 Equity Shares in the Parent Company to complete his settlement of this right. During the year ended March 31, 2018, Vivek Narayan Gour resigned from the MD, CEO and Directorship of the Parent Company and the Parent Company has made the settlement and paid in lieu of subscription of 155,358 shares. GTI AW I and Tusk Investments 1 Limited have not exercised their right of Valuation Reset, as applicable, to subscribe to additional 210,189 Equity Shares and 548,823 Equity Shares, respectively.

Buy Back: As no QIPO has taken place within the Exit Period, the Current Round Investors, the Third Round Investors and the RI Round Investors (other than Vivek Narayan Gour) were entitled to require the Company to Buy back the Securities held by them (including the Securities resulting from conversion of Compulsorily Convertible Preference Shares and Series A Equity shares) at fair market value, in accordance with the manner laid down in the Articles of Association of the Company. However, all the investors, except one, eligible for Buy Back right have, prior to March 31, 2018, agreed not to exercise their Buy Back right if the Company files its Draft Red Herring Prospectus ("DRHP") with Securities Exchange Board of India ("SEBI") for a QIPO by April 01, 2019. The said shareholder believes that the buy-back right under shareholders agreement between the Company and its shareholders dated February 04, 2011 has expired, but has agreed that to the extent such buy-back right has not expired, it agrees, along with the other shareholders that were granted such a right, that such right will only be exercisable if the Company does not file a DRHP with the SEBI on or before April 01, 2019. Moreover, for the said shareholder, the buy-back right could be exercised only after buy-back of shares held by all current round investors, third round investors and RI round investors, who have already agreed to change their contingent settlement provision from QIPO to filing of DRHP. Subsequent to the year end, all the investors, except one, eligible for Buy Back right, have further agreed to extend the said deadline of April 01, 2019 and have confirmed the Company that they will not exercise their Buy Back rights if the Company files DRHP with SEBI for a QIPO by April 01, 2020.

Therefore, such obligation of the Company to do the buy back if the filing of DRHP does not happen, is not considered as financial liability per Ind AS 32 - Financial Instruments – Presentation" as the contingent settlement provision as filing of DRHP is regarded as within the control of the Company. Further, based on the legal opinion obtained by the Company, obligation of the Company to do the Buy Back expires in case the Company files its DRHP for a QIPO by April 01, 2020. Accordingly, the Company has continued to disclose the equity shares/CCPS as equity.

Strategic Sale: Since no QIPO has occurred within the Exit Period, the Parent Company and the Founders are obliged to provide an exit to the Current Round Investors, the Third Round Investors and the RI Round Investors through a sale to a strategic/financial investor on terms acceptable to them.

Drag Along Right: If the Parent Company and the Founders are unable to identify a strategic/financial buyer and facilitate the Strategic Sale on terms acceptable to the Investors within a period of 12 months from the Deadline Date (which was May 16, 2016), then each Investor (excluding Vivek Narayan Gour) shall have the right to sell its shareholding in the Parent Company to any Person (the "Buyer") without any restriction. Each Investor, other than Vivek Narayan Gour, Elephant India Finance Pvt. Ltd., Tusk Investments 1 Limited and GTI Capital Delta Pvt. Ltd. (each a "Dragging Investor"), also has the right, if it deems necessary, to require the other shareholders (including non-selling Investors) to sell to such Buyer all the Securities held by each of them at the price offerred by the Buyer, subject to compliance with certain conditions mentioned in Articles of Association of the Parent Company. This event had not taken place till March 31, 2018.

Series A Equity Shares of Rs. 1 each (Previous Year of Rs. 1 each)

Series A Equity Shares rank senior to all Equity Shares in all respects, except that they carry voting rights on par with Equity Shares. Such class of Equity Shares are entitled to dividend at the same rate as declared for Equity Shares, pari passu with Equity Shares. Additionally, Series A Equity Shareholders shall be entitled to receive dividend as set out in Article 16 of the Articles of Association of the Parent Company, before any dividend is declared and paid upon any other Securities of the Parent Company.

Each Series A Equity Share shall automatically be converted or re-classified into one Equity Share of the Parent Company upon conversion of CCPS, as set out in the Articles of Association of the Parent Company. In the event of liquidation preference, the holder of such shares shall be considered as Current Round Investor Shares and shall be entitled to same liquidation preference as laid down in the Articles of Association of the Parent Company.

NEA FVCI Limited may transfer any of its Series A Equity Shares only after first offering the said Series A Equity Shares to the other shareholders in the manner laid down in Article 6.2 of the Articles of Association of the Parent Company.

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Shares allotted to Air Works Employees' Welfare Trust

During the year under review, the Parent Company did not allot any Equity Share to Air Works Employees' Welfare Trust ('AWEWT'). The Parent Company has provided a share-based payment scheme to its employees . The following scheme is in operation:

Year	Shares Issued to AWEWT by the Parent Company	Stock options granted by Trust to Employees	Granted options Cancelled and added back to pool of trust	Balance number of Equity Shares with AWEWT (net of Stock Options already granted but not Exercised)
2011-12	8,134,500	7,840,000	152,000	446,500
2012-13	5,496,147	3,404,000	66,400	2,605,047
2013-14	-	154,000	771,000	3,222,047
2014-15	-	-	266,000	3,488,047
2015-16	-	3,008,000	956,500	1,436,547
2016-17	-	875,000	1,343,000	1,904,547
2017-18	-	-	2,613,480	4,518,027
Total	**13,630,647**	**15,281,000**	**6,168,380**	

As on March 31, 2018, out of total Stock Options Granted, 6,168,380 Stock Options have been cancelled and added back to the pool with the Trust on account of ceasing of employment of eligible employees. Out of 13,630,647 equity shared issued to AWEWT by the Parent Company, 20,010 equity shares issued by AWEWT to eligible employees.

Grant Date	No of Options Granted by Trust to employees	Fair value of Company's share (INR)	Exercise Price (INR)	Start of Vesting Period
16.05.2011	7,688,000	41.7693	43.7693	On or after 15.05.2012
17.08.2011	152,000	41.7693	43.7693	On or after 16.08.2012
12.03.2013	3,404,000	46.1500	51.3813	On or after 11.03.2014
09.05.2013	154,000	46.1500	51.3813	On or after 08.05.2014
10.07.2015	2,141,000	65.6600	65.6600	On or after 09.07.2016
08.01.2016	867,000	72.1100	72.3000	On or after 07.01.2017
13.04.2016	700,000	72.1100	72.3000	On or after 12.04.2017
13.05.2016	175,000	72.1100	72.3000	On or after 12.05.2017

The details of the activities under the Scheme are summarised below:

Particulars	FY 17-18	FY 16-17
Stock Options outstanding at the beginning of the year	11,706,100	12,174,100
Add: Granted during the year	-	875,000
Less: Lapsed/Cancelled/Forfeited and added back to the pool during the year	2,613,480	1,343,000
Less: Exercised during the year	20	-
Stock Options outstanding at the end of the year	9,092,600	11,706,100
Number of vested Management Options at the end of the year	6,552,500	5,779,500

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The relevant terms of the vesting of these Stock Options are as follows:

a. For Management Options: Uniform vesting of 20% at each anniversary of the Grant Date over 5 years;
b. For Performance Options: Will vest in 3 tranches as per the following schedule:
i. 1/3rd Performance Options: On achieving gross revenues of Rs. 135 crores per calendar quarter with an "Adjusted EBITDA" margin of 10% for Air Works Group for 6 consecutive calendar quarters;

ii. 2/3rd Performance Options less Performance Options vested, if any, by operation of Clause 1(b)(i) above: On achieving gross revenues of Rs. 270 crores per calendar quarter with an "Adjusted EBITDA" margin of 15% for the Air Works Group;

iii. Balance Performance Options: On IPO (marked by equity Shares of the Parent Company getting listed on any recognized stock exchange in India); or substantial stake sale (50% or more in terms of shareholding or voting power) in a private placement to one or more investors; or on attaining a Fair Market Valuation of Rs. 2,250 crores for the Air Works Group; or on achieving gross revenues of Rs. 2,250 crores for the Group in any moving 12 month period.

During the year ended March 31, 2018, Vivek Narayan Gour resigned from the MD, CEO and Directorship of the Parent Company. In terms of Mr. Vivek Narayan Gour's ('VNG') Appointment Agreement, as amended and Settlement Agreement, 32,58,000 (Thirty Two Lakhs and Fifty Eight Thousand) Management Options have vested upon VNG and these shall remain non-forfeitable and exercisable for the duration of the exercise period, i.e., till 21st May, 2021 and adequate provision shall be made to facilitate cashless exercise of the same.
In terms of the Settlement Agreement, any right of VNG to receive any further options and all options which were granted but had not vested on his effective resignation date i.e. 9th February, 2018 have been terminated, lapsed and/or annulled in accordance with the terms of the Settlement Agreement.

Exercise Period is defined as period of 10 years from the Grant Date as defined in the Employees' Stock Option Plan within which the Participant should Exercise his right to apply for Shares against the Option vested in him in pursuance of the Plan.

Exercise Price is defined as price payable by the Participant for exercising the Options granted to him in pursuance of the Plan.

(iii) Terms of conversion of Compulsorily Convertible Preference Shares ('CCPS')

In terms of Articles of Association of the Parent Company, each holder of the CCPS shall, at its option, be entitled to require the Parent Company to convert all or a part of the CCPS held by them into Equity Shares, at any time during their respective conversion period, at their respective Conversion Price and Conversion Ratio then in effect and the Parent Company shall mandatorily convert those CCPS into Equity Shares of the Parent Company.

During the year under review, the Parent Company has an outstanding 42,972,389 CCPS of Rs. 10 each fully paid up (Previous year 42,972,389 of Rs. 10 each). Such shares are entitled to cumulative dividend of 0.001% p.a. and, subject to applicable law and pari passu with each other, such higher rates of dividend, on pari passu basis, as may be declared for other shareholders. If the applicable law does not permit NEA FVCI Ltd to receive dividend as mentioned above, then the Parent Company shall declare a dividend to the maximum extent permitted under law on the CCPS and the balance dividend shall be declared and paid on the Series A Equity Shares. The aforesaid dividend shall be in addition to the dividend that such Series A Equity Shares shall be entitled to receive pari passu with Equity Shares. Provided that the maximum amount of dividend shall not exceed the dividend due to NEA FVCI Ltd on a fully diluted basis. The Parent Company declares and pays dividends in Indian Rupees. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Parent Company.

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The current terms of conversion of all the CCPS issued and allotted by the Parent Company are as follows:-

Round of investment	Conversion Ratio	Conversion Price (INR)
Current Round (NEA FVCI Ltd.)	1:1.1529	37.9323
Third Round (NEA FVCI Ltd. and GTI Capital Delta Pvt. Ltd.)	1:1.11111	46.2432
RI Round (NEA FVCI Ltd. and GTI Capital Delta Pvt. Ltd.)	1:1	65.66

Anti-dilution protection:-If at any time after the First Closing Date, which was May 16, 2011, the Parent Company issues to any Person (other than pursuant to the ESOP or Second Tranche) any Equity Shares, convertible Preference Shares or other Securities that are convertible into Equity Shares or which confer a right to subscribe to Equity Shares at a later date ("New Issuance"), at a price per Equity Share (the "New Price") that is lower than the respective Conversion Price in effect immediately prior to such issuance, then each of Current Round Investors, the Third Round Investors and the RI Round Investors, respectively shall be entitled to a broad based weighted average anti-dilution protection in respect of the Current Round Investor Shares, the Third Round Securities and RI Round Securities, respectively held by it as provided in the Articles of Association of the Parent Company.

In case of corporate actions such as bonus issue, stock splits, consolidation or similar events, the holders of all CCPS issued by the Parent Company till date will be entitled to the same treatment (i.e., such CCPS will also be entitled to bonus issue, stock splits, consolidation or similar events in accordance with the exchange control regulations) in line with other shareholders of the Parent Company. The Parent Company shall undertake corporate actions, such as bonus issue, stock splits, consolidation or similar events for holders of securities other than CCPS only if the holders of CCPS are provided the same treatment (i.e., such CCPS-holders will also be entitled to bonus issue, stock splits, consolidation or similar events in accordance with the exchange control regulations) as the holders of other securities, failing which the Parent Company shall not undertake such corporate actions.

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Air Works India (Engineering) Private Limited
Notes to financial statements as at and for the year ended March 31, 2018

The Parent Company is committed to provide an exit to CCPS holders as per the terms mentioned in the Articles of Association of the Parent Company.

NEA FVCI Limited may transfer any of its Compulsorily Convertible Preference Shares only after first offering the said Compulsorily Convertible Preference Shares to the other shareholders in the manner laid down in Article 6.2 of the Articles of the Company.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares of INR 1 each (March 31, 2017 - Equity Shares of INR 1 each)				
Indusage Management Services Private Limited	4,296,400	5.70%	4,296,400	5.70%
Tusk Investments 1 Ltd	4,939,500	6.55%	4,939,500	6.55%
Vivek N. Gour, D. Anand Bhaskar & Luv Chhabra c/o Air Works Employees' Welfare Trust	13,610,647	18.06%	13,610,647	18.06%
Punj Lloyd Aviation Limited	17,516,100	23.24%	17,516,100	23.24%
GTI AW I	19,407,800	25.75%	19,407,800	25.75%
Series A Equity Shares of INR 1 each (March 31, 2017 -Series A Equity Shares of INR 1 each)				
NEA FVCI. Ltd	10,000	100.00%	10,000	100.00%
0.001% Compulsorily Convertible Preference Shares of INR 10 each (March 31, 2017 -0.001% Compulsorily Convertible Preference Shares of INR 10 each) *				
NEA FVCI. Ltd	30,848,555	71.79%	30,848,555	71.79%
GTI Capital Delta Private Limited	12,123,834	28.21%	12,123,834	28.21%

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Note - 14
Other Equity

14.1 Securities Premium Account — Amount in INR

Particulars	March 31, 2018	March 31, 2017
Balance at beginning of the year	3,655,366,469	3,655,366,469
Add: Premium on Issue of Equity Shares & CCPS	-	-
Less: Share issue expenses	-	-
Gross balance at the end of the year	3,655,366,469	3,655,366,469
Less: Amount recoverable from ESOP Trust	(623,892,972)	(623,893,619)
Balance at end of the year	**3,031,473,497**	**3,031,472,850**

Securities Premium account is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

14.2 Retained Earnings — Amount in INR

Particulars	March 31, 2018	March 31, 2017
Balance at beginning of the year	(1,078,072,609)	(506,761,948)
(Loss)/Profit for the year	(173,017,221)	(570,267,023)
Dividend paid to non controlling interest of a subsidiary	(20,900,190)	-
Share of (loss)/profit in associates and joint ventures	(707,227)	-
Remeasurements of the defined benefit liabilities / (asset)	2,004,330	(1,043,638)
Balance at end of the year	**(1,270,692,917)**	**(1,078,072,609)**

14.3 Employee Stock Option Reserve — Amount in INR

Particulars	March 31, 2018	March 31, 2017
Balance at beginning of the year	256,226,415	203,100,431
Add: created during the year	-	53,125,984
Less: reversed during the year	(41,505,229)	-
Balance at end of the year	**214,721,186**	**256,226,415**

The above reserve represents fair value of equity settled stock options granted to the employees of the Group.

14.4 Other Comprehensive Income — Amount in INR

Particulars	March 31, 2018	March 31, 2017
Foreign currency translation reserve		
Balance at beginning of the year	20,921,568	88,085,561
Add: created during the year	10,354,196	(67,163,993)
Add: FCTR Loss taken to the statement of profit and loss on disposal of investment	220,687	-
Balance at end of the year	**31,496,451**	**20,921,568**
Cash Flow Hedging Reserve		
Balance at beginning of the year	(5,494,771)	-
Add: created during the year	18,464,199	(5,494,771)
Balance at end of the year	**12,969,428**	**(5,494,771)**
Total	**44,465,879**	**15,426,797**

Exchange differences on translation of foreign operation: Exchange differences arising on translation of foreign operation are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

Cash Flow Hedging Reserve : Represents mark to market loss on effective portion of a cash flow hedge.

14.5 Non Controlling Interest — Amount in INR

Particulars	March 31, 2018	March 31, 2017
Balance at beginning of the year	15,836,456	16,396,750
Minority share of profit / (loss) for the year (including (loss) of INR 8,083,807 for earlier year allocated to non controlling interest during the year)	(12,977,005)	(560,294)
Foreign Currency Translation Reserve	(104,927)	-
Balance at end of the year	**2,754,524**	**15,836,456**

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Note - 15.1 Non Current Borrowings **Amount in INR**

Particulars	Non - Current Maturities		Current Maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Term Loans				
Term Loans from Banks (secured)	-	-	1,361,236,002	1,614,640,500
	-	-	**1,361,236,002**	**1,614,640,500**
The above amount includes:				
Secured borrowings	-	-	1,361,236,002	1,614,640,500
Amount disclosed under the head "other financial liabilities"			(1,361,236,002)	(1,614,640,500)
Total	-	-	-	-

The carrying value of financial and non financial assets pledged as security for non current borrowings are disclosed in note 41.

a. During an earlier year, the Group had obtained a bank loan from the Arab Banking Corporation of INR 1,291,875,000 (US$ 19,500,000). The current loan outstanding is INR 830,229,231 (US$ 12,738,462) (March 31 2017 894,861,000 (US$ 13,800,000)) .
The loan is repayable in series of payments starting in June 2017 to June 2020. Interest is payable at 2.65% above LIBOR subject to an interest rate SWAP over the loan which fixes the interest rate at 1.46%.
The Group obtained a letter of credit to secure the loan from Indusind Bank in India. This letter of credit covers USD 13,238,461.34 equivalent to INR 862,816,717.80 (March 31, 2017: USD 14,300,000) for the term of the loan as described above. The SBLC is secured by first charge on pari passu basis over the entire present and future fixed assets and a second charge on pari passu basis over the entire current and future current assets of the Parent Company. There is also a pledge on pari passu basis given to Indusind Bank and Standard Chartered Bank over the 100% shareholding in Air Livery Limited and a pledge on pari passu basis over100% of the shares of Air Works Empire UK Limited held by Air Works UK Engineering Limited.
The loan has been classified as due within one year due to the breach of certain financial covenants.

b. During an earlier year, the Group had obtained a bank loan from the Standard Chartered Bank of INR 735,375,000 (US$ 11,100,000).The current outstanding is INR 531,006,771 (US$ 8,147,400) (March 31,2017: INR 719,779,500 (US$ 11,100,000) .
The loan is repayable in series of payments starting in August 2017 to August 2020. Interest is payable at 4.00% above LIBOR.
The Group obtained a letter of credit to secure the loan from Standard Chartered Bank in India. This letter of credit covers USD 8,147,400 equivalent to INR 531,006,795 (March 31, 2017: USD 11,100,000) for the term of the loan as described above. The SBLC is secured by first charge on pari passu basis over the entire present and future fixed assets and a second charge on pari passu basis over the entire current and future current assets of the Parent Company. There is also a pledge on pari passu basis given to Indusind Bank and Standard Chartered Bank over the 100% shareholding in Air Livery Limited and a pledge on pari passu basis over100% of the shares of Air Works Empire UK Limited held by Air Works UK Engineering Limited.
The loan has been classified as due within one year due to the breach of certain financial covenants.

c. A condition for the loans as mentioned in note (a) and (b) was that an intercreditor agreement was entered into between Indus Ind Bank and Standard Chartered bank establishing a pari passu ranking of the transaction security for the loans, and the security under the letter of credit above. For this Deustche Trustee Company acts as a custodian of securities on behalf of the lenders, and as such have floating charges registered over the Group's assets.

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Note - 15.2 Short term borrowings

Amount in INR

	March 31, 2018	March 31, 2017
Secured Borrowings		
From Banks		
Working Capital Facilities	845,807,224	505,640,343
Unsecured Borrowings		
From Others		
Short term loan from a joint venture (Refer Note 32)	120,573,777	145,901,266
Working Capital Loan from a director	-	7,000,000
Working Capital facilities from banks	184,172,716	38,058,770
Inter Corporate deposit	14,000,000	14,000,000
Other Loans	169,552,522	51,876,025
Total Current Borrowings	**1,334,106,239**	**762,476,404**

The above amount includes		
Secured borrowings	845,807,224	505,640,343
Unsecured borrowings	488,299,015	256,836,061

The carrying value of financial and non financial assets pledged as security for current borrowings are disclosed in note 41.

Particulars of Loan	Due Date of Repayment from the Balance Sheet date	Interest Rate	Amount (INR)	Nature of Securities
Cash credit (Secured)	Repayable on demand	in the range of 11.25% to 12.5%	INR 440,872,078 (March 31, 2017 INR 178,750,685)	First pari passu charge on all the current assets of the Company and second pari passu charge on the movable fixed assets of the Parent Company
Working Capital Demand Loan (Secured)	Repayable over a period of 14 to 90 days.	in the range of 10.50% to 11.75%	INR 305,000,000 (March 31, 2017 INR 210,000,000)	
Bills discounted with Banks (Secured)	Repayable over a period of 44 to 119 days.	in the range of 5.01% to 11%	INR Nil (March 31, 2017 INR 116,889,658)	
Cash credit (Secured)	Repayable on demand	in the range of 11.25% to 12.5%	INR 99,935,146 (March 31, 2017 INR Nil)	Subservient charge by way of hypothecation on entire Current Assets and moveable fixed assets, both present and future.
Inter Corporate Deposit (Unsecured)	3 months prior notice in writing by lender	10.74%	INR 14,000,000 (March 31, 2017 INR 14,000,000)	
Working Capital Loan from a director (Unsecured)	One time repayment on completion of 12 months period	11.50%	INR Nil (March 31, 2017 INR 7,000,000)	
Financial Institution (Unsecured)	Repayable on January 28, 2019	16.50%	INR 150,000,000 (March 31, 2017 INR Nil)	
Short term loan from Banks	Repayable over a period of 1 to 150 days.	in the range of 2% to 8%	INR 16,0444,400 (March 31, 2017 INR Nil)	
Bills discounted with Banks	Repayable over a period of 14 to 90 days.	in the range of 3% to 4%	INR 168,128,316 (March 31, 2017 INR 38,058,770)	
Short term loan from joint venture	Repayable on demand	7.00%	INR 120,573,777 (March 31, 2017 INR 145,901,266)	
Short term loan from Others	Repayable over a period of 1 to 150 days.	in the range of 2% to 8%	INR 19,552,552 (March 31, 2017 INR 51,876,025)	

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Note - 16 Trade Payables

Amount in INR

Particulars	March 31, 2018	March 31, 2017
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,531,034,760	1,438,107,384
Total	**1,531,034,760**	**1,438,107,384**

Trade payables breakup

Particulars	March 31, 2018	March 31, 2017
Of the above, trade payables from:		
- Related Parties (Refer Note32)	11,400,883	28,127,216
- Others	1,519,633,877	1,409,980,168
Total	**1,531,034,760**	**1,438,107,384**

Terms and conditions of the above trade payables

- Trade payables are non-interest bearing and are normally settled on 30-90-day terms
- For terms and conditions with related parties, refer to Note 32
- For explanations on the Group's credit risk management processes, refer to Note 36.

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Note - 17
Other Financial Liabilities

Amount in INR

Particulars	March 31, 2018		March 31, 2017	
	Non- Current	Current	Non- Current	Current
Deferred lease payments	441,616,928	7,364,546	448,981,474	6,241,140
Interest payable				
Interest accrued but not due				
On borrowings	-	16,374,382	-	10,248,063
Other interest payable	-	14,164,673	-	3,319,360
Current maturities of long term borrowings	-	1,361,236,002	-	1,614,640,500
Other payables				
Creditors for capital supplies/services	-	2,651,807	-	13,908,194
Deferred Consideration for purchase of shares of subsdiary/ joint venture (Refer note 48)	-	418,918,830	-	423,282,222
Share based payment liability for purchase of shares of subsdiary (Refer note 48)	-	116,246,130	-	115,684,647
Interest free deposits from customers	-	157,216,348	-	169,287,447
Due to Associates (Refer note 32)	-	587,052	-	-
Other Financial Liabilities				
Marked to Market liability on derivative instrument	-	-	-	5,494,771
	441,616,928	**2,094,759,770**	**448,981,474**	**2,362,106,344**

Other Financial Liabilities breakup

Particulars	March 31, 2018		March 31, 2017	
	Non- Current	Current	Non- Current	Current
Of the above, Other financial liabilities from:				
- Related Parties (Refer Note 32)	-	14,535,637	-	3,418,849
- Others	441,616,928	2,080,224,134	448,981,474	2,358,687,496
Total	**441,616,928**	**2,094,759,770**	**448,981,474**	**2,362,106,344**

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Note - 18 Provisions

Amount in INR

Particulars	March 31, 2018		March 31, 2017	
	Non- Current	Current	Non- Current	Current
Provision for employee benefits				
Provision for Gratuity (Refer note 29)	40,726,049	105,563	23,691,913	34,304
Provision for Leave Encashment	-	111,095,091	-	115,244,371
Bonus	-	10,420,487	-	18,060,278
Employee service benefits	100,168,318	-	88,951,762	-
Provision for pension	-	36,859,714		36,732,793
Other Provisions				
Provision for Contingencies*	-	19,172,019	-	4,658,444
Total	**140,894,367**	**177,652,874**	**112,643,675**	**174,730,190**

*Provision for Contingencies relating to a vendor claim which is under litigation and other claims.

Amount in INR

Particulars *	March 31, 2018	March 31, 2017
Opening	4,658,444	12,658,999
Addition	18,029,709	1,074,844
Deletion	(5,088,072)	(8,467,658)
FCTR	1,571,938	(607,741)
Closing	**19,172,019**	**4,658,444**

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Note - 19
Other Liabilities

Amount In INR

Particulars	March 31, 2018		March 31, 2017	
	Non- Current	Current	Non- Current	Current
Advances received from customers	-	40,875,719	-	36,163,106
Deferred Revenue	1,666,667	38,732,889	1,166,667	42,303,111
Statutory Dues payable	-	113,545,523	-	135,991,643
Total	**1,666,667**	**193,154,131**	**1,166,667**	**214,457,860**

Other Liabilities

Amount In INR

Particulars	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
Of the above, Other liabilities from:				
- Related Parties (Refer Note 32)	-	-	-	-
- Others	1,666,667	193,154,131	1,166,667	214,457,860
Total	**1,666,667**	**193,154,131**	**1,166,667**	**214,457,860**

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Note -20 Revenue from Operations

Amount In INR

Particulars	March 31, 2018 INR	March 31, 2017 INR
Revenue from sale of traded goods	273,156,530	342,261,023
Revenue from rendering of services	5,748,382,211	5,582,797,617
Other operating income	11,775,679	13,252,083
Total Revenue from Operations*	**6,033,314,420**	**5,938,310,723**

Particulars	March 31, 2018 INR	March 31, 2017 INR
Sale of products comprises:		
Traded goods		
Spare Parts	273,156,530	342,261,023
Total - Sale of traded goods	**273,156,530**	**342,261,023**
Sale of services comprises:		
Maintenance contract revenue	2,164,309,227	2,242,831,434
Painting Revenue	2,235,604,971	2,356,626,316
Charter income	1,126,819,893	730,684,571
Management and other services	-	1,749,979
Training Income	12,105,256	5,579,605
Reimbursement income	134,588,334	199,525,454
Commission	74,954,530	45,800,258
Total - Sale of services	**5,748,382,211**	**5,582,797,617**
Other operating income comprises :		
Rental Income	9,117,458	7,252,083
Export Incentive	2,658,221	6,000,000
Total - Other operating revenues	**11,775,679**	**13,252,083**

* Net of INR 24,988,135 (March 31, 2017 - INR 6,642,257) being credit notes issued towards sales reversal out of earlier sales.

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Note -21 Finance Income

Amount In INR

Particulars	March 31, 2018 INR	March 31, 2017 INR
Interest income on financial assets carried at amortised cost :		
Interest Income		
Bank deposits	28,761,667	38,484,571
Security Deposits	2,242,776	2,796,040
Others	5,244,876	-
Interest income on Income Tax refund	(125,497)	25,802,955
	36,123,822	**67,083,566**

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Note -22 Other Income

Amount In INR

Particulars	March 31, 2018 INR	March 31, 2017 INR
Unspent liabilities written back	66,232,022	14,384,222
Irrecoverable balances written off now recovered	5,834,351	12,819,840
Profit on disposal of tangible assets (net)	14,589,460	996,620
Profit on disposal of intangible assets (net)	3,004,452	2,756,823
Exchange difference (net)	25,591,979	42,957,695
Cash-settled/Equity share-based payments liability	-	15,486,916
Miscellaneous income	26,367,689	30,568,604
Total	**141,619,953**	**119,970,720**

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Note -23
Cost of materials consumed

a) Spare Parts and consumables

Amount In INR

Particulars	March 31, 2018 INR	March 31, 2017 INR
Opening stock	265,727,858	320,781,046
Add: Purchases	620,302,170	601,733,405
	886,030,028	**922,514,451**
Less: Closing stock	316,042,918	265,727,858
Adjustment for fluctuation in exchange rate	8,741,681	(9,477,638)
Cost of materials consumed	**578,728,791**	**647,308,955**
Materials consumed comprise:		
Spare Parts and consumables	578,728,791	647,308,955
	578,728,791	**647,308,955**

b) (Increase) / Decrease in work in progress and traded goods

Particulars	March 31, 2018 INR	March 31, 2017 INR
Inventories at the end of the year:		
Work-in-progress	234,097	15,350,097
Traded goods	-	184,159
	234,097	**15,534,256**
Inventories at the beginning of the year:		
Work-in-progress	15,350,097	962,202
Traded goods	184,159	737,451
	15,534,256	**1,699,653**
Adjustment for fluctuation in exchange rate	**785,707**	**(1,248,219)**
Net (increase) / decrease	**16,085,866**	**(15,082,822)**

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Note -24 Employee Benefits Expenses

Amount In INR

Particulars	March 31, 2018 INR	March 31, 2017 INR
Salaries, wages and bonus	2,085,121,853	2,053,268,891
Contribution to provident and other funds	21,574,717	19,217,714
Gratuity expense (refer note 29)	18,344,152	11,123,088
Employees stock option expenses	(41,505,229)	53,125,984
Social Security Cost	218,294,435	233,875,811
Staff welfare expenses	16,963,006	14,469,843
Total	**2,318,792,934**	**2,385,081,331**

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Note -25 Finance Cost Amount In INR

Particulars	March 31, 2018 INR	March 31, 2017 INR
Interest expense on financial liabilities carried at amortised cost		
Interest expense		
- Interest on Term loans	70,854,419	100,793,519
- Interest on Working capital loans	81,610,390	76,801,125
- Interest on loan from related parties	10,432,356	5,031,892
- Interest on Others* (including interest on Income Tax of INR 356,369 (Previous year INR 2,416,298)	53,977,514	39,493,188
Others		
Deferred Lease Payments	81,940,080	82,892,102
Other finance cost	9,117	82,275,077
Bank charges	12,996,719	13,246,083
Total	**311,820,595**	**400,532,986**

* Includes INR 1,788,957 (Previous year INR 819,553) on net defined gratuity benefit obligation (refer note 29)

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Note -26 Depreciation and Amortisation **Amount In INR**

Particulars	March 31, 2018 INR	March 31, 2017 INR
Depreciation on Tangible Assets	139,531,820	141,382,312
Amortisation on Intangible Assets	54,849,397	52,502,617
Total	**194,381,217**	**193,884,929**

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Note -27 (a) Other Expenses

Amount In INR

Particulars	March 31, 2018 INR	March 31, 2017 INR
Hire charges	86,902,823	67,583,754
Charter Expenses	971,067,159	651,866,563
Corporate social responsibility expenditure (Refer note 27 (c) below)	60,000	320,000
Electricity & power and fuel	139,350,410	145,034,793
Maintenance, services and engineering	278,712,273	370,989,312
Rent	292,751,789	294,445,609
Repairs and maintenance - Buildings	27,841,003	43,368,942
Repairs and maintenance - Machinery	6,473,647	7,015,787
Repairs and maintenance - Others	23,650,880	20,031,452
Royalty	106,970,842	117,509,531
Rates and taxes	80,037,162	91,192,562
Insurance charges	72,237,924	70,009,337
Communication costs	62,502,817	70,895,164
Impairment allowance including provision for doubtful debts and advances	2,702,340	27,356,682
Intangible assets under development written off	3,683,230	14,707,152
Irrecoverable balances written off	708,457	520,914
Auditors remuneration and out-of-pocket expenses		
- As Auditors	14,251,514	12,397,953
- For Taxation matters	-	75,000
- For Other services (Certification Services etc.)	1,694,284	4,032,824
- Auditors out-of-pocket expenses	470,481	256,896
Legal and other professional costs	159,798,385	145,428,792
Advertisement, Promotion & Selling Expenses	29,802,020	23,195,066
Travelling and conveyance	153,542,488	148,342,564
Training expenses	22,683,541	22,301,838
Commission on Sales	16,533,727	9,116,232
Deposit Amortisation expense	4,840,043	5,550,861
Bank Charges	10,425,452	10,262,502
Fair value loss on financial instruments	-	207,287,397
Director sitting fees	6,958,442	11,170,720
Miscellaneous expenses	46,998,867	53,918,315
Total	**2,623,652,000**	**2,646,184,514**

Note -27 (b) Exceptional item

Amount In INR

Particulars	March 31, 2018 INR	March 31, 2017 INR
Loss on Disposal of Investment including FCTR loss of INR 220,687 (Refer note 43)	238,857	-
Retrenchment expenses/(reversals) (Refer note 42)	28,374,211	(4,905,348)
Provision for Abnormal claims/(reversals) (Refer note 42)	21,324,326	(3,526,544)
Provision for Litigation (Refer note 42)	14,720,687	-
Finance Cost on a long term loan	-	165,772,630
Total	**64,658,080**	**157,340,738**

Note -27 (c) Corporate social responsibility expenditure

In light of Section 135 of the Companies Act, 2013, the Parent Company has incurred expenses on the Corporate Social Responsibility (CSR) aggregating to INR 60,000 for CSR activities carried out during the current year.

Particulars	March 31, 2018 INR	March 31, 2017 INR
(a) Gross amount required to be spent by the Parent Company during the year	-	195,177
(b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	60,000	320,000

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Note 28 Earning Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders (after adjusting impact on profit/(loss) of dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	INR	INR
	Per Share	Per Share
Basic Earnings per share	(2.30)	(7.57)
Diluted Earnings per share*	(2.30)	(7.57)

*Potential equity shares have not been considered for computation of diluted EPS as on March 31,2018 as they are anti - dilutive in nature.

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(Loss)/Profit for the year attributable to owners of the Group	(173,017,221)	(570,267,023)
Profits used in the calculation of basic earnings per share	(173,017,221)	(570,267,023)
Weighted average number of equity shares	75,377,379	75,377,379
Earnings per share from continuing operations - Basic and diluted	(2.30)	(7.57)

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Note 29 - Gratuity and other post-employment benefit plans

	31-Mar-18 INR	31-Mar-17 INR
Gratuity Plan	40,831,612	23,726,217
Total	**40,831,612**	**23,726,217**

The Group has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service or part thereof in excess of six months. The scheme in case of Parent Company is funded with an insurance company in the form of qualifying insurance policy.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The management is responsible for the administration of the plan assets and for the definition of the investment strategy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for defined benefit plans:

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2018:

	Gratuity Benefit Obligation	Fair value of plan assets	Benefit liability
As at March 31, 2017	73,069,190	49,342,973	23,726,217
Service cost (including past service cost)	18,344,152	-	18,344,152
FMC charges	-	(460,811)	460,811
Net interest expense/Income*	5,509,417	3,720,460	1,788,957
Sub-total included in profit or loss	**23,853,569**	**3,259,649**	**20,593,920**
Benefits Paid	(6,795,697)	(6,708,254)	(87,443)
Remeasurement gains/(losses) in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(1,232,334)	-	(1,232,334)
Experience adjustments	(1,714,666)	(285,609)	(1,429,057)
Subtotal included in OCI	**(2,947,000)**	**(285,609)**	**(2,661,391)**
Contribution by employer	-	739,691	(739,691)
As at March 31, 2018	**87,180,062**	**46,348,450**	**40,831,612**

* INR 1,788,957 (Previous year INR 819,554) included in other finance cost (refer note 25)

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2017:

	Gratuity Benefit Obligation	Fair value of plan assets	Benefit liability
As at March 31, 2016	65,482,181	54,502,468	10,979,713
Service cost	11,123,088	-	11,123,088
Net interest expense/Income*	5,179,752	4,360,198	819,554
Sub-total included in profit or loss	**16,302,839**	**4,360,198**	**11,942,641**
Benefits Paid	(9,725,938)	(9,208,240)	(517,698)
Remeasurement gains/(losses) in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	192,630	-	192,630
Actuarial changes arising from changes in financial assumptions	1,723,030	-	1,723,030
Experience adjustments	(905,552)	(696,427)	(209,125)
Subtotal included in OCI	**1,010,108**	**(696,427)**	**1,706,535**
Contribution by employer	-	384,974	(384,974)
As at March 31, 2017	**73,069,190**	**49,342,973**	**23,726,217**

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	31-Mar-18 INR	31-Mar-17 INR
Discount rate (in %)	7.71%	7.54%
Salary Escalation (in %)	5% - 6%	5% - 10%
Mortality Rate (% of IALM 06-08)	100%	100%

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Gratuity Plan

	31-Mar-18		31-Mar-18	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	INR	**INR**	**INR**	**INR**
Impact on defined benefit obligation	(1,672,692)	1,745,484	1,637,847	(1,601,125)

	31-Mar-17		31-Mar-17	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	0.5% increase	0.5% increase	0.5% increase	0.5% increase
	INR	**INR**	**INR**	**INR**
Impact on defined benefit obligation	(1,533,460)	1,603,152	1,633,238	(1,575,627)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Maturity Profile of Defined benefit obligation:
Expected cash flows (valued on undiscounted basis):

	31-Mar-18 INR	31-Mar-17 INR
Within the next 12 months (next annual reporting period)	19,089,286	13,847,672
Between 2 and 5 years	41,380,893	27,384,380
Beyond 6 years	26,709,895	31,837,138

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.30 years (March 31, 2017 : 5.31 years)

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Note 30 - Capital and other Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) INR 52,895,747 (March 31, 2017 INR 2,412,687), including a commitment by one of the subsidiary to mordernize their paint rocms INR 49,737,640 (March 31 , 2017 INR NIL). However, this commitment is not linked with any specific penalties or compensation if not done.

b) Leases

Operating lease: Company as lessee

The Group has taken hangar and office premises under operating lease. The Group has paid an amount of INR 288,251,789 (March 31,2017 INR 294,445,609) as lease rentals towards the said lease.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2018 INR	March 31, 2017 INR
Within one year	112,738,251	99,861,512
After one year but not more than five years	379,981,814	357,651,032
After five years	472,204,371	485,346,642
	964,924,436	**942,859,186**

Note 31 - Contingent Liabilities

a) Case is pending in City Civil Court of Mumbai in relation to Demand by Mumbai International Airport Private Ltd (MIAL) for license fee @13% of Gross Turnover (GTO) for which the exact amount is not determinable (Previous year- amount not determinable).*

b) Cases filed by ex-employees and pending with Labour Courts for which the amount is not determinable (Previous year- amount not determinable).*

c) One of the subsidiary is involved in a Labour court litigation, as the requests of the employee were received . For which amcunt in not determinatble.*

d) Various disallowance made by IT authorities for AY 2013-14* : INR 5,178,546 (Previous year 5,178,546)*

*Based on favourable decisions in similar cases, the Parent Company believes that there is fair chance of decisions in its favour and hence no provision is considered necessary against the same.

e) Dividend on 0.001% Compulsorily Convertible Preference Shares of INR 27,491 (March 31, 2017 INR 23,194)

f) During the year there was a fire at the one of the subsidiary's hanger which caused extensive damage. An investigation into this incident was carried out by the Health and Safety executive (HSE) which has identified potential breaches of health and safety legislations. The subsidiary has taken appropriate legal advice in respect of this matter and have provided the HSE with written submissions on matter it wishes the HSE to take into account when deciding whether or not to prosecute the subsidiary. The Director consider that any potential breaches did not contribute materially to the incident and there was no harm to any individuals as a result of the fire. At the date of signing the financial statements the Director are unable to conclude whether the HSE will seek to take any enforcement action, up to any including prosecution. In the event that further action is taken by the HSE, there is the potential for penalties to be levied against the subsidiary, however the Director are currently unable to reliably estimate the quantum of any penalty that may arise. Accordingly, no provision has been included within the financial statement in respect of this matter.

g) The Parent Company has given a guarantee in the form of SBLC worth USD 25,000 equivalent to INR 1,629,375 (March 31, 2017: USD 25,000) to Cessna Aircraft company as security for payment of the unpaid invoices.

h) The Parent Company has given a guarantee in the form of SBLC worth USD 30,958.26 equivalent to INR 2,017,705 (March 31, 2017: USD 30,858.26) to Embraer Asia Pacific PTE Ltd. for providing lease components to be used during the maintenance and services of the aircrafts as specified in the contract having a period of 1 year

i) As at 31st March 2018 one ot the subsidiary had contingent liability in respect of bank guarantee in the ordinary course of the business amounting to INR 28,360,000 (AED 1,600,000) (March 31, 2017: AED 1,600,000, INR 28,246,400) from which it is anticipated that no material liabilities will arise.

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Note 32 - Related Parties

Names of related parties

Joint Venture	Argus International Inc. Acumen Aviation Europe Limited
Assosciate	Reignwood Empire Aviation Ltd
Subsidiaries of Joint Venture	Unmanned safety Institute (w.e.f. April 22, 2016) Acumen Technical Advisory Pvt. Ltd Acumen Aviation Management Consultants (Beijing Limited) CAMO Support Ireland Limited (w.e.f. March 7, 2017) EFC Consultancy Limited (w.e.f. February 8, 2017) Acumen Aviation Americas, Inc.
Employee trust	Air Works Employees Welfare Trust
Entity having significant influence on the Company	GTI Gulfstream I Limited Punj Lloyd Aviation Limited Punj Lloyd Pte Limited Spectra Punj Lloyd Limited Punj Lloyd Limited NEA FVCI Ltd
Entity having significant influence in one of the Subsidiaries	Scandinavian Avionics, Denmark SA Group Aos

Names of other related parties with whom transactions have taken place during the year:

Key Managerial Personnel	Ravi S Menon (Director) Vivek Narayan Gour (Managing Director) (till February 9, 2018) Luv Chhabra (Independent Director) M. Madhavan Nambiar (Independent Director) D Anand Bhaskar (CEO) (from February 9, 2018) Manoj Naik (CFO) (From April 1, 2016 to July 15, 2016) Saurabh Mathur (Company Secretary)
Relatives of Key Managerial Personnel	Gayatri Heble (Sister of Director) Kalpana Nair (Sister of Director)

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Air Works India (Engineering) Private Limited
Notes to consolidated financial statements for the year ended March 31, 2018

(Amount in INR)

Particulars	Entity having significant influence on the Company		Entity having significant influence in one of the Subsidiaries		Joint Venture		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Sale of Traded Goods and Services												
Punj Lloyd Aviation Limited	11,218,881	9,054,928	-	-	-	-	-	-	-	-	11,218,881	9,054,928
Scandinavian Avionics, Denmark	-	-	-	31,250	-	-	-	-	-	-	-	31,250
Purchase of Traded Goods and Services												
Scandinavian Avionics, Denmark	-	-	3,057,774	6,889,142	-	-	-	-	-	-	3,057,774	6,889,142
Service support charges												
Scandinavian Avionics, Denmark	-	-	6,608,574	1,011,725	-	-	-	-	-	-	6,608,574	1,011,725
Interest Expense												
Acumen Aviation Europe Limited	-	-	-	-	9,585,115	4,518,591	-	-	-	-	9,585,115	4,518,591
Argus International Inc	-	-	-	-	3,171,150	3,184,312	-	-	-	-	3,171,150	3,184,312
Vivek Narayan Gour	-	-	-	-	-	-	9,725,823	993,931	-	-	9,725,823	993,931
Director Sitting Fees												
- Luv Chhabra	-	-	-	-	-	-	1,500,000	2,300,000	-	-	1,500,000	2,300,000
- M. Nambair	-	-	-	-	-	-	1,500,000	2,300,000	-	-	1,500,000	2,300,000
Loan taken during the year												
Acumen Aviation Europe Limited	-	-	-	-	-	151,040,348	-	-	-	-	-	151,040,348
Vivek Narayan Gour	-	-	-	-	-	-	2,400,000	7,000,000	-	-	2,400,000	7,000,000
Loan repaid during the year					-	-						
Acumen Aviation Europe Limited	-	-	-	-	26,070,000	32,728,500	-	-	-	-	26,070,000	32,728,500
Vivek Narayan Gour	-	-	-	-	-	-	9,400,000	4,000,000	-	-	9,400,000	4,000,000
Salaries and Bonus					-	-						
- Ravi S Menon	-	-	-	-	-	-	8,730,900	10,523,553	-	-	8,730,900	10,523,553
- Vivek Narayan Gour	-	-	-	-	-	-	27,576,726	24,403,432	-	-	27,576,726	24,403,432
- D Anand Bhaskar	-	-	-	-	-	-	2,715,047	-	-	-	2,715,047	-
- Manoj Naik	-	-	-	-	-	-	-	4,028,065			-	4,028,065
Saurabh Mathur	-	-	-	-	-	-	3,248,004	3,164,689	-	-	3,248,004	3,164,689
Investment Made												
Acumen Aviation Europe Limited	-	-	-	-	-	218,581,293	-	-	-	-	-	218,581,293
Argus International Inc	-	-	-	-	-	18,447,908	-	-	-	-	-	16,447,908
Assets												
Balances outstanding as at year end												
Investments					-	-						
Acumen Aviation Europe Limited	-	-	-	-	341,675,841	384,974,189	-	-	-	-	341,675,841	384,974,189
Argus International Inc	-	-	-	-	455,671,064	472,405,039	-	-	-	-	455,671,064	472,405,039
Reignwood Empire Aviation Ltd	-	-	-	-	9,588,516	9,550,087	-	-	-	-	9,588,516	9,550,087
Balances receivable												
Punj Lloyd Aviation Limited	23,169,261	14,048,749	-	-	-	-	-	-	-	-	23,169,261	14,048,749
Spectra Punj Lloyd Limited	-	368,490	-	-	-	-	-	-	-	-	-	368,490
Punj Lloyd Pte Limited	-	939,367	-	-	-	-	-	-	-	-	-	939,367
Argus International Inc.	-	-	-	-	-	307,765	-	-	-	-	-	307,765
Airworks employees welfare trust	-	-	657	-	-	-	-	-	-	-	657	-

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(Amount in INR)

Particulars	Entity having significant influence on the Company		Entity having significant influence in one of the Subsidiaries		Joint Venture		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Balance Payable	-				-	-						
Scandinavian Avionics, Denmark	-	-	7,506,899	2,707,542	-	-	-	-	-	-	7,506,899	2,707,542
Acumen Aviation Europe Limited	-	-	-	-	128,465,817	146,000,738	-	-	-	-	128,465,817	146,000,738
Reignwood Empire Aviation Ltd	-	-			587,052	-					587,052	-
Argus International Inc.	-	-	-	-	6,056,542	2,835,414	-	-	-	-	6,056,542	2,835,414
- Vivek Narayan Gour	-	-	-	-	-	-	-	7,494,909	-	-	-	7,494,909
Other Payable												
- Ravi S Menon	-	-	-	-	-	-	593,003	787,772	-	-	593,003	787,772
- Vivek Narayan Gour	-	-	-	-	-	-	-	15,562,982	-	-	-	15,562,982
- D Anand Bhaskar	-	-	-	-	-	-	1,590,095	-	-	-	1,590,095	-
- Saurabh Mathur	-	-	-	-	-	-	229,294	780,375	-	-	229,294	280,375
- Gayatri Heble	-	-	-	-	-	-	-	-	229,945	229,945	229,945	229,945
- Kalpana Nair	-	-	-	-	-	-	-	-	583,691	583,691	583,691	583,691
- Luv Chhabra	-	-	-	-	-	-	180,000	90,000	-	-	180,000	90,000
- M. Madhavan Nambiar	-	-	-	-	-	-	487,955	390,000	-	-	487,955	390,000

Notes:
1.) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits and bonus, as they are determined for the Company as a whole.
b) The Air Works Employees Welfare Trust has granted Nil (Previous year 32,580) management options and Nil (Previous year 24,435) performance stock options to Mr. Vivek Narayan Gour.

2.) Stock options have been granted to certain KMP's as detailed below. However, as the liability has not been determined for individual employees, the charge thereof for the individual KMP's is not disclosed above.

	No. of options outstanding
Vivek Narayan Gour	5,701,500
Saurabh Mathur	28,000
D Anand Bhaskar	1,051,900

3) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

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Note - 33 Segment Information

Operating Segment

The Managing Director and the Chief Executive Officer of the Group has been indentified as the chief operating decision maker (CODM) as defined by IND AS 108, 'Operating Segments'. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators.
The Group's operating businesses are organised and managed separately according to the nature of goods traded and services provided. The CODM has identified three reportable operating segments which are namely Maintenance, Repair and Overhaul Services (MRO), Painting Services, Chartering and Asset Management Services. A description of the types of products and services provided by each reportable segment is as follows:

Maintenance, Repair and Overhaul Services (MRO) Segment includes consultancy for fixed and rotary wing aircraft including airframe, avionics and engine modification, maintenance, repairs and overhaul ("MRO").

Painting Segment includes aircraft painting – interiors and exteriors, refinishing, refurbishing, repairing, maintaining, servicing, designing, re-designing, improving, supervision, modification, certification and providing technical and documentation support for all types of aircraft.

Asset Management Services (AMS) Segment includes aircraft management, charter services, aircraft and parts sales, aviation staffing and training ("AMS").

Amount in INR

Particulars	MRO	Painting	AMS	Total Segment
March 31, 2018				
Revenue	2,302,982,727	2,204,143,347	1,542,087,583	**6,049,213,658**
Less: Inter segment revenue	11,538,400	4,360,837	-	**15,899,237**
Revenue from External Customers	2,291,444,327	2,199,782,510	1,542,087,583	**6,033,314,420**
Depreciation and Amortisation	111,706,808	61,167,929	6,813,630	**179,688,368**
Exceptional Item	-	64,419,224	-	**64,419,224**
Segment Profit	216,507,942	(71,999,985)	168,562,806	**313,070,763**
March 31, 2017				
Revenue from External Customers	2,398,153,447	2,375,257,979	1,176,683,177	**5,950,094,603**
Less: Inter segment revenue	63,154	11,379,576	341,150	**11,783,880**
Revenue from External Customers	2,398,090,293	2,363,878,403	1,176,342,027	**5,938,310,723**
Depreciation and Amortisation	112,127,957	59,702,419	7,349,423	**179,179,799**
Exceptional Item	-	8,431,892	-	**8,431,892**
Segment Profit	197,098,094	74,281,110	166,219,931	**437,599,135**

The assets and liabilities of the Group are not allocated to the respective segment as also evidenced from the reports presented to the CODM of the Group.

Reconciliation of amounts reflected in the financial statements

Reconciliation of Profit

Particulars	March 31, 2018	March 31, 2017
Segment Profit	**313,070,763**	**437,599,135**
Reconciliation Items : -		
Finance Income	36,123,821	67,083,566
Other Income	791,839	16,897,870
Employees benefits expenses	(67,669,876)	(183,040,568)
Finance costs	(311,820,595)	(400,532,987)
Depreciation and amortisation expenses	(14,692,849)	(14,705,131)
Other expenses	(69,604,097)	(318,478,748)
Exceptional items	(238,857)	(165,772,630)
Share of (loss) in Joint Ventures (net)	(69,722,324)	(41,306,752)
Total	**(183,762,175)**	**(602,256,245)**

Geographical Segment

Although the Group's major operating divisions are managed on a worldwide basis, they operate in two principal geographical areas of the world, in India, its home country, and the other countries.

The following Table presents revenue and Non Current assets for the geographical segments for the year ending:

Amount in INR

	Revenue		Non Current operating assets	
	March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
India	2,310,892,126	2,306,465,807	1,018,680,708	1,075,011,373
Other Countries	3,722,422,295	3,631,844,915	2,574,677,550	2,527,029,182
Total	**6,033,314,420**	**5,938,310,722**	**3,593,358,258**	**3,602,040,555**

*The Group has common assets for servicing domestic and overseas markets. Hence, separate figures for assets/additions to assets cannot be furnished.

~~Note – Non-current assets includes Property, plant and equipment, Intangible assets (net of depreciation and amortisation cost), capital work in progress and Intangibles under~~ development.

~~**Information about major customers**~~
~~Although the Group operates on a worldwide basis, none of its customers constitute to 10% or more of the revenue.~~

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Note 34 - Fair Values

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

Amount in INR

	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
Other Financial Assets				
Security Deposits	119,387,189	80,438,843	119,387,189	80,438,843
Marked to market asset on Derivative Financial Instrument	12,969,428	-	12,969,428	-
	132,356,617	80,438,843	132,356,617	80,438,843
Financial liabilities				
Other Financial Liabilities				
Deferred Lease Payments	448,981,474	455,222,614	448,981,474	455,222,614
Borrowings	1,361,236,002	1,614,640,500	1,361,236,002	1,614,640,500
Marked to market liability on Derivative Financial Instrument	-	5,494,771	-	5,494,771
Deferred Consideration	418,918,830	423,282,222	418,918,830	423,282,222
Share based payment transactions liability	116,246,130	115,684,647	116,246,130	115,684,647
Financial Liability element payable to non controlling interest	-	-	-	-
Total	2,345,382,436	2,614,324,754	2,345,382,436	2,614,324,754

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of security deposits obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
2) The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. No own non- performance risk as at 31 March 2018 was assessed.
3) Borrowings are evaluated by the Group based on parameters such as interest rates and specific country risk factors.
4) The Liability On Derivative Financial Instrument is recorded on Mark to Market basis at the year end.
5) The Liability in relation to Share based payment transaction relating to a subsidiary is dependent on financial performance of the business of that subsidiary.

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Note 35 - Fair Value Hierarchy

1) Financial Instruments by category

Amount in INR

Particulars	March 31, 2018			March 31, 2017		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
Financial Assets - Non Current						
(i) Other Financial Assets	-	-	74,426,491	-	-	41,866,886
(ii) Loans	-	-	1,500,000	-	-	136,248
Financial Assets - Current						
(i) Trade receivables	-	-	1,748,082,682	-	-	1,903,303,947
(ii) Cash and cash equivalent	-	-	446,058,641	-	-	267,687,444
(iii) Other bank balances	-	-	450,286,932	-	-	497,771,020
(iv) Other Financial Assets	-	-	302,850,638	-	-	208,756,215
(v) Loans	-	-	4,386,352	-	-	4,107,698
Total Financial Assets	**-**	**-**	**3,027,591,736**	**-**	**-**	**2,923,629,458**
Financial Liabilities - Non Current						
(i) Borrowings	-	-	-	-	-	-
(ii) Other financial liabilities	-	-	441,616,928	-	-	448,981,474
Financial Liabilities - Current						
(i) Short term borrowings	-	-	1,334,106,239	-	-	762,476,404
(ii) Trade payables	-	-	1,531,034,760	-	-	1,438,107,384
(iii) Other financial liabilities	-	116,246,130	1,978,513,640	5,494,771	115,684,647	2,240,926,926
Total Financial Liabilities	**-**	**116,246,130**	**5,285,271,567**	**5,494,771**	**115,684,647**	**4,890,492,188**

2) Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at:

Amount in INR

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial Assets					
Security Deposits	31-Mar-18	119,387,189	-	119,387,189	-
Security Deposits	31-Mar-17	80,438,843	-	80,438,843	-
Financial Assets					
Marked to market asset on Derivative Financial Instrument	31-Mar-18	12,969,428	-	12,969,428	-
Marked to market asset on Derivative Financial Instrument	31-Mar-17	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at:

Amount in INR

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial Liabilities					
Deferred Lease Payments	31-Mar-18	448,981,474	-	448,981,474	-
Deferred Lease Payments	31-Mar-17	455,222,614	-	455,222,614	-
Borrowings	31-Mar-18	1,361,236,002	-	1,361,236,002	-
Borrowings	31-Mar-17	1,614,640,500	-	1,614,640,500	-
Marked to Market liability on derivative instrument	31-Mar-18	-	-	-	-
Marked to Market liability on derivative instrument	31-Mar-17	5,494,771	-	5,494,771	-
Deferred Consideration	31-Mar-18	418,918,830	[illegible]	418,918,830	[illegible]
[illegible]	31-Mar-17	[illegible]	[illegible]	423,282,222	[illegible]
Share based payment transactions liability	31-Mar-18	116,246,130	-	116,246,130	-
Share based payment transactions liability	31-Mar-17	115,684,647	-	115,684,647	-

There have been no transfers between Level 1 and Level 2 during the year

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Note - 36 Financial risk management objectives and policies

Principal Risks and uncertainities
The principal risks for the business of the Group revolves around the uncertainity in the economy and especially the airline industry. Further, there is a risk of the aircraft not flying due to closure of airspace for any number of reasons. Finally, the fact that the business is cyclical resulting in a slow down over the busy period presents the challenge to the business.

Financial risk
The Group's principal financial liabilities comprise of trade and other payables, borrowings, deferred lease payments, share based transaction liability and deferred consideration liability. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables,security deposits and cash and short-term deposits that derive directly from its operations.
The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management and the Board of Directors review and agree policies for managing each of these risks, which are summarised below.

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. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include Short term borrowings, trade payables, trade receivables, other financial liabilities, loans given, cash & bank and other financial assets.
The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:
- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. As on March 31, 2018, the Group has taken a interest rate swap to hedge its interest rate risk on one of the outstanding loans where there was an obligation with floating interest rate. All other debt obligation carry fix interest rate obligation.Thus, the Group is not exposed to interest rate risk. (refer note 15.1)

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in exchange rate	Effect on profit before tax (based on USD rate)	Effect on profit before tax (based on Euro rate)	Effect on profit before tax (based on GBP rate)
		INR	INR	INR
31-Mar-18	+5%	3,406,730	(127,975)	34,020
	-5%	(3,406,730)	127,975	(34,020)
31-Mar-17	+5%	1,161,707	(126,480)	(11,462)
	-5%	(1,161,707)	126,480	11,462

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables
Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and allowance for credit losses is created at each reporting date on an individual basis. At 31 March 2018, the Company had net outstanding of INR 1,637,956,953 (31 March 2017 : INR 1,903,303,947) after allowance for credit losses.

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Parent Company's treasury department in accordance with the guidelines framed by the Board of Directors / Management of the Parent Company. Guidelines broadly covers the selection criterion and over all exposure which the Group can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Group can make with a particular bank or financial institution. The Group does not maintain significant amount of cash and deposits other than those required for its day to day operations.

Liquidity risk
The Parent Company monitors its risk of a shortage of funds through its treasury department for the entire Group.
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and short term bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand	< 1 year	1 to 5 years	> 5 years	Total
	INR	INR	INR	INR	INR
Year ended March 31, 2018					
Non Current Financial Liabilties					
Other financial liabilities	-	-	45,322,960	396,293,968	441,616,928
Current Financial Liabilties					
Borrowings	661,381,001	672,725,238	-		1,334,106,239
Trade payables	-	1,531,034,760	-		1,531,034,760
Other financial liabilities	1,361,236,002	733,523,769	-		2,094,759,770
	2,022,617,003	2,937,283,767	45,322,960	396,293,968	5,401,517,698
Year ended March 31, 2017					
Non Current Financial Liabilties					
Other financial liabilities	-	-	38,409,288	410,572,186	448,981,474
Current Financial Liabilties					
Borrowings	324,651,951	437,923,925	-		762,575,876
Trade payables	-	1,438,107,384	-		1,438,107,384
Other financial liabilities	1,614,640,500	738,783,952	-		2,353,424,452
	1,939,292,451	2,614,815,262	38,409,288	410,572,186	5,003,089,187

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Note - 37 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares and share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group 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 Group may issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 60% and 80%. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents.

Amounts in INR

	At 31 March 2018	At 31 March 2017
Borrowings	1,334,106,239	762,476,404
Trade payables and other payables	4,067,411,459	4,249,195,202
Less: Cash and cash equivalents	(446,058,641)	(267,687,444)
Net debts	**4,955,459,057**	**4,743,984,162**
Capital Components		
Share Capital	491,500,632	491,500,622
Share Premium	3,031,473,497	3,031,472,850
Retained Earnings	(1,270,692,917)	(1,078,072,609)
Other comprehensive Income	44,465,879	15,426,797
Total Capital	**2,296,747,091**	**2,460,327,660**
Capital and net debt	**7,252,206,148**	**7,204,311,822**
Gearing ratio (%)	**68.3%**	**65.8%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. However, there have been breaches in the financial covenants on a loan taken by one of the subsidiary in the current and previous year. (Refer note 15.1)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

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Note 38 - Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

JUDGEMENTS
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has carried forward tax losses. Basis the future projections, there is a reasonable certainty that support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it can recognise deferred tax assets on the tax losses carried forward.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.
The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates.
Further details about gratuity obligations are given in Note 29.

Contingencies
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Share-based payments
Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 39 to the financial statements.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

Useful lives of depreciable assets
The management estimates the useful lives and the residual value of depreciable assets based on techinical evaluation. These assumptions are reviewed at each reporting date.

Impairment of Goodwill/Investment
The management estimates the future projections and the residual value of business on which the goodwill on consolidation arises and estimates if any provision for diminution is required. These assumptions are reviewed at each reporting date.

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Note 39 - Share Based Payments

Employee Stock Option Plan

The shareholders of the Parent Company had approved Employee Stock Option Plan, 2010 on February 9, 2011 which was amended by the shareholders on August 17, 2012; January 17, 2013; April 26, 2013 and January 5, 2016.

As per the Plan;
a. 32,58,000 Management Options and 24,43,500 Performance Options were granted to the Chief Operating Officer (COO) within one week of the Effective Date of the Plan.
b. 24,33,000 Options (Management Options and / or Performance Options) were granted to Key Employees.
c. 54,96,147 Options (Management Options and / or Performance Options) to be granted to Key Employees.

The fair value of the share options is estimated at the grant date using black scholes model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted is ten years. There are no cash settlement alternatives. The Parent Company does not have a past practice of cash settlement for these share options.

Details of scheme are as under:

Grant Date	No of Options Granted by Trust to employees	Fair value of Parent Company's share	Exercise Price	Start of Vesting Period
16.05.2011	7,688,000	41.7693	43.7693	On or after 15.05.2012
17.08.2011	152,000	41.7693	43.7693	On or after 16.08.2012
12.03.2013	3,404,000	46.1500	51.3813	On or after 11.03.2014
09.05.2013	154,000	46.1500	51.3813	On or after 08.05.2014
10.07.2015	2,141,000	61.7800	65.6600	On or after 09.07.2016
08.01.2016	867,000	72.1100	72.3000	On or after 07.01.2017
13.04.2016	700,000	72.1100	72.3000	On or after 12.04.2017
13.05.2016	175,000	72.1100	72.3000	On or after 12.05.2017

Vesting Schedule :

a. For Management Options: Uniform vesting of 20% at each anniversary of the Grant Date over 5 years;
b. For Performance Options: Will vest in 3 tranches as per the following schedule:

i. 1/3rd Performance Options: On achieving gross revenues of Rs. 135 crores per calendar quarter with an "Adjusted EBITDA" margin of 10% for Air Works Group for 6 consecutive calendar quarters;

ii. 2/3rd Performance Options less Performance Options vested, if any, by operation of Clause 1(b)(i) above: On achieving gross revenues of Rs. 270 crores per calendar quarter with an "Adjusted EBITDA" margin of 15% for the Air Works Group;

iii. Balance Performance Options: On IPO (marked by equity Shares of the Company getting listed on any recognized stock exchange in India); or substantial stake sale (50% or more in terms of shareholding or voting power) in a private placement to one or more investors; or on attaining a Fair Market Valuation of Rs. 2,250 crores for the Air Works Group; or on achieving gross revenues of Rs. 2,250 crores for the Group in any moving 12 month period.

The relevant terms of the grant of these Stock Options are as follows:

Notwithstanding anything to the contrary contained in the Appointment Agreement of Mr. Vivek Narayan Gour ('VNG') or in the Employees' Stock Option Plan ('the Plan'), in the event of the occurrence of an Acceleration Event [i.e., "Acceleration Event" means the occurrence of any of the following: (a) the Parent Parent Company issues a notice as per the Appointment Agreement to VNG terminating his employment with the Parent Company (including pursuant to a Strategic Sale or a termination of employment without Cause as defined in the Appointment Agreement; (b) voluntary retirement of VNG in accordance the Appointment Agreement; (c) a substantial stake sale (50% or more in terms of shareholding or voting power) of the Parent Company in a private placement to one or more investors; (d) the filing of a draft red herring prospectus (or equivalent document) by the Parent Company with the Securities and Exchange Board of India or similar regulator to undertake an IPO; (e) the Parent Company achieving a fair market valuation of Rs.2,250 crores for the Group or gross revenues of Rs.2,250 crores for the Group in any moving 12 month period, provided that in case of (c), (d) and (e), VNG is in full-time employment with the Parent Company and is not serving a notice period as per the Appointment Agreement at the time of occurrence of such event], all unvested Options granted to VNG pursuant to the Plan until the date of occurrence of such Acceleration Event shall vest immediately and the Parent Company may, at its sole and absolute discretion and subject to applicable law, permit a cashless exercise of such Options.

VNG shall be entitled to exercise such Options until the earlier of (a) expiry of the Exercise Period (i.e. 10 (ten) years from the date of Grant) and (b) 60 (sixty) business days prior to the filing of a red herring prospectus (or equivalent document) by the Parent Company with the Securities and Exchange Board of India or similar regulator to undertake an IPO (such period, the "Accelerated Stock Options Exercise Period"). Any Options not exercised by VNG within the Accelerated Stock Options Exercise Period shall automatically lapse and stand forfeited and cancelled at the end of the Accelerated Stock Options Exercise Period, provided that if VNG is restricted from exercising a certain number of Options under applicable law (such number of Options, the "Outstanding Stock Options"), then the Parent Company shall explore all options to enable VNG to exercise or receive the economic benefit of such Outstanding Stock Options, including, but not limited to requesting the holders of convertible securities of the Parent Company to convert such securities into Shares within 30 (thirty) days from the date of occurrence of the Acceleration Event, failing which the Parent Company shall pay to VNG within 30 (thirty) days from the expiry of such 30 (thirty)-day period, a cash bonus equal to the difference between (a) the Fair Market Value of such number of Shares that VNG would have received if he had fully exercised the Outstanding Stock Options and (b) the aggregate Exercise Price of the Outstanding Stock Options that VNG would have had to pay to the Parent Company if he had fully exercised such Outstanding Stock Options. The Fair Market Value of the Shares for the purposes of determining the cash bonus payable to VNG shall be determined as of the date of the occurrence of the Acceleration Event and the costs for determining such Fair Market Value shall be borne by the Parent Company.

Notwithstanding anything to the contrary contained in the Appointment Agreement or the Plan, if an IPO has not been successfully undertaken by 28 February 2017 and shareholders of the Parent Company have sent a notice to the Parent Company to buy back their Shares in accordance with the terms of Shareholders Agreement dated 4 February 2011, as amended, then VNG shall have the option to require the Parent Company to purchase or procure the purchase of all the Shares issued to VNG pursuant to exercise of his Options under the Plan at the Fair Market Value of the Shares to be determined as of the date of receipt by the Parent Company of the notice from VNG. The buy back shall be pro rata amongst the shareholders exercising the buy back. The costs for determining the Fair Market Value of the Shares shall be borne by the Parent Company. The Parent Company shall complete the purchase of such Shares held by VNG within 30 (thirty) days from the date of receipt of a written notice from VNG exercising his right.

2 Exercise Period is defined as period of 10 years from the Grant Date as defined in the Employees Stock Option Plan within which the Participant should Exercise his right to apply for Shares against the Option vested in him in pursuance of the Plan.

3 Exercise Price is defined as price payable by the Participant for exercising the Options granted to him in pursuance of the Plan, i.e. Rs. 43.7693 per Option granted during the financial year 2011-12 and Rs. 51.3813 per option granted during the financial years 2012-13 & 2013-14. The Exercise Price for the Options granted on 10th July, 2015 is Rs. 65.66 per Option and for the Options granted on 8th Jan, 2016, it is Rs. 72.30 per Option.

Movement in options have been summarized below :

	2017-18 No. of options	2016-17 No. of options
Outstanding at the beginning of the year	11,706,100	12,174,100
Granted during the year		875,000
Forfeited during the year	2,613,480	1,343,000
Exercised during the year	20	-
Expired during the year		
Outstanding at the end of the year	9,092,600	11,706,100
Exercisable at the end of the year	6,552,500	5,775,500
Weighted average remaining contractual life (in years)	4.79	5.46
Weighted average Exercise price (in INR)	52.49	50.79

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The details of exercise price of stock options outstanding at the end of the year are :

Grant Date	Weighted Avg. fair value of options INR	exercise price INR	Number of options outstanding (Qty)	Weighted average remaining contractual life of options (in years)
16.05.2011	23.49	43.7693	4,402,600	4.13
17.08.2011	23.29	43.7693	76,000	4.38
12.03.2013	24.64	51.3813	1,922,000	5.95
09.05.2013	24.23	51.3813	64,000	6.11
10.07.2015	34.22	65.6600	1,621,000	8.28
08.01.2016	36.57	72.3000	832,000	8.78
13.05.2016	35.77	72.3000	175,000	9.12

The expense recognised for the plan during the year is shown in the following table:

	March 31, 2018	March 31, 2017
Expense arising from equity-settled share-based payment transactions		
- Management Options	7,908,294	48,921,339
- Performance Options	(49,413,524)	4,204,645
Total expense arising from share-based payment transactions	(41,505,229)	53,125,984

The weighted average fair value of stock options granted till date is INR 26.71 (Previous year INR.26.71). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs :

Grant Date	Weighted average share price (INR)	Exercise price (INR)	Expected volatility	Life of the options granted (vesting and exercise period) in years	Average risk-free interest rate	Expected dividend yield
16.05.2011	41.7693	43.7693	43.19%	6.50	8.41%	-
17.08.2011	41.7693	43.7693	42.67%	6.50	8.32%	-
12.03.2013	46.1500	51.3813	42.70%	6.50	7.96%	-
09.05.2013	46.1500	51.3813	42.82%	6.50	7.45%	-
10.07.2015	65.6600	65.6600	36.08%	6.50	7.81%	-
08.01.2016	72.1100	72.3000	34.02%	6.50	7.78%	-
13.04.2016	72.1100	72.3000	33.83%	6.50	7.44%	-
13.05.2016	72.1100	72.3000	33.33%	6.50	7.47%	-

The expected volatility was determined based on historical volatility data. For calculating volatility, the Parent Company has considered the daily volatility of the stock prices of the comparable companies over a period prior to the date of grant, corresponding with the expected life of the options.

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40. The management is in the process of obtaining confirmation and reconciling accounts for some of the customers. The adjustment if any, on reconciliation which in the opinion of the management would not be material, would be made once the accounts are fully reconciled.

41. Assets pledged as security

Amount in INR

Particulars	Note	March 31, 2018	March 31, 2017
Current			
Financial Assets			
Trade receivables	6	375,365,636	506,488,059
Cash and cash equivalents	12	176,846,965	22,204,285
Other bank balances	7	387,055,198	402,830,957
Other Financial Assets	8.2	322,874,760	154,384,781
Loans	8.1	539,764,233	382,408,572
Non Financial Assets			
Inventories	11	231,562,182	199,426,836
Current Tax Assets (Net)		-	-
Other Assets	10	86,254,243	49,534,287
Total current assets pledged as security		**2,119,723,216**	**1,717,277,777**
Non - Current			
Property, Plant and Equipment	3	520,779,413	545,198,952
Capital work-in-progress	3	19,982,922	21,479,715
Other Intangible assets	4	354,825,647	375,740,864
Intangible assets under development	4	39,496,357	35,058,982
Total non - current assets pledged as security		**935,084,339**	**977,478,513**
Total Assets pledged as security		**3,054,807,555**	**2,694,756,290**

For details of charge created against the above assets refer notes 15.1 and 15.2
Further, shares of Airworks UK Engineering Limited,Air Livery Limited and Airworks Empire UK Limited are pledged to secure the loan taken by the group

42. During the year ended March 31,2018, a cost of INR 28,374,211; EUR 376,105 (March 31; 2017: INR (4,905,348); EUR (66,681)) is recorded as exceptional costs for the redundancy plan on account of work force reduction, provision for abnormal claims received from customers and other claims is created amounting to INR 21,324,326; EUR 282,658 (March 31 2017: INR (3,526,544); EUR (47,938)) and a provision linked to a litigation on the amount of a provider invoice of INR 14,720,687; EUR 195,125 (March 31, 2017: INR NIL; EUR NIL) is disclosed under exceptional items.

43. During the current year, on September 21, 2017 a subsidary company had disposed off its investment in one of its step down subsidiaries. The aforesaid disposal had the effect of decrease in assets and liabilities of Rs. 652,714 and Rs. 363,351 respectively. The group has realised Rs 271,193 on disposal of said subsidiary.

44. One of the subsidiary face certain difficulty during the year, which resulted in lower revenues the management is confident of improvement in the revenue of the company and continue support from the Group. In view of this, the books of accounts of the said subsidiary company have been drawn based on going concern assumption.

45. Hedging activities and derivatives
At March 31, 2018, the Group had an interest rate swap agreement in place with a notional amount of INR 12,969,428 (US$ 198,993.91) (March 31,2017: INR 5,494,771 (US$ 84,737)) whereby the Group receives a fixed rate of interest of USD three-month LIBOR and pays fixed 1.46%. The swap is being used to hedge the exposure to changes in the fair value of its 1.46% secured loan.
The increase in fair value of the interest rate swap of INR 18,464,199 (US$ 283,302) has been recognised through OCI.

46. During the previous year, the Group had incorporated Elan Air Charter Services FZCO in which the Group holds 72% of shareholding. The aforesaid incorporation had an effect of increase in assets and liabilities by INR 24,792,042 and INR 8,900,441 respectively and increase in losses by INR 1,318,809 in consolidated financial statements for the year ended March 31, 2017.

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47. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	At 31 March 2018	At 31 March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	NIL	NIL
Interest due on above	NIL	NIL
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed *day during the year) but without adding the interest specified* under the MSMED Act 2006.	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	NIL	NIL

48 a) Under the option agreement in a subsidiary, the Group has the right to purchase the shares held by the management shareholders and vice versa the management shareholders have the right to sell their shares to the Group for a consideration required to be computed by the method laid down in the option agreement. The Group had recorded a liability for deferred consideration of INR 376,555,080 (US $ 5,777,600) (March 31, 2017 :INR 374,648,472 (US $ 5,777,600)). These options can be exercised by either the Group or the management shareholders within 24 months of end of lock in period (March 31, 2017).

In relation to above, the Group has also recognised cash and equity settled share based payment liabilities amounting to INR 116,246,130 (US $ 1,783,600)(March 31, 2017 : INR 115,684,647(US $ 1,783,600)).

b) As per the shareholders agreement in an associate, the Group had a commitment to increase the shareholding %. The increase in shareholding % is yet to happen. Accordingly, the Group has recorded the liability of INR 42,363,750 (US $ 6,50,000 (March 31, 2017: INR 48,633,750 (US $ 750,000)).

49. Interest in Joint Ventures & Associate

a.) The Group has a 45% interest in Argus International Inc., a joint venture which is a leading global provider of safety audits and charter rating services to the aviation market. The Group's interest in Argus International Inc is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

		Amount in INR
	March 31, 2018	**March 31, 2017**
Total Assets	639,518,868	708,986,633
Total Liabilities	(472,290,638)	(483,560,383)
Non controlling interest	(114,844,085)	(130,993,644)
Equity	**52,384,146**	**94,432,606**
Proportion of the Group's ownership	45.00%	45.00%
Share in Equity	23,572,865	42,494,673
Add: consideration payable for further stake	42,363,750	48,633,750
Add: consideration paid for 800 shares yet to be transferred	6,517,500	-
Add: Goodwill	383,216,949	381,276,617
Carrying value of the investment	**455,671,064**	**472,405,039**
Summarised statement of Profit and loss		
Revenue	625,961,455	600,785,356
Cost of goods sold	(155,124,599)	(174,691,286)
Depreciation & amortisation	(10,541,400)	(4,022,583)
Finance Cost	(8,635,733)	(9,424,600)
Employee Benefits	(21,784,700)	(25,006,306)
Other Expenses	(437,073,981)	(501,553,391)
Loss Before Tax	**(7,198,958)**	**(113,912,810)**
Income tax expense	(51,488,395)	38,282,494
Loss After Tax	**(58,687,353)**	**(75,630,316)**
Non controlling interest	(16,629,776)	(10,972,614)
Loss taken to reserve	(42,057,577)	(64,657,702)
Total comprehensive income for the year	(42,057,577)	(64,657,702)
Group's share of (loss)/ profit for the year (Share 45%)	(18,925,909)	(29,095,966)

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b.) The Group has a 50% interest (March 31, 2017: 50%) in Acumen Aviation Europe Limited, a joint venture which is leading global provider of end-to-end aircraft life-cycle management services. The Group's interest in Acumen Aviation Europe Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture (including its subsidiaries), based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

		Amount in INR
	March 31,2018	**March 31,2017**
Total Assets	441,161,789	438,353,719
Total Liabilities	(409,665,066)	(315,769,538)
Equity	**31,496,722**	**122,584,181**
Proportion of the Group's ownership	50.00%	50.00%
Share in Equity	15,748,361	61,292,090
Add: consideration paid/payable for further stake	-	-
Add: Goodwill	98,249,294	97,156,712
Carrying value of the investment	**113,997,655**	**158,448,803**
Summarised statement of Profit and loss		
Revenue	565,612,299	421,269,103
Cost of goods sold	(139,642,381)	(146,231,181)
Depreciation & amortisation	(2,442,828)	(1,125,439)
Finance Cost	(290,089)	(310,282)
Other Expenses	(497,905,900)	(301,250,704)
Loss Before Tax	**(74,668,899)**	**(27,648,503)**
Income tax expense	(16,257,817)	3,226,931
Loss After Tax	**(90,926,716)**	**(24,421,572)**
Other Comprehensive income		
Remeasurement of net defined liability/assets (net)	**(1,414,453)**	-
Total comprehensive income for the year	(89,512,263)	(24,421,572)
Group's share of (loss)/ profit for the year	**(44,756,131)**	**(12,210,786)**

The group had no contingent liabilities or capital commitments relating to its interest in Argus International Inc., Reignwood Empire Aviation Limited and Acumen Aviation Europe Limited as at March 31,2018. The statement of profit and loss and total assets and liabilities have been taken from the separate financial statements of Acumen Aviation Europe Limited and its subsidiaries.

c.) The Group has a 49% interest in Reignwood Empire Aviation Limited, an associate which is provider of charter and asset management services to the aviation market. The Group's interest in Reignwood Empire Aviation Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

		Amount in INR
	March 31,2018	**March 31,2017**
Total Assets	7,061,280	19,489,974
Total Liabilities	(1,490,445)	-
Equity	**5,570,835**	**19,489,974**
Proportion of the Group's ownership	49.00%	49.00%
Share in Equity	2,729,709	9,550,087
Carrying value of the investment	**2,729,709**	**9,550,087**
Summarised statement of Profit and loss		
Revenue	-	-
Cost of goods sold	-	-
Depreciation & amortisation	(83,814)	-
Finance Cost	-	-
Other Expenses	(13,686,612)	
Loss Before Tax	**(13,770,427)**	-
Income tax expense	-	-
Loss After Tax	**(13,770,427)**	-
Other Comprehensive income		
Remeasurement of net defined liability/assets (net)	-	-
Total comprehensive income for the year	(13,770,427)	-
Group's share of (loss)/ profit for the year	(6,747,509)	-

50) On September 13, 2018, Air Works UK Engineering Limited (subsidiary) entered into an agreement for the sale of its entire investment in one of the fellow subsidiary, Air Livery Limited. The sale was completed on October 01,2018. The said transaction did not have any adverse impact on the carrying value of the investment of the companay as on March 31, 2018.

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51. Additional information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to Schedule III to the

Name of the Entity	March 31, 2018							
	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	INR	As % of consolidated Profit or Loss	INR	As % of consolidated Profit or Loss	INR	As % of consolidated Profit or Loss	INR
Parent Company								
Air Works India (Engineering) Private Limited	109.15%	2,741,355,393	25.53%	(44,172,541)	4.78%	1,439,426	29.90%	(42,733,116)
Indian Subsidiaries								
Airworks MRO Services Private Limited	3.36%	84,461,961	0.56%	(976,508)	0.00%	-	0.68%	(976,508)
SA Air Works India Private Limited	0.99%	24,937,580	4.34%	(7,502,528)	0.40%	121,543	5.17%	(7,380,985)
Empire Aircraft Management Services Pvt Ltd	0.53%	13,337,163	3.26%	(5,639,534)	1.67%	502,917	3.59%	(5,136,617)
Air Livery India Private Limited	-0.32%	(8,121,426)	1.68%	(2,909,520)	0.00%	-	2.04%	(2,909,520)
Foreign Subsidiaries								
Mach Air Sales Limited	0.00%	-	0.29%	(510,050)	0.00%	-	0.36%	(510,050)
Air Works France SAS	-0.04%	(1,017,051)	0.15%	(265,263)	0.00%	-	0.19%	(265,263)
Air Works UK Engineering Limited	28.95%	727,037,264	238.54%	(412,720,276)	61.31%	18,464,199	275.89%	(394,256,077)
Air Works Engineering FZE	-0.09%	(2,174,514)	0.25%	(439,322)	0.00%	-	0.31%	(439,322)
Air Livery Limited	32.27%	810,381,920	-25.57%	44,241,851	0.00%	-	-30.96%	44,241,851
Air Works Empire UK Limited	54.08%	1,358,302,580	-35.53%	61,471,867	0.00%	-	-43.02%	61,471,867
Air Livery ATE SAS	17.94%	450,504,034	1.06%	(1,836,057)	0.00%	-	1.28%	(1,836,057)
Aero Technique Espace	-2.31%	(57,948,625)	67.34%	(116,504,130)	0.00%	-	81.53%	(116,504,130)
Empire Aviation Group FZCO	22.66%	569,183,968	-87.01%	150,536,066	0.00%	-	-105.34%	150,536,066
Empire Aviation LLC	-1.65%	(41,357,964)	3.69%	(6,382,578)	0.00%	-	4.47%	(6,382,578)
Elan Air Charter Services FZCO	-0.33%	(8,188,666)	4.97%	(8,593,216)	0.00%	-	6.01%	(8,593,216)
Empire Aviation San Marino SARL	2.48%	62,210,534	-18.08%	31,281,925	0.00%	-	-21.89%	31,281,925
Non Controlling Interest								
Share of Non Controlling Interest	-0.11%	(2,754,524)	-7.53%	13,036,561	-0.20%	(59,556)	-9.08%	12,977,005
Joint Ventures								
Argus International Inc.	0.00%	-	10.94%	(18,925,909)	0.00%	-	13.24%	(18,925,909)
Acumen Aviation Europe Limited	0.00%	-	27.88%	(48,239,817)	0.00%	-	33.76%	(48,239,817)
Acumen Technical Advisory Pvt. Ltd	0.00%	-	-3.17%	5,491,483	-2.35%	(707,227)	-3.35%	4,784,256
Acumen Aviation Americas, Inc	0.00%	-	0.39%	(672,994)	0.00%	-	0.47%	(672,994)
Acumen Aviation Management Consultants (Beijing Limited)	0.00%	-	0.36%	(627,259)	0.00%	-	0.44%	(627,259)
Foreign Associate								
Reignwood Empire Aviation Limited	0.00%	-	3.90%	(6,747,509)	0.00%	-	4.72%	(6,747,509)
Consolidation Adjustment / Elimination	-167.58%	(4,208,681,350)	-118.25%	204,588,037	34.38%	10,354,196	-150.41%	214,942,233
Total	**100.00%**	**2,511,468,278**	**100.00%**	**(173,017,221)**	**100.00%**	**30,115,498**	**100.00%**	**(142,901,723)**

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Name of the Entity	March 31, 2017							
	Net Assets, i.e., total assets minus		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	INR	As % of consolidated Profit or Loss	INR	As % of consolidated Profit or Loss	INR	As % of consolidated Profit or Loss	INR
Parent Company		-						
Air Works India (Engineering) Private Limited	104.01%	2,825,593,080	-26.27%	(149,835,407)	1.27%	(933,935)	23.41%	(150,769,342)
Indian Subsidiaries								
Airworks MRO Services Private Limited	3.15%	95,438,471	0.11%	(633,101)	0.00%	-	0.10%	(633,101)
SA Air Works India Private Limited	1.19%	32,318,567	0.16%	(927,432)	0.29%	(215,101)	0.18%	(1,142,533)
Empire Aircraft Management Services Pvt Ltd	0.68%	18,473,780	-0.03%	199,177	0.00%	-	-0.03%	199,177
Air Livery India Private Limited	-0.19%	(5,211,908)	0.10%	(552,886)	0.00%	-	0.09%	(552,886)
Foreign Subsidiaries								
Mach Air Sales Limited	0.01%	287,898	0.38%	(2,178,205)	0.00%	-	0.34%	(2,178,205)
Air Works France SAS	-0.02%	(632,827)	0.04%	(209,949)	0.00%	-	0.03%	(209,949)
Air Works UK Engineering Limited	32.16%	873,522,858	85.94%	(490,092,997)	7.46%	(5,494,771)	76.96%	(495,587,768)
Air Works Engineering FZE	-0.06%	(1,726,481)	-0.03%	158,258	0.00%	-	-0.02%	158,258
Air Livery Limited	28.01%	760,900,581	-10.15%	57,886,569	0.00%	-	-8.99%	57,886,569
Air Works Empire UK Limited	47.67%	1,295,019,676	-0.60%	3,444,344	0.00%	-	-0.53%	3,444,344
Air Livery ATE SAS	16.73%	454,396,419	-1.45%	8,260,161	0.00%	-	-1.28%	8,260,161
Aero Technique Espace	2.88%	78,297,105	1.70%	(9,588,188)	0.00%	-	1.50%	(9,688,188)
Empire Aviation Group FZCO	18.04%	490,191,534	-27.79%	158,470,289	0.00%	-	-24.61%	158,470,289
Empire Aviation LLC	-1.28%	(34,727,109)	4.61%	(26,266,317)	0.00%	-	4.08%	(26,266,317)
Elan Air Charter Services FZCO	-0.05%	(1,275,500)	0.23%	(1,318,809)	0.00%	-	0.20%	(1,318,809)
Empire Aviation San Marino SARL	0.92%	24,923,424	-3.87%	22,072,967	0.00%	-	-3.43%	22,072,967
Non Controlling Interest								
Share of Non Controlling Interest	-0.58%	(15,836,455)	-0.08%	454,895	-0.14%	105,400	-0.09%	560,295
Joint Ventures								
Argus International Inc.	0.00%		5.10%	(29,095,966)	0.00%	-	4.52%	(29,095,966)
Acumen Aviation Europe Limited	0.00%	-	2.15%	(12,233,436)	0.00%	-	1.90%	(12,233,433)
Acumen Technical Advisory Pvt. Ltd.	0.00%	-	0.15%	(855,526)	0.00%	-	0.13%	(855,526)
Acumen Aviation Management Consultants (Beijing Limited)	0.00%	-	0.08%	(430,775)	0.00%	-	0.07%	(430,775)
Acumen Aviation Americas, Inc	0.00%	-	-0.23%	1,308,951	0.00%	-	-0.20%	1,308,951
Foreign Associate								
Reignwood Empire Aviation Limited	0.35%	9,532,215	0.00%	-	0.00%	-	0.00%	-
Consolidation Adjustment / Elimination	-153.61%	(4,172,931,161)	17.22%	(98,203,655)	91.13%	(67,163,993)	25.68%	(165,367,648)
Total	100.00%	2,716,554,075	100.00%	(570,267,023)	100.00%	(73,702,401)	100.00%	(643,969,426)

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Anil Gupta
Partner
Membership no.: 87921

Place: New Delhi
Date: November 21, 2018

S.R. BATLIBOI & CO. LLP NEW DELHI

For and on behalf of the board of directors of
Air Works India (Engineering) Private Limited

Ravi S. Menon
Executive Director
DIN: 00327180
Place: Mumbai
Date: November 21, 2018

Luv Chhabra
Director
DIN: 00005413
Place: Gurgaon
Date: November 21, 2018

D Anand Bhaskar
Chief Executive Officer
Place: Gurgaon
Date: November 21, 2018

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Amount in INR

Sl. No.	Particulars	Subsidiary Details									
1.	Name of the subsidiary	**Aero Technique Espace**	**Airworks Empire UK Ltd.**	**Air Works UK Engineering Limited**	**Empire Aircraft Management Services Pvt Ltd**	**Empire Aviation Group FZCO**	**Elan Air Charter Services FZCO**	**Empire Aviation San Marino SRL**	**Empire Aviation LLC**	**Mach Air Sales Limited**	**SA Air Works India Private Limited**
2.	The date since when the subsidiary was acquired / incorporated	January 14, 2013	December 21, 2012	December 05, 2009	September 09, 2013	June 07, 2012	March 12, 2017	July 27, 2015	April 3, 2014	April 08, 2008	March 29, 2010
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March	April to March	April to March	April to March	April to March	April to March	April to March	April to March	April to March
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreignsubsidiaries	Year end Rate - EUR /INR 80.220 Year av. rate - EUR /INR 75.4422	Year end rate - USD/INR - 65.1750 Year av. rate - USD/INR 64.4525	Year end rate - USD/INR - 65.1750 Year av. rate - USD/INR 64.4525	Year end Rate - Rs.1 Year av. rate - Rs. 1	Year end Rate - AED /INR 17.654 Year av. rate - AED /INR 18.252	Year end Rate - AED /INR 17.654 Year av. rate - AED /INR 18.252	Year end Rate - EUR /INR 69.072 Year av. rate - EUR /INR 73.5640	Year end rate - USD/INR - 65.1750 Year av. rate - USD/INR 64.4525	Year end rate - USD/INR - 65.1750 Year av. rate - USD/INR 64.4525	Year end Rate - Rs.1 Year av. rate - Rs. 1
5.	Share capital	51,291,277	99,707	1,310,021,588	20,000,000	9,179,632	1,772,500	1,922,165	5,714,322	-	16,538,470
6.	Reserves & surplus	(109,239,902)	1,304,844,582	(582,984,324)	(6,662,837)	560,004,336	(9,961,166)	60,288,369	(47,072,286)	-	8,399,109
7.	Total assets	371,621,797	1,305,064,227	3,558,772,334	138,614,262	1,222,049,283	3,105,402	377,629,225	29,819,958	-	137,431,711
8.	Total Liabilities	429,570,422	119,938	2,831,735,071	125,277,099	652,865,315	11,294,069	315,418,691	71,177,922	-	112,494,353
9.	Investments	-	1,074,556,500	3,427,312,764	-	19,023,010	-	-	-	-	-
10.	Turnover	**796,261,933**	-	**82,059,114**	**299,306,870**	578,036,946	**288,219,694**	**467,821,149**	**24,975,344**	-	**186,299,192**
11.	Profit / (Loss) before taxation	(116,504,130)	10,016,794	(180,393,008)	(5,639,534)	150,536,066	(8,593,216)	32,893,288	(6,382,578)	(510,050)	(4,239,378)
12.	Provision for taxation	-	1,903,218	(16,004,200)	-	-	-	1,611,363	-	-	3,263,149
13.	Profit / (Loss) after taxation	(116,504,130)	8,113,576	(164,388,808)	(5,639,534)	150,536,066	(8,593,216)	31,281,925	(6,382,578)	(510,050)	(7,502,527)
14.	Dividend Paid	-	-	-	-	-	-	-	-	-	-
15.	% of shareholding	100.00%	100.00%	100.00%	100.00%	72.00%	72.00%	72.00%	57.60%	100.00%	51.00%

Notes:

1. Mach Air Sales Limited - wound up on September 21, 2017
2. Airworks Engineering FZE - Trading liscence cancelled on April 4, 2017. Process of winding up initiated

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S.R. BATLIBOI & CO. LLP * NEW DELHI *

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of associates/Joint Ventures	Acumen Aviation Europe Limited	Argus International Inc.	Reignwood Empire Aviation Limited
1.	Latest audited Balance Sheet Date	N/a	N/a	N/a
2.	Date on which the Associate or Joint Venture was associated or acquired	March 13, 2015	August 06, 2015	November 17, 2015
3.	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	-	-	-
	Amount of Investment in Associates/Joint Venture (in INR)*			
	Extend of Holding%			
4.	Description of how there is significant influence	Through % of holding	Through % of holding	Through % of holding
5.	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable (as the audit was not done at the year end)	Not Applicable (as the audit was not done at the year end)	Not Applicable (as the audit was not done at the year end)
7.	Profit/Loss for the year	-	-	-
i.	Considered in Consolidation	(44,756,133)	(18,925,909)	(6,747,509)
ii.	Not Considered in Consolidation	(44,756,133)	(26,479,782)	(7,022,918)

* Investment amount includes investment directly done by Air Works India (Engineering) Private Limited in its immediate subsidiaries and associates.

For and on behalf of the board of directors of
Air Works India (Engineering) Private Limited

Ravi S. Menon
Executive Director
DIN: 00327150
Place: Mumbai
Date: November 21, 2018

Luv Chhabra
Director
DIN: 00005413
Place : Gurgaon
Date: November 21, 2018

D Anand Bhaskar
Chief Executive Officer

Place : Gurgaon
Date: November 21, 2018